

Spain Entrepreneurial Nation





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Spain Entrepreneurial
Nation

Foreword by the President of the Government



A country is defined not by what it yearned to accomplish, but by what it ultimately accomplished.

Let us think about some of the most relevant milestones in history, the discoveries and achievements that brought a change of an era due to the complete cultural transformation they implied: the printing press, the steam engine, and the computer.

Behind all these milestones there were brilliant minds and geniuses. But above all, it was the people and entire nations that created the basic conditions for those avant-garde spirits to develop. These were dynamic, hard-working nations with a desire to share and transform.

This is what we long for Spain to become. **An entrepreneurial and modernising nation that can create sufficient opportunities for all its citizens.**

Approximately four decades ago, the seemingly solid foundations of the production network across the planet – as well as in our own country – were challenged by the sudden explosion of the internet into our lives. It transformed the way we communicate. It changed the way we consume. Markets, finance, coexistence, science, education, and mass communication were all transformed. And this led to the adoption of new economic policies at a global scale.

This event prompted many debates in all sectors of the economy, because, throughout history, we have always searched for answers in the face of new changes. And if the eruption of disruptive technologies generated temporary uncertainty in traditional business models, it also created well-founded hope for the future. It was simply a matter of adapting.



The media considered how information should be viewed in the future, and whether, for instance, the printed word would end up disappearing. New buildings were conceived by the architecture sector based on the Internet of things. Contents of all genres were being digitalised. In the field of health, the Internet of bodies was already being discussed. And, universities started researching social behaviours based on the data produced by our use of new telephone networks. This was all in line with the pace of contemporary industry: a constant renewal at a vertiginous pace.

We were fully aware that the world was changing. Politics, and the way many politicians behaved, were changing too.

The 2008 crisis hit Spain rather severely, depleting both market confidence, and citizens' trust in institutions and its representatives. One of the main causes for this was a production model that was excessively dependent on the real estate sector. The 2008 crisis undermined all hope for young people, for stability, for women's future prospects, for the security of those over the age of 50, and for the dreams of many immigrants.

Thus, in our recent democratic history, we had to face two significant disturbances: a radical transformation of our civilisation model and a severe economic crisis. Yet in spite of all this, we were able to take giant leaps.

Back in 1980, our country was nothing like what it was in 2008. And likewise in 2008, it was a far cry from how we lived in 2020. Hence, **we do not want Spain to remain as it was in 2020 when we reach 2030**. Looking to the past is vital to learn from our mistakes, and therefore, to discern what we should do. We must look to the future.

Before citizens had a chance to properly recover from the 2008 crisis, Spain had to endure the health, economic and social emergency caused by a pandemic that also shook the foundation of every nation on the planet to the core. COVID-19 has taken the lives of many fellow citizens, and has forced us to take drastic measures. The weaknesses of our system have also been exposed – weaknesses we must urgently amend at a global scale both in Spain and across the world.

This pandemic has also proven that the public system is the best barrier in the face of adversity. It has reminded us all of how vulnerable a species we are, particularly when unprepared. And it has once again highlighted the fact that **no one should be content with simply surviving throughout life: every human being deserves to live decently and to have dignified employment**.

2020 will always be remembered as the year of the pandemic; yet, 2021 shall be remembered as the year of **vaccinations and recovery**. This recovery must be truly comprehensive to build the society we want, and to permanently turn Spain into a nation ripe with opportunities.

If anything defines a country, it is the planning of its future projects and the transformation it undertakes to make these outcomes possible.

We have often voiced Spain's aspirations with cautious prudence, usually from the premise of our limitations. And it should not be the case as **Spain can achieve any goal it sets its sights on**. These are ambitious and formidable goals on a par with every other great nation in the world.

We know the present is full of hardship. But we have the resources and the talent to bolster our optimism. We have an agreement with the European Council that stipulates financing for Spain of up to **140,000 million euros over the next six years**. We have a National Recovery, Transformation and Resilience Plan that will lay the



roadmap to solving the challenges we shall face in the forthcoming decade. We are counting on the strategy put forward in this book: Spain Entrepreneurial Nation. And we are counting on the commitment and on the skills of our nation's citizens.

Previously, Spain needed momentum in terms of **digital transformation**. Now, the weight of this momentum is even more significant. And, therefore, the current situation is forcing us to expand areas such as e-commerce, teleworking, online education and remote health care.

Previously, Spain required an **ecological transition**. Now, said requirement is an absolute necessity. We shall gain an extraordinary economic boost with the adoption of clean energies and the consequent changes this transition will bring forward; one we need more than ever. Employment quality can only go hand-in-hand with the search for sustainable wealth. Our country already has companies that work to halt the consumption of plastics and waste products. These same companies only use recycled materials or provide their customers with 100% clean energy. A company may use data to boost marketing campaigns, but it can also use the same data to better the environment.

Previously, Spain needed to improve its **social and TERRITORIAL unity**. Now, the new crisis makes this essential. We can no longer tolerate inequality. We must close the gaps and put an end to extreme poverty, something we have started to tackle through the forthcoming approval of the Minimum Living Income. We must eradicate child poverty, as it hampers a basic principle of freedom: to have equal opportunities for a dignified life. We also have the responsibility of providing rural Spain and the islands with the ability to generate opportunities, and to guarantee services and rights that allow for the increasingly harmonious and sustainable economic development of our country.

At one time, Spain needed to establish its **feminist agenda**. Today, this need is more evident than ever. We are aware of the current state of affairs. Women are the ones that have suffered the social and economic consequences of this crisis much more acutely. They have dedicated more time and effort to caring for others. Gender equality is not only a question of social justice; it is also a powerful engine for economic, social, scientific and academic growth. It strengthens our democracy and makes our country more competitive, through inclusive and sustainable growth.

These are the transformations Spain needs, and this is the course we have set. **It will only be possible through innovation, entrepreneurship, and raising our talent in the long run.** And this will only be possible if we are able to create unity between political, institutional and business players. Again, it will only be possible within the framework of partnership and collaboration. And it can only come to be if we all participate.

Leadership must be present in each of us, whatever our task may be. It must be present across the board, starting from the shop assistant to the CEO of a company or from a farmer to a technology entrepreneur. We are all indispensable in this entrepreneurial mission. We must all demonstrate our uniqueness. Our successful transformation will depend on the sum of all the diverse and inclusive leadership models our country has to offer.

But of course, the State must fulfil its given role in modern society: to create the necessary conditions so that individuals and businesses may grow and be enterprising. The pandemic has provided us with a clear example of this: public funding has played a key role in the development of vaccines.

It is clear that governments and administrations have a duty to take the lead and to embrace everything that needs public support and impetus, particularly when it is essential for the common good. This has always been the path to real progress.



Technological progress will strengthen the community ties that are vital to reaffirm the safety net that will make us an exemplary country. Spain's future will be based on modernising goals, driven by innovation, education and new production models that are attractive for investment.

Spain must portray itself as a country in motion. We will only achieve this if we transform information into knowledge; if we manage to drive a long-term national mission that runs over the course of ten, fifteen or twenty years, and, if we can improve our ability to predict and foresee the ecosystem of our production sectors.

The present moment is exciting. Today we are more digitalised than ever. Every day there are more users on booming platforms. Banking is now mobile. We face an increasingly vigilant, active and savvy society. In the era of constant data monitoring, citizens have the leading role. Cities are increasingly more inhabitable, but they must also guarantee our social wellbeing. This is also the case with rural environments, which need to reclaim their lost space in society. Buildings need to be smarter, and more energy-efficient. And, knowledge must drive political and private decision making in order to build increasingly fairer and more egalitarian democracies.

We need to have the people at the heart of all this. The aim is not to multiply our GDP or to reach useless goals. We will only be able to claim our mission is complete when we have improved the wellbeing of all our citizens with a quality of life that provides us with quality time and the opportunity to focus on personal development, and that also allows us to care for others, and to be cared for.

If Spain believes in Spain, the sky is our limit. We have an extraordinary and commendable country. Let us transform it into a more prosperous and competitive nation; **into an Entrepreneurial Nation.**

To envision the Spain we want to transform into is a truly exciting challenge. And we will achieve it. Because Spain can.

Pedro Sánchez

President of the Government of Spain







01.

Executive Summary



In a globalised world where innovation is the main driving force for economic development, **Spain cannot be left behind**. Innovative countries have stronger economies and are structurally more resilient to crises, which helps safeguard their standard of living and quality of life and, above all, their Welfare state.

Crises have a direct impact on people's welfare and wellbeing. The financial global crisis of 2008 hit Spain particularly hard because of its productivity model, but also, due to the configuration of its labour market. The COVID-19 crisis has highlighted the pressing need to invest in innovation in order to become more resilient.

The Spain Entrepreneurial Nation Strategy is a key component for the economic and social transformation of our country. The quest to find innovative and agile solutions when facing new challenges has resulted in a portion of the innovative ecosystem being more resilient in withstanding the economic blow of the pandemic – keeping its operational capacity almost intact and being able to offer solutions to the market during turbulent times. If this Strategy delivers and deploys its full potential over the next decade, the current strength, adaptability and resilience found in today's innovative ecosystem can reach more parts of our productive network, and thus, reduce the impact of any future crisis.



The productivity challenge as a guarantee of resilience when facing a crisis

This Strategy advocates for a change in national productivity and tackles the challenge of production as a guarantee of greater resilience in crisis situations, and hence, strengthens the growth of the economy, and the wellbeing of citizens.

This Strategy identifies three levers on which to improve national productivity. Firstly, by improving education, which is known to have positive long-term effects. Secondly, we must highlight the impact of Research, Development and Innovation (R&D+i), which can have medium-term effects on the economy. And lastly, we must focus on innovative entrepreneurship. Over the last two decades or so, many economies have had this tool at their disposal, which in the short term, is proven to have an impact on productivity growth.

Innovative entrepreneurship represents a small sector of the economy that can generate enormous returns on productivity. It also has the great potential to generate employment and economic growth. According to the OECD, 4 to 6% of high-growth firms produce between half and three-quarters of net employment in developed nations.

In terms of innovative entrepreneurship, we have decided to build an all-encompassing goal for our country that provides the best possible framework for this sector. Thus, it occupies a central place in a model plan that seeks to generate virtuous circles within Spain's main driving economic sectors. These sectors represent the country's main economic strengths. This is a national mission plan that guarantees inclusion. This mission leaves no one behind and focuses on closing the most significant social gaps in our country; gaps that hinder our potential as a nation, and therefore, the development of our citizens' life goals.

A National Mission

The Strategy Spain Entrepreneurial Nation is structured as a national mission that proposes a long-term vision for Spain's transformation. A national mission, a concept developed by the Italian-American economist, Mariana Mazzucato, is a tool at the disposal of governments to align efforts and resources around a goal that is truly in the interests of its population. The state must regain its role of doing what no one else can: funding cutting-edge research, and being game-changers by bringing forth disruptive innovation.

In her report *Mission-Oriented Research & Innovation in the European Union*, published in 2018, Mazzucato argues that the State has a responsibility to propel innovation and, particularly strategic long-term innovation.

Within this framework, the Spanish Government has designed its first national mission through its High Commissioner for Spain Entrepreneurial Nation. This national mission outlines a clear goal to create a new economic model based on the pillars of innovative entrepreneurship, the driving economic sectors that make up Spain's economic productivity model, and inclusive development.

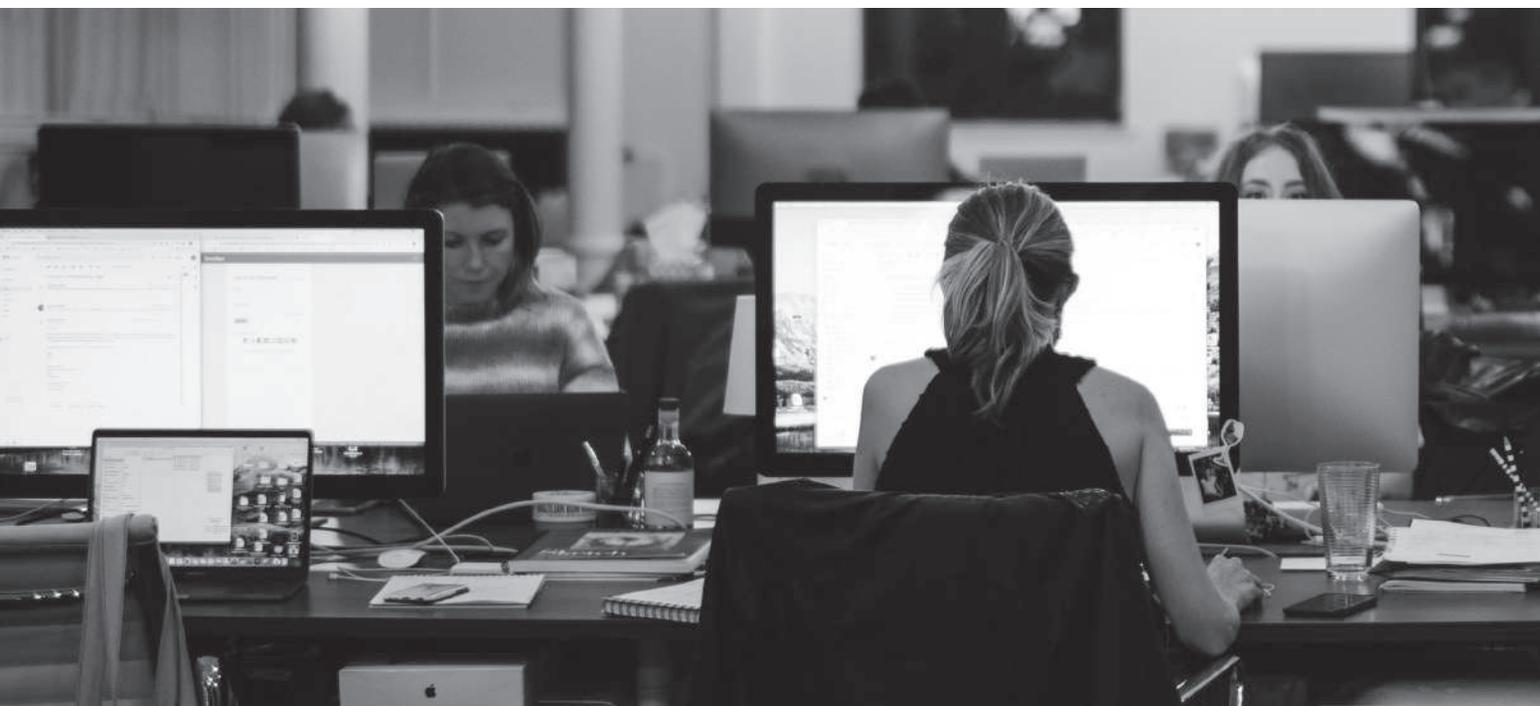
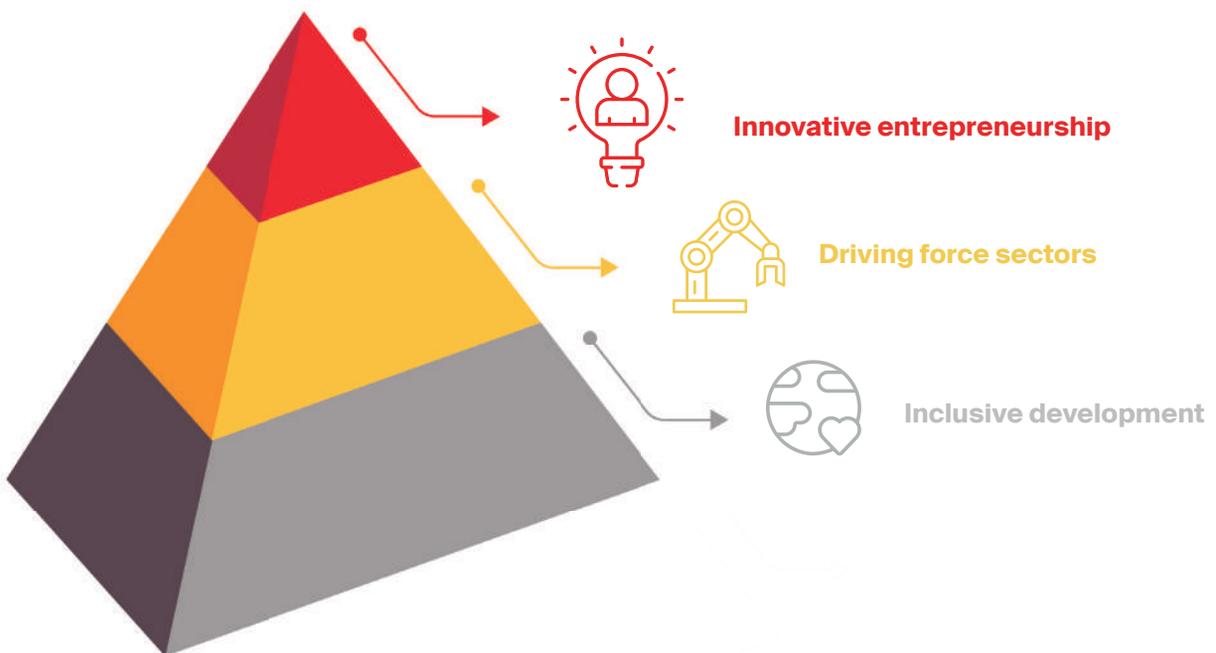




The Spain Entrepreneurial Nation Strategy

The Spain Entrepreneurial Nation Strategy has been developed to turn a vision into reality with the goal of Spain becoming an Entrepreneurial Nation by 2030, creating and spearheading a new innovative entrepreneurship economic model for other countries to adopt and model. A nation that will not only stimulate massive growth of this economic sector, but will generate virtuous circles within innovative entrepreneurship as well as within the country's driving economic sectors. In turn, this will increase economic productivity and generate quality employment for as many people as possible through the stimulus of innovative growth. An Entrepreneurial Nation that will have been built upon policies that seek inclusive development, leaving no one behind. In short, this Strategy lays the foundation for changing Spain's national productivity as we know it today.

The innovative entrepreneurship model is as follows:



1. Innovative entrepreneurship is found at the top of the pyramid; this is a small sector of the Spanish economy that is also extraordinarily productive and efficient. The aim is for the sector to have as much output and influence as possible, so that its strengths may permeate to other national economic sectors, generating virtuous circles along with large industrial sectors.

In order to foster growth at the top of the pyramid, this Strategy outlines the vital measures required to achieve the following four goals:



Firstly, **the Investment goal**. This Strategy aims to accelerate the investment cycle in Spain. We must increase our investment capabilities in parallel with the growth of our companies so that through they may establish and maintain their operating base in Spain during their entire growth cycle.



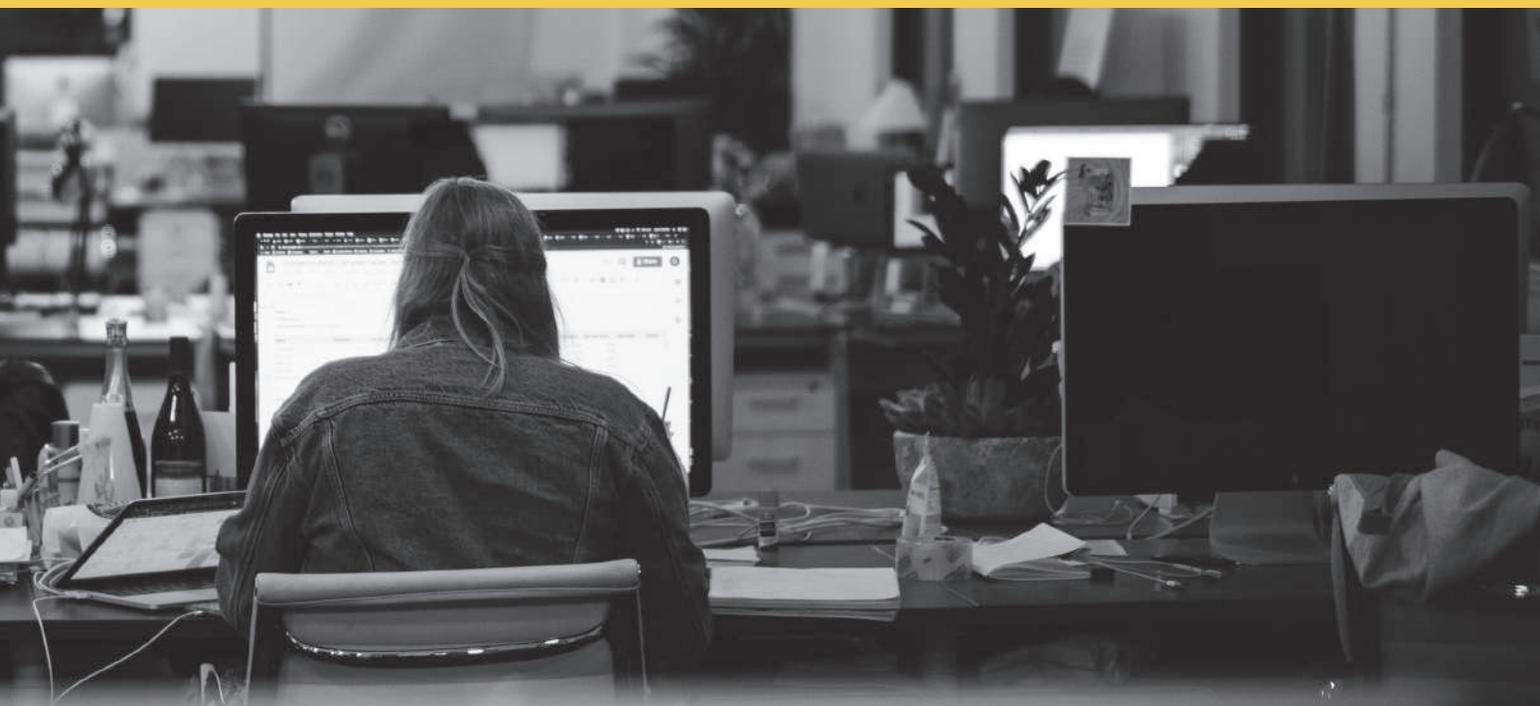
Secondly, **the Talent goal**. Spain must develop, attract, and retain talent. This is the true international competition of the 21st century. In order to make Spain an Entrepreneurial Nation, we must turn our country into a talent paradise.



Thirdly, **the Scalability goal**. The small size of Spanish companies impacts the survival potential of these companies as well as the strength of the country's economy. In the innovative entrepreneurship sector, many companies understand success to be whether the business is sold at an early stage or not. While this idea is perfectly legitimate, if we want to make Spain an Entrepreneurial Nation it is necessary for such companies to scale up. Therefore, the metrics for this goal aim to ensure that Spain has a continuous, incremental number of companies, which rather than selling, can grow thanks to a business environment that nurtures growth. By scaling up, these companies become great champions of job creation for thousands of people in the future.



And fourthly, **the Entrepreneurial Public Sector goal**. This Strategy proposes turning the public administration into an agile administration, which generates favourable regulatory frameworks and promotes projects that not even the riskiest venture capital fund could promote. In short, the administration should become the visible hand that pushes the lever of innovation, industrialisation, and inclusion.



2. Innovative entrepreneurship must create virtuous circles along with the country's driving force sectors (herein represented in the middle of the pyramid), where we find the country's main driving force sectors. These production sectors, along with leading companies in the Spanish economy, must wield said innovation to increase productivity in order to become increasingly competitive, and thus, gain the ability to generate more jobs and better jobs.

The Strategy leans on the prime production sectors of the Spanish economy, those in which it is best positioned to compete globally, and those where the impact of innovation can generate greater returns for the economy and for society as a whole.

These sectors bring together the necessary competencies, enabling our country to respond to global challenges and tests, generating opportunities for new market development, companies, and people.



3. The base of the pyramid represents Inclusion policies. These policies aim to close the gaps that these transitions generate, gaps that are not automatically resolved on their own. The main goal of these policies is the pursuit of sustainable development, and to ensure an overall reduction of the following gaps:



THE GENDER GAP



THE SOCIOECONOMIC GAP



THE TERRITORIAL GAP



THE GENERATIONAL GAP

Strategic Measures for Spain Entrepreneurial Nation

The **Spain Entrepreneurial Nation Strategy** proposes the implementation of a set of 50 measures by different ministerial departments. These measures lay the foundation for innovation and productivity to be a cross-cutting phenomenon: a phenomenon that is superimposed onto the different driving force sectors of our economy. The aim is to achieve this goal without harming jobs or wages, and to generate a greater number of jobs and better quality employment without leaving anyone behind.

These measures are aimed at achieving the four goals proposed within the Strategy: accelerating the investment cycle in Spain; attracting, developing, and retaining talent; promoting scalability; and, creating an entrepreneurial public sector.

Priority Measures

- 1 A Brand for Spain Entrepreneurial Nation
- 2 Establishment of the National Office for Entrepreneurship (ONE)
- 3 Promotion of the Startup Ecosystem Act
- 4 RENACE. National Network of Entrepreneurship Centres
- 5 Scaleup Spain: Support for Scalability
- 6 International Programme to Attract Female Talent
- 7 Visa Permit Programme
- 8 Flagship Programme
- 9 Public Procurement as a Driver of Innovation

Investment

- 10 National Plan for Social Entrepreneurship
- 11 Streamlined Processing of the NIE (ID card) for Foreign Investors
- 12 Bringing Company Headquarters to Spain
- 13 Stock options
- 14 Private Seed-Stage Investment
- 15 Women in Investment
- 16 Pension Plans
- 17 Debt Investment
- 18 Family Offices Investment
- 19 Alternative Markets
- 20 Boosting the Transfer and Sharing of Knowledge
- 21 Enisa & CDTI Resources
- 22 Boosting Open Innovation
- 23 Private Sector R&D+i



Entrepreneurial Public Sector

- 24 Sandbox: Public Testing Environments
- 25 Smart Regulation
- 26 Open Public Data
- 27 User Experience Design for Citizens and Businesses
- 28 Enterprising Public Service
- 29 Special Regime for Self-Employed Workers
- 30 Visa for Digital & Tech Nomads
- 31 Innovative SMEs in Public Tenders
- 32 Assessing Public Initiatives with Social and Environmental Impact as Criteria
- 33 Equal Gender Representation in Public Administration Events
- 34 Gender Equality Criteria in Public Procurement

Scalability

- 35 International Partnership Strategy
- 36 Knowledge Transfer Offices (KTOs)
- 37 Flexibility for Teachers and Researchers (T&R)
- 38 Merit Acknowledgement for Researchers
- 39 Technology Centres & Science and Technology Parks
- 40 National Defence as a Driver for Innovative Entrepreneurship
- 41 Innovative Urban Economic Development
- 42 Territorial Development of Innovative Entrepreneurship

Talent

- 43 Education and Entrepreneurship
- 44 Universities and Entrepreneurship
- 45 Innovative Vocational Training
- 46 Lifelong Learning
- 47 Monitoring the Gender Gap in the Field of Innovative Entrepreneurship through the INE (National Institute of Statistics of Spain)
- 48 STEAM Careers Amongst Women
- 49 Sponsorship and Mentoring of Women
- 50 Senior Talent



Key players in an Entrepreneurial Nation

The **Spain Entrepreneurial Nation Strategy** will require the mobilisation of different players at national, regional, provincial and local level, both public and private, as well as the committed participation of all public administrations, and the involvement of different administrative levels throughout the national territory.

The key players will be the Ministries and their corresponding autonomous bodies. However, the scope for this Strategy objective has been broadened in order to involve as many players as possible. Therefore, it is open to the autonomous communities; provincial, regional, and island councils; local entities; schools and institutes; academia, training centres, universities and business schools; R&D+i centres; knowledge transfer offices; science and technology parks, and business centres; entrepreneurs; the business community; funders and investors; accelerators, incubators and venture builders; facilitators, foundations, federations, associations, as well as all citizens and civil society.

The Entrepreneurial Nation with the greatest social impact in history

The Spain Entrepreneurial Nation Strategy is the framework that will impulse the national transformation that will be driven by the nation as a whole. In order to become the next Entrepreneurial Nation we must all work together. Our national mission calls upon the entire nation to come together.

This is one of those moments where our national history changes. The mission outlined in this Strategy is a call for us to unite. Spain Entrepreneurial Nation is the opportunity to move towards building a country that leaves no one behind.

The Strategy extrapolated in the following pages outlines the roadmap that will transform Spain into the Entrepreneurial Nation with the greatest social impact in history.







02.

EN-ROUTE TOWARDS AN ENTREPRENEURIAL NATION



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There are moments in a country's history where a decision has the potential to radically transform its future. This decision has the ability to redefine its trajectory, its growth, and even its character. Spain is no exception. In just a few decades our democracy has faced many difficulties, and the choices made have marked the course of our recent history.

Now, once again, **Spain faces an almost existential dilemma:** Do we want to continue to be the same country accustomed to following rather than leading? Or, on the contrary, do we want to be the ship that leads the fleet?

In a globalised world, where technology and innovation are the main engines of economic development, **Spain cannot lag behind.** The opportunity is clear: innovative countries have stronger economies and are structurally more resilient to crises, which safeguard our standard and quality of life and, above all, our welfare.

This is not the first time this debate has arisen in Spanish society. A little more than a century ago, when the generation of 98 reflected on Spain's place in the world; two young people engaged in a deep discussion about what the role of our country should be in the new century. These young men were José Ortega y Gasset and Miguel de Unamuno. Their intellectual battles left memorable aphorisms, such as *Let them invent!* from Unamuno; three sad words that are still a burden today, a burden we must – and need to – do away with.

Ever since Unamuno presented his thesis on innovation, many have insisted on the need to banish this proclamation with a clear antithesis: Spain cannot allow itself to remain at the tail end of innovation. Nevertheless, what have we learned? Let's speak plainly: not enough despite the our efforts and notable progress. Spain's current state of innovation can be improved substantially. This can be seen by Spain's position in various innovation indexes, both in Europe and globally, or by the investment devoted to national R&D+i or education. In summary: Spain does not hold a relevant place in the group of countries leading innovation and is not demonstrating the ability to capture the value that accompanies innovation leadership. Consequently, there is an opportunity cost in terms of growth and creation of quality employment .

As such, we have a lot to do and no time to lose. There will certainly always be situations beyond our control that put Spain and our economy up against the ropes. But we do indeed have control over how well-prepared we are for these jolts, and over the tools and infrastructure we have created to prevent the Spanish economy from running aground.

This vision of the future – that is defined and claimed as its own in the Spain Entrepreneurial Nation Strategy – calls on us to work for **a more innovative, more productive, and, at the same time, more inclusive country.** It is a difficult, but necessary task.

2.1.

Productivity Challenge as a Guarantee of Resilience when Facing a Crisis

The global economic and financial crisis of 2008 affected our country with particular harshness¹ for several reasons. One of them was the Spanish production model²; another, Spain's labour market. While high-skilled jobs³ and jobs with high added value suffered the least, the jobs with the worst conditions were destroyed and ravaged the most including jobs held by young people, workers over 50, and immigrants.

¹ Keeley, B., y P. Love (2011): *De la crisis a la recuperación: Causas, desarrollo y consecuencias de la Gran Recesión*, OECD Publishing. <http://dx.doi.org/10.1787/9789264168022-es>

² OCDE (2010): *España después de la crisis: un nuevo modelo de crecimiento*. <https://www.oecd.org/about/secretary-general/espaadespuesdelacrisisunnuevomodelodecrecimiento.htm>

³ Keeley, B., y P. Love (2011): *De la crisis a la recuperación: Causas, desarrollo y consecuencias de la Gran Recesión*, OECD Publishing. <http://dx.doi.org/10.1787/9789264168022-es>



According to the Bank of Spain, the 2008 crisis revealed “the importance of fostering a more balanced and sustainable growth pattern in the long term”

With peak unemployment affecting more than five million people in 2013⁴ and an unemployment rate of more than 26% – reaching 55.98% among young people⁵ – the impact on the economy was brutal and long-lasting⁶. Therefore, and as pointed out by the Bank of Spain, the 2008 crisis revealed “the importance of fostering a more balanced and sustainable growth pattern in the long term”.⁷

Given that productivity is calculated by dividing total output by the number of workers, productivity in Spain is countercyclical: it grows when jobs are destroyed, and decreases – even reaching negative growth rates – when jobs are created⁸. The reason being that in boom times, companies tend to leverage growth in low-skilled – and thus cheaper – labour, labour subject to termination should the economic cycle change again. Consequently, this is an **unacceptable model**.

The alternative, however, is clear: we must take advantage of periods of economic expansion to invest in productivity for the medium and long term and, by extension, commit to greater competitiveness. So how can this be done? By allocating efforts and resources to innovation.

Over the past two decades, Spain has been unable to capitalise on the technological revolution. If the pace of growth in the EU-15 had been maintained, the cumulative value of the effects of digitalisation in Spain between 1996 and 2017 would have reached 310,364 million euros, equivalent to 30.7% of GDP. This statistic is starkly contrasted to the actual GDP reached: 57,841 million euros or 5.7% of GDP⁹.

Moreover, **there will not be true economic growth in Spain if workers, both men and women, are poor**. Innovation must make decisive contributions to ensuring that society and economic growth are fair, sustainable, and inclusive. Productivity in the business sector cannot take place to the detriment of working conditions of workers or of employment

⁴ SEPE: *Datos nacionales de paro registrado 2001-2020*. <https://www.sepe.es/HomeSepe/que-es-el-sepe/estadisticas/datos-avance/paro.html>

⁵ INE: *Tasas de paro por distintos grupos de edad, sexo y comunidad autónoma*. <https://www.ine.es/jaxiT3/Tabla.htm?t=4247>

⁶ Real Instituto Elcano (2017): *The conundrum of Spain's recovering economy and stubbornly high unemployment*.

⁷ Banco de España (2017): *Informe sobre la crisis financiera y bancaria de España 2008-2014*.

https://www.bde.es/bde/es/secciones/informes/Otras_publicacio/informe-sobre-la/

⁸ BBVA Research (2020): *(Im)productividad: ¿la enfermedad española?*

<https://www.bbva.com/es/publicaciones/espana-improductividad-la-enfermedad-espanola/>

⁹ Minsait (2018): *Informe sobre la madurez digital en España*.

<https://www.minsait.com/es/actualidad/insights/informe-minsait-sobre-la-madurez-digital-en-espana#>

itself. It is only through secure jobs, decent wages, a better quality of life, and valued products and services valued on the market that will we achieve a type of production that creates the positive externalities we hope for.

In short, if we had opted for this alternative model in Spain in 2014 we would not only have improved in productivity and competitiveness today, but also on two other key fronts: the reduction of inequality and job insecurity. This simply means that the opportunity is still there, and that it is our decision to now start transforming our production model.

If possible, this need is even more pressing following the situation created by the COVID-19 health crisis, its economic and social repercussions, and its still unknown effects. The COVID-19 crisis has highlighted the need to invest in innovation in order to be more resilient. **The Spain Entrepreneurial Nation Strategy is a key element in the economic and social transformation of our country**. As we have seen during this crisis, the need to find innovative and agile solutions to new challenges has created a situation where part of the innovative ecosystem has strongly resisted the blow from the pandemic, while maintaining its operational capacity almost intact. This, in turn, has offered solutions to the market in turbulent times. This type of strength, adaptability, and resilience can be transferred to more parts of our production network. This transference will be possible if this Strategy realises its potential over the coming years, even while facing enormous forces of change, such as the ecological transition or digitalisation.

The certainty that any future crisis and technological revolution will destroy lower-skilled jobs first is our main incentive to advocate for **an urgent change in Spain's production model** and to commit to three levers to drive this transformation. The three levers are: **education**, with a long-term impact; **research, development and**



The COVID-19 crisis has highlighted the need to invest in innovation in order to be more resilient.



innovation (R&D+i), with a medium-term impact; and **innovative entrepreneurship**, with an immediate impact in the short term and visible impact in the medium to long term because – as the OECD continuously states¹⁰ – these ventures are the types of enterprises that create higher productivity and deliver greater returns in a shorter time horizon.



The first level: Education

Education is the fundamental pillar of knowledge-based societies and economies. As well as being the catalyst for a country's talent, it is the key mechanism for cohesion and social progress.

When we talk about productivity, education is also a determining component as it is directly linked to the productivity of labour input and worker productivity. Furthermore, there is a direct correlation between the level of education achieved and a person's salary, known as profitability of personal education. It should be added that in a business environment where the jobs of the future do not yet exist, education cannot be limited to training in specific tasks or skills, but rather must take on a more ambitious role: teaching how to think rather than execute, instilling the value of knowing how to learn, and inspiring imagination and thinking big instead of obeying and following established lines.

¹⁰In the report entitled OECD-Eurostat Report Manual on Business Demography Statistics (2007), the OECD underscores the impact of high-growth companies on the creation of employment and income.

We must aspire to having our educational system nourish young people with knowledge and skills so they can face any life or professional challenge with ingenuity and a can-do attitude. Furthermore, it is essential for the development of an entrepreneurial and innovative culture that young people are educated and convinced of the value and usefulness of their education. In this regard, the development of **STEAM careers** (Science, Technology, Engineering, Art, and Mathematics) must be a priority.

Vocational Training also has enormous potential to contribute to the transformation of culture and the production network. Practical guidance, adaptation of the curriculum, and the inclusion of transversal abilities are opportunities offered by VT, which is prepared to develop talent that meets market and societal needs.

Moreover, in the 21st century **continuing education** should be a constant throughout all professional stages and life phases. Lifelong training and educational recycling are the only way to deal with two phenomena that happen in parallel in today's work environment: the rapid destruction of certain professions and the creation of new ones, mainly in the fields of technology, innovation, and innovative entrepreneurship.



The second lever: Research, development and innovation (R&D+i)

The role of **R&D+i** as a process to create new knowledge, new products or new services is another pillar on which prosperous societies are built, and it is an essential element in the creation of economic growth and business activity. The situation experienced from the health crisis caused by the COVID-19 pandemic is a good example of this: an unprecedented race to find a vaccine, one of the fastest research efforts in history. But it was also one of those historical moments that pushed the entire innovative ecosystem forward to find fast and effective solutions to the health emergency. This ranged from the creation of respirators or use of additive manufacturing (also known as 3D printing), to the development of applications for patient triage.

Furthermore, the fruits of R&D+i tend to have an effect on productivity since they are closely related to one of the main factors that defines production: **technical advancement**. Historically, however, the timeframe for a new technology to become mainstream and have real overall impact on productivity has tended to be long. This has been seen in fa-

mous cases such as the printing press or steam engine, and also appears to be happening with recent technological innovations such as artificial intelligence or big data. This is why return on investment in R&D+i must be assessed for the medium term.

The essential function of promoting and investing in R&D+i is a **co-responsibility of the pu-**



We must aspire to having our educational system nourish young people with knowledge and skills so they can face any life or professional challenge with ingenuity and a can-do attitude.



public and private sectors, although it is the public sector that is best prepared to take the lead. The reason is that the State is in a position to make riskier and more ambitious investment decisions, given that it will not be asked to show returns in the short term, which is the case in the private sector. Nevertheless, this initiative could not thrive without the other side of the coin: the network of private businesses. It is crucial that companies also feel compelled to invest in innovation as a secure way to ensure their productivity and competitiveness in the medium and long term, and to lean on investments and developments made by the government to create new business opportunities. For companies, the Spain Entrepreneurial Nation mission is presented as an **ally to guide their investment efforts in innovation over the medium and long term**, with the hope of working together to produce immediate returns.

Despite the clear opportunity, data shows the opposite trend. According to Eurostat data, in 2017 Spain's R&D+i expenditure was 1.2% of GDP, well below the European Union average of 2.07%. The same report showed another worrisome fact: Spain is one of six countries where investment in R&D+i by government, private companies, universities and non-profit organizations has fallen. So, our investment in R&D+i pales in comparison to our EU neighbours.

In Spain, public research efforts are realized in universities and Public Research Organisations (PROs).

In regard to **universities**, 47% of researchers in Spain work within university research groups. The existence of researchers at universities is the best guarantee for an excellent, critical, and outstanding university education. This important role of universities as producers of knowledge must be highlighted by reinforcing the three intrinsic functions of the university: training, research, and the transfer of knowledge.

As for **Public Research Organisations (PROs)**, these are created by the State Administration to directly carry out scientific and technical research activities and provide technological services and other complementary activities that are necessary for the proper scientific and technological progress of society. The PROs must be intimately linked to society as sources of innovation to be valued by entrepreneurs and the production sector in general, and in the development of knowledge at the frontiers of learning as well as in the application to specific technical and social challenges. Spain is facing a huge opportunity.

We can take advantage of the current wave of innovation to create value, with the main beneficiaries being Spanish citizens with new and better jobs and more competitive products and services. And above all, remembering that the pace of technological evolution is so fast that companies who do not catch this wave will end up lagging behind.



The third lever: Innovative entrepreneurship

Innovative entrepreneurship is the most productive sector in advanced economies. An entrepreneurial ecosystem is made up of a collection of startups, scaleups, investors and financiers, incubators and accelerators, universities, and other agents associated with innovation. It is characterised by being an engine for transformation of traditional production sectors, by generating economic growth, and stable and quality employment, and by its ability to attract the best talent and substantial investment.

A **startup** is understood as a company in an early stage of development that bases its business and activity on technology in order to grow larger and faster. In their early stages, startups are risky due to the high level of R&D+i in their products, services, and processes, and because they launch disruptive business models. However, this also means that if successful, startups are the companies that generate higher productivity in a shorter time. In addition, innovative entrepreneurship also creates positive externalities in other companies and society as a whole by promoting innovation, the transformation of traditional industries, and a reduction in unemployment.

Scaleups, according to the Startup Europe Partnership¹¹, are startups that have left the validation phase and reached a stage of development and growth. This phase is defined by focusing on execution of their business model and the pursuit of solid, continual growth in terms of market access, revenues, number of employees, creation of value for customers, and the search for partnerships with established companies. They add that, as with any capital-intensive company, the goal of a scaleup will also be to create profits for its investors, either through acquisition (exit) or through a stock market launch (initial public offering or IPO).

Finally, **high-growth enterprises**, as defined by the OECD, are all companies that have an annualised growth rate greater than 20% sustained over a three-year period and with 10 or more employees. They are young, small- to medium-sized companies that reach high-growth rates in a short period of time, sometimes doubling or tripling their size in one or two years. For these companies, once an analysis of their performance begins, growth will be measured based on the number of employees and turnover.

According to the OECD¹², in advanced nations between 3% and 6% of these enterprises generate between 50% and 75% of net employment and show higher levels of productivity.

Thanks to the work of entities such as The Global Entrepreneurship and Development Institute (GEDI), we know that **if an increase in productivity produces economic growth and social wellbeing, the fuel driving this is entrepreneurship**. In the Global Entrepreneurship Index study done in 2019, the GEDI recalls the words of economist Joseph Schumpeter, the father of creative destruction, affirming that entrepreneurs nurture the economy with innovations that are brought to life in new products and services that add value and expand a country's production capacity. Specifically, the companies that contribute most to this phenomenon are the high-growth enterprises, sometimes called gazelles.

In parallel, if we look at which companies have become driving forces for the world's big economies, we can conclude that future economic growth will increasingly come from innovative ventures. For example, the four companies with the highest market value in the world are four technology companies: Apple, Microsoft, Amazon, and Alphabet, the parent company for Google¹³.

Not surprisingly, these companies come from a market like the **United States**, which along with other countries, such as **Israel**, are examples of states that have committed to technology-based entrepreneurship and have established themselves as global leaders in supporting innovative companies. In the case of the U.S., this country is driving the entrepreneurial ecosystem with projects such as the Defense Advanced Research Projects Agency (DARPA) and the Advanced Research Projects Agency-Energy (ARPA-E), as well as with initiatives that promote alliances between innovative entrepreneurs, corporations, universities, and foundations to maximise the competitiveness of new businesses. The effort includes 2,000 million dollars in funds for emerging sectors and innovative startups. Meanwhile, Israel is considered the country with the highest density

¹¹ Alberto Onetti (2014): Scaleups: *When Does a Startup Turn into a Scaleup*. <https://startupeuropepartnership.eu/scaleups-when-does-a-startup-turn-into-a-scaleup/>

¹² OCDE-Eurostat (2007): *OECD-Eurostat Manual on Business Demography Statistics*. <https://www.oecd.org/sdd/business-stats/eurostat-oecd-manual-on-business-demography-statistics.htm>

¹³ Las 100 compañías más grandes por valoración de mercado de 2019. Fuente: Statista. <https://www.statista.com/statistics/263264/top-companies-in-the-world-by-market-value/>



of startups in the world, and its government supports entrepreneurs through the Israel Innovation Authority, an agency whose function is to nurture and develop Israeli innovation resources while creating and strengthening the infrastructure and framework needed to support the entire knowledge industry.

The time has come for our country to turn innovative entrepreneurship into one of its growth levers to create a healthier society. And this has to be executed with a long-term plan. Not on a whim of fate, nor trying to replicate distant realities. Rather, based on the belief that by relying on innovative entrepreneurship it is possible to build a new model for the country and create greater productivity returns and quality jobs for people, while also continuing to grow and multiply its impact.

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Future economic growth will increasingly come from innovative ventures.

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This is why we want to be an Entrepreneurial Nation, because it is how we will succeed together in creating a more innovative, more productive, and more inclusive Spain.



2.2.

A National Mission

We are facing a unique moment in history, and our country must embark on a mission that will lead to improving its production model. Let's think about the Spain we want to build. In the end, the challenges of Spain's economic, productive, and competitive transformation cannot be solved with a short-term outlook. Consider a 10, 15, or 20-year perspective. Spain needs a long-term plan that is devoted to transforming the country into an Entrepreneurial Nation. The roadmap for this plan is to create an economic, social, and environmental model that relies on entrepreneurship at the national level, using it as a lever to reach competitive, knowledge-based economic development that generates better and greater productivity, creates quality employment, and is more inclusive. Using this Strategy, in collaboration with various ministerial departments, we are looking to establish a foundation so that innovation, productivity, and inclusiveness are a transversal phenomenon woven into all sectors of society.

The aim of the Spain Entrepreneurial Nation Strategy is that it be a **national mission**, becoming an instrument that guides and directs innovation to solve the most urgent issues within our borders.

National missions are a powerful tool available to governments to align efforts and resources around a purpose that is of great interest to the population. Thus, a mission can serve to centralise research, innovation, and investment around critical problems in society while creating economic growth, employment, and positive side effects in various production sectors.

The Italian-American economist, **Mariana Mazzucato**, who has been researching the role of the State and public administration in promoting innovation-based economic development for more than a decade, is responsible for shaping this concept.

Mazzucato observed the transformative potential of national missions by analysing historical cases, such as the **Apollo Program** developed by the United States in the 1960s. The programme began in 1961 when President John F. Kennedy announced an ambitious mission that would end

up involving the entire country: the first manned Moon landing. Kennedy wanted the U.S. to send a man to the Moon before the end of the decade and have him return to Earth safe and sound.

What began in 1961 and ended on the 20th of July 1969 was the result of a compendium of efforts guided by a clear vision that had been defined by President Kennedy. For example, the programme required major innovations and large investments – both public and private – in R&D+i not only in aeronautics, but also in sectors such as medicine, food, electronics, computing, biology and microbiology, geology, and communications. Kennedy also demanded that researchers from different disciplines and sectors collaborate to solve the challenges they faced along the way. Moreover, this vision was able to capture – and catapult – the imagination of young people, who dreamed of participating in the space race, which made the popularity of STEAM careers soar. “Multidisciplinary, multi-sectoral, and multi-agent innovation was as important as the



Consider a 10, 15, or 20-year perspective. Spain needs a long-term plan that is devoted to transforming the country into an Entrepreneurial Nation.



mission itself”, notes Mazzucato. Her analysis of the Apollo Program and other similar government initiatives appears in *The Entrepreneurial State* (2013), a book that caught the attention of Carlos Moedas, European Commissioner for Research, Science and Innovation from 2014 to 2019. So much so, that Moedas commissioned Mazzucato to draft a report that would translate the lessons learned from her research into strategic recommendations for the European Union. The result was *Mission-Oriented Research & Innovation*



in the *European Union* published in 2018.

In the report, Mazzucato argues that **the State has a responsibility to catalyse innovation and, in particular, innovation in strategic areas long-term.** It is the State that can and should play this essential role, since it is not ruled by short-term investment criteria, which allows it to be more daring than the private sector. Ultimately, the State must take back its mission to do what no one else can do: create opportunities. To do this, **the state must lead investment in education, science, and innovation as the main drivers of short-, medium-, and long-term productivity.**

With the framework proposed by Mariana Mazzucato as a reference, the Government of Spain has designed its first national mission: Spain Entrepreneurial Nation. A mission with the clear objective of creating a new economic model based on innovative entrepreneurship, on the driving-force sectors of Spain's production sector, and on inclusive development.



2.3.

The Spain Entrepreneurial Nation Strategy

The Spain Entrepreneurial Nation Strategy is the first national mission in our history. The relevant question is: What is the destination we are sailing towards?

The answer is: **a clear vision of the Spain we want to be in 10 years.**

Spain is an entrepreneurial nation that makes innovative entrepreneurship the spearhead for its economic, social, and environmental model. A nation in which innovative entrepreneurship leverages the large driving-force sectors in the country's economy so they can, when spurred on by innovation, create greater opportunities, increase productivity, and generate more jobs and better jobs. And an Entrepreneurial Nation that has resolved the gaps this transition creates – the Gender gap, Territorial gap, Socio-economic gap, and Generational gap – and **leaves no one behind.** In short, in 2030 Spain will be an Entrepreneurial Nation that will have encouraged innovative entrepreneurship by involving all agents to succeed in having a more prosperous society.

To achieve this ambitious proposal we have designed this Strategy, which will serve as a map to guide us toward our goal. In parallel, the wind that fills the sails of this sophisticated ship will be the steadfast and defiant mindset of entrepreneurs themselves. We want this mindset to become a new brand of its own, a new sign of identity, a new idiosyncrasy of our country.

In 2030, what the future holds for Spain is to have a globally recognized entrepreneurial ecosystem and to be a magnet for investment. Spanish entrepreneurs will have access to the capital needed to develop their projects; they will be guided by knowledge from other entrepreneurs with successful businesses and supported by a network of public services and assistance programmes that will make their path easier. The Spanish ecosystem stands out for the quality of the products and services it creates.

The Spain of 2030 is a paradise of talent. Spaniards – as well as people and companies from

all corners of the globe – have chosen Spain as a country to launch their ideas, see their projects grow, and expand their international operations. It is a country where they have found the highest-level professionals, ones with the ability to think big and build revolutionary projects that have pushed beyond the known boundaries in their sectors.

Spain is **a country that promotes the scalability of its companies.** Anyone with a great idea and talent can do this, receiving access to the required infrastructure to grow and develop. Companies have a roadmap that allows them to scale and internationalise.

And all of these companies are supported by **a public administration that is now referred to as enterprising** as it has become the visible hand that helps to boost innovation, productivity, and sustainability within the market and throughout the country. In the Spanish ecosystem, the public and private sectors work hand in hand to provide entrepreneurs and innovators with the support they need to be successful in an international environment, helping to create a more prosperous, equal, and inclusive society.

In 2030, Spain is one of the leading countries in innovation in Europe. This achievement is due to the support of universities, innovative entrepreneurship, and the business sector, from SMEs to our economy's big companies in the main driving-force sectors: Industry, Tourism and Culture, Mobility, Health, Construction and Materials, Energy and Ecological Transition, Banking and Finance, Digital and Telecommunications, Agribusiness, and Biotechnology.

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An entrepreneurial State is one that is able to have a vision, articulate it and challenge all of its citizens, and then become an ally to help make it a reality.

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Spain is a magnet for female talent, given that any woman – regardless of her country of origin – in Spain she has found an ally to help her develop her career to the fullest without sacrificing her personal and family life. It is a country that has created laws to enable women



to thrive and achieve equality, while removing social and cultural obstacles that slowed down or prevented women from reaching their full potential. And this has been done on principle: a country that is a leader in equality policy reflects this type of leadership in all facets of society, as well as in the ecosystem of innovative entrepreneurship. The companies that shape the future embody the diversity of society, and the representation of diversity is coherent. **If women account for 50% of society, the ecosystem similarly reflects this.**

And moreover, in 2030 Spain is a paradise of female for strategic reasons: Spain firmly committed itself to nurture this talent group. And this is the case because Spain detected a blue ocean¹⁴: a vertex of unexploited opportunity in which competition is low or null and thus there are more opportunities to successfully attract the most talented women worldwide. In addition, this commitment will have been based on data. Data showing that teams with the same number of men and women get better results in sales and earnings than those that are dominated by men, or that women are better than men at paying back loans. And data that shows there is still much work to be done, such as that investors prefer investment opportunities presented by men or that entrepreneurs who exhibit stereotypical female behaviour – regardless of their real gender – during elevator pitch competitions are less likely to be selected as finalists¹⁵.

In 2030, Spain is no longer empty. Provinces that had lost their residents have the means to create innovative economic opportunities that capitalize on a region's resources, to retain local talent, and attract talent from other provinces, communities, and even countries. Additionally, the government worked to set up networks that allowed projects to be launched in any city in Spain and, thanks to the proliferation of remote work, many people chose to stay in their city of origin or to return.

In 2030, we have achieved economic, fair, sustainable, and inclusive growth. **An entrepreneurial State is one that is able to have a vision, articulate it and challenge all of its citizens, and then become an ally to help make it a reality.** The result hope for is an economy that favours the development and growth of more competitive

companies and more productive jobs. These jobs, moreover, will be knowledge-based, open-ended, and have fair wages, which will resonate throughout society by invigorating the economy and creating positive social impact.

In Spain in 2030, young people can choose to stay and live in our country and the elderly generation can enjoy social well-being. Undoubtedly, in 2030 Spain continues to be a **country recognised for its quality of life**, a country that cares for the welfare of its citizens and of its workers, with first-rate public services that are accessible to all. It is a State that has not left any of its citizens behind.

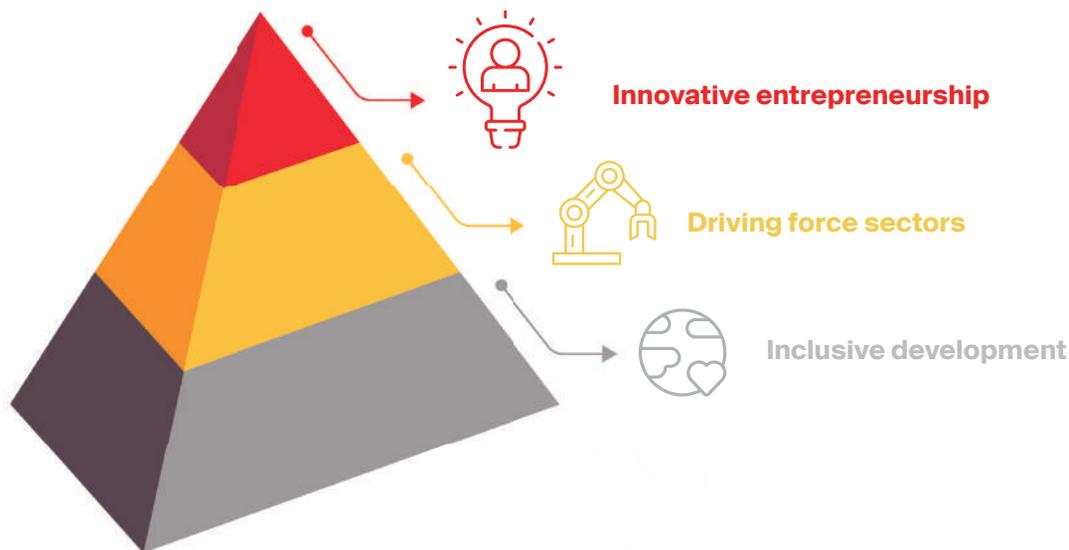
In order to achieve this, we will lean on the Spain Entrepreneurial Nation Strategy, as this document supports the commitment of the Government of Spain to place our country at the technological forefront internationally and on the summit of the new knowledge economy through the **momentum created from innovative entrepreneurship and a socially responsible perspective of progress.**

To create this new economic model we will rely on **innovative entrepreneurship**, on the **Spanish production sector**, and on **inclusive development**; and we will do this using an a pyramid-based approach outlining the role each of tactics will play in this mission.



¹⁴ This theory was proposed by W. Chan Kim and Renée Mauborgne in the work Blue Ocean Strategy and is presented in contrast to red oceans: consolidated markets where there is a lot of competition and it is difficult to survive and grow.

¹⁵ HBR (2013): *The Impact of Gender Diversity on the Performance of Business Teams: Evidence from a Field Experiment*. <https://gap.hks.harvard.edu/impact-gender-diversity-performance-business-teams-evidence-field-experiment>



At the top of the pyramid, there is **Innovative Entrepreneurship** spearheading the new model and representing a small sector of the Spanish economy that is also highly productive and efficient¹⁶.

In turn, our goal is to work for this part of the pyramid – which tends to be the smallest – to grow and be as large as possible, because if it expands it will mean that the rest of the pyramid does so as well. And for this to occur, we must put processes and systems in place that create virtuous circles between innovative entrepreneurship and the rest of the production sector, systems that favour collaboration and joint development. The ecosystem of innovative entrepreneurship includes, not only entrepreneurs, but also incubators and accelerators, and public and private investors and financiers such as individual investors, participatory financing platforms, venture capital funds, and financial institutions, and many others.

To foster growth at the top of the pyramid, we will work towards achieving four goals:

Four Goals



Investment: accelerate the process of investment maturity in Spain, as investment strengthens the economy by creating a virtuous circle around business growth.



Talent: given that the success of an innovative country revolves around talent, we want our country to be a talent paradise and for this to, in turn, help us develop, attract, and retain both home-grown and international professionals.



Scalability: considering that scalability is essential to foster and strengthen innovation, consolidate thriving sectors, and create employment, we are committed to the scalability of our companies, especially those that are technology-based and with a strong innovative focus.



Entrepreneurial Public Sector: the public sector must be agile and must become a promoter, participant, and ally in creating a knowledge-based and innovative economy. Additionally, the public sector has taken on the role of the visible hand that pushes innovation and promotes productivity.

¹⁶ OCDE-Eurostat (2007): *OECD-Eurostat Manual on Business Demography Statistics*.

The middle of the pyramid is where the **Production Network and Driving force Sectors** are situated. This second level of the pyramid includes all the other agents in the economy: enterprises – large, medium, and small – and self-employed workers, plus universities, technological and research centres, and so on. To achieve the highest possible impact, this Strategy leans on the production sectors in the Spanish economy where the development of innovative technologies and systems can increase productivity and provide a clear competitive advantage. Besides, what could be better than having the big companies supporting the innovation revolution? The priority driving-force sectors are:

Ten Driving Sectors



Industry: the secondary sector, which comprises economic activities that transform raw materials into processed products, is the engine of investment and growth of a country.



Tourism and Culture: these strategic sectors for Spain due to their weight in our economy, and due to their importance in how our country is perceived abroad.



Mobility: a sector that directly or indirectly affects the vast majority of citizens, and has an important impact on the environment.



Health: a key sector due to its essential nature and, and due to its intimate connection with the Spanish state welfare model.



Construction and Raw Materials: a sector associated with the universal basic right to housing, and linked to the economic cycle of our country, and deeply tied to the wellbeing of the people.



Energy and Environmental Transition: a sector that represents a basic pillar for the sustainability of the country, our economy, and the environment.



Banking and Finance: a sector with a solid market position and whose commitment to internationalisation has been key in the leadership consolidation of top Spanish institutions abroad.



Digitalisation and Telecommunications: leading sectors for modernisation and competitiveness, making them essential for the Spanish economy and the wellbeing of society overall.



Agribusiness: a sector of vital importance to feed people and ensure their survival, and one of the main economic engines in our country as a whole, and specifically for various autonomous communities.



Biotechnology: a sector that, in addition to representing a firm commitment on the future, is one of the most dynamic in the production of high-quality scientific and technological knowledge.

Finally, at the base of the pyramid is **society as a whole and inclusive development**. The Spain Entrepreneurial Nation national mission will be a sustainable mission in terms of time and resources. As such, it will be the entrepreneurial nation with the greatest social impact in history.

Given that the technological revolution is burdened by the risk of deepening inequalities, the government will use this plan to dutifully fight for ensuring inclusion, cohesion, and social justice. In order to achieve this, we are determined to reduce the most significant social and economic gaps of our time.

The constitutional mandate is clear: it proclaims its determination to promote economic progress to ensure a decent quality of life for all citizens.

The gaps this plan will simultaneously reduce are:

Four Gaps



The gender gap: a gap created when there is a difference between the ratio of men and women in any given category.



The territorial gap: an inequality focus point produced by people's place of origin or residence.



The socioeconomic gap: inequality created by differences in income and economic capacity, education, quality of employment, and types of housing.



The generational gap: refers to age inequality. This is generally worse with seniors, although there are occasional points of discrimination affecting young people.



This three-tiered, interconnected pyramid model will help create more businesses, more productivity, more jobs and better jobs, and more equitable and sustainable economic growth.

As such, ours is not a sectoral strategy, but rather a true national mission that needs to involve all of Spain's economic sectors and players, which is why it will not consist solely of strategies for entrepreneurs, nor will it merely encourage the birth and proliferation of startups. What it will, indeed, be is a project to reform our country by promoting a more innovative culture, a more productive economy, and a more robust welfare state, which results in a sustainable national mission.

As a national, we cannot promote innovation, accelerate productivity and economic growth, and stimulate employment by relying solely on economic infrastructure from the 20th century's industrial economy. We need to create new infrastructure and empower it so it can sustain and drive the innovative and entrepreneurial environment we will be creating.

Being an Entrepreneurial Nation requires changing how we look at the world and the future. It involves developing at the ability to confront uncertainties with courage and to view them as fuel for creativity at a national level. This creativity will service the development of an economic model that is more productive, but also fair, egalitarian, and sustainable, supported by initiatives in other fields such as medicine, science, culture, and the arts.

Ultimately, **this Strategy represents a vision for the future. While we have given ourselves a decade to achieve it, by 2030 we want Spain to have created the infrastructure to position itself as a world leader in innovation and innovative entrepreneurship.** Nevertheless, this long-term vision is rooted in what we do in the present. That's why there is no time to waste.



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A vision of Spain is by 2030 an Entrepreneurial Nation that makes innovative entrepreneurship the spearhead for its economic, social and environmental model. A nation in which innovative entrepreneurship leverages the large driving-force sectors in the country's economy. A nation that closes the social gaps with the intention of leaving no one behind.

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2.4.

An Invitation

The journey to Spain Entrepreneurial Nation begins here. What we are clear on is that the **Spain Entrepreneurial Nation mission belongs to, and must be undertaken by all men and women living in our country or it simply won't be.** As a national mission, it will be necessary for society as a whole to embark on this journey. As a sustainable, cohesive, and inclusive project, the success of the mission will depend on our ability to bring on each and every Spaniard as an ally. We cannot afford to leave anyone behind.

This invitation, which aims to coordinate all of our efforts, is at the heart of any mission, just as Mazzucato defined it. This researcher made it clear that a mission must capture the imagination and ambition of everyone involved in the process to be successful. This, in turn, will also encourage the creation of bottom-up projects: those that arise from the grassroots in society and manage to grow into projects that have a widespread transformative impact. This is why this mission will not be a mission just for institutions. Nor will it be a mission involving only innovative companies or economic agents. This is a country plan and, as such, all citizens are invited to participate, to get excited about its development, and to be involved in its success.

To succeed, the Spain Entrepreneurial Nation mission will need leadership from **public administration**, capable of making long-term investment and guiding the structural transformation of the country.

It is going to rely on the entire **educational system**, vocational training and universities, as a cornerstone of learning and research, and as the axis around which our potential and future as a society revolves. It will especially depend on teachers and their ability to inspire the next generation of leaders.

It will be strengthened by the work of **all researchers**, whose creativity and respect for the scientific method forge new and disruptive ideas.

It is going to be driven by the strength of **big companies**, both public and private, due to their

ability to create innovation around themselves and their potential to create synergies with other companies, large or small.

It is going to be nourished by the determination of **entrepreneurs**, motivated by challenges, generous with their learnings and the fruits of their success, benchmarks for the next generations.

It will be strengthened with the support of **investors and financiers**, who help analyse opportunities and filter them based on their potential.

It is going to be fuelled by the ambition and vitality of **young people**, whose drive will inspire us all to think big and soar beyond known limits.

Last but not least, it will need the trust of **mothers and fathers** who, without exception, want the best future for their daughters and sons. We will depend on families to educate the next generations on the importance of skills such as continuous learning, perseverance, and how to manage frustration as key characteristics that lessen uncertainty in a rapidly changing world.

The destiny of a nation is not written by fate. It is not the result of chance. The destiny of our nation is written every day by men and women with their talent, creativity, and work. Spain can and must write a new chapter of its history using this national mission in which we are all called upon to participate. **We are building a more innovative Spain with greater quality employment that leaves no one behind. Let's all pull together and make it happen.**

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The Spain Entrepreneurial Nation mission belongs to, and must be undertaken by all men and women living in our country or it simply won't be.

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03.

SITUATION ANALYSIS AND DIAGNOSIS



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The Spain Entrepreneurial Nation Strategy is created within the context that characterises Spain in our times, so we start this section by situating our economy within the international scene.

According to the International Monetary Fund (IMF), Spain is the 13th largest economy in the world, and as the 5th largest economy in the European Union in terms of both population and gross domestic product (GDP)¹⁷ it offers one of the most attractive domestic markets in Europe.

Until the onslaught of the crisis from the COVID-19 pandemic, the World Tourism Organization placed **Spain as the second most-visited tourist destination worldwide** behind France, reaching an historic record in 2019¹⁸. Meanwhile, Spain ranked as the 18th country in the world classification of exporters and 15th in imports (and the 11th world power in service sales) as per the World Trade Organization.

Between 2016 and 2018, Spain's real GDP grew by around 3%, surpassing most of the Euro-area economies. The structural reforms undertaken, the vigorous growth in employment, the improvement in competitiveness, and the favourable external and financial conditions boosted the country's economic activity, leading to a successful recovery after the crisis of 2008¹⁹.

However, compared with the more advanced OECD countries, the per capita income gap remains considerable, which was further deepened by differences in labour productivity and labour force utilisation. Spain ranks in 33rd place among the 146 countries analysed²⁰.

Despite the sharp decline from its highest peak in early 2013, the unemployment rate remains the second highest in the OECD. The labour market continues to be very segmented, with high unemployment rates among young people and the long-term unemployed, as well as a high rate of temporary contracts.

Spain is the second largest country on the continent in size, behind France, but with a low population density despite the high concentration of people in some of the major cities. And our strategic geographical location makes our country a privileged gateway to the European market, Latin America, North Africa, and the Middle East.

From the point of view of corporate demography, it's evident in both the EU and Spain, that **small and medium-sized enterprises account for 99.8% of the total number of companies** and their contribution to the economy is very significant²¹.

Subsequent to this general overview, we will present the goals for Investment, Talent, Scalability, and the Entrepreneurial Public Sector, and will review the potential of our driving force sectors in boosting the competitiveness of our production sector – Industry, Tourism and Culture, Mobility, Health, Construction and Materials, Energy and Ecological Transition, Banking and Finance, Digital and Telecommunications, Agroindustry, and Biotechnology. We will conclude the section by addressing the gaps we intend to reduce with this plan: the Gender gap, Socioeconomic gap, Territorial gap, and Generational gap.

According to the International Monetary Fund (IMF), Spain is the 13th largest economy in the world, and as the 5th largest economy in the European Union in terms of both population and gross domestic product (GDP) it offers one of the most attractive domestic markets in Europe⁶

¹⁷ Eurostat (August, 2019): *GDP at current market prices, 2008 and 2016-2018*. https://ec.europa.eu/eurostat/statistics-explained/index.php?title=File:GDP_at_current_market_prices,_2008_and_2016-2018_FP19.png

¹⁸ World Tourism Organization (UNWTO): *Destination ranking. España registró 82,8 millones de turistas mientras que Francia acumuló 89,4 millones*. <https://www.unwto.org/country-profile-inbound-tourism>

¹⁹ IMF (April 2020): *World Economic Outlook (April 2020)* from the IMF. If the pandemic and containment caused by the COVID-19 crisis receded in the second half of 2020, global growth would fall to -3% (with the global financial crisis it was at -0.1%). The growth forecast in Spain would be -8% in 2020 and 4.3% in 2021; in the Euro area it would be -7.5% and 4.7%, respectively. <https://www.imf.org/en/Publications/WEO/Issues/2020/04/14/weo-april-2020>

²⁰ OCDE (November, 2018): *Estudios Económicos de la OCDE España*. <https://www.oecd.org/economy/surveys/Spain-2018-OECD-economic-survey-vision-general.pdf>

²¹ Eurostat. *Business demography statistics*. <https://ec.europa.eu/eurostat/web/structural-business-statistics/entrepreneurship/business-demography>

3.1.

The Goals

As already mentioned, **the Spain Entrepreneurial Nation Strategy is conceived as a national mission with the goal of creating a new economic model based on innovative entrepreneurship in the driving force sectors of the Spanish production network as well as on inclusive development.** We are committed to utilizing innovation as a transformative element for the economy and society. We are working to boost productivity and competitiveness in all economic sectors in order to have a greater impact on employment and to create greater wealth in our country. Above all, we must ensure a fair, sustainable, and inclusive model for the economy and society.

As we saw in the introduction, this plan is constructed around four goals: Investment, Talent, Scalability, and the Entrepreneurial Public Sector.

Through the governance model of the Spain Entrepreneurial Nation Strategy, there will be indicators created to measure progress to reach each of these four goals.

Goals for Innovative Entrepreneurship

The strategy is constructed around four goals

THE INVESTMENT GOAL



Accelerating the investment cycle in Spain

THE SCALABILITY GOAL



Fostering growth of companies

THE TALENT GOAL



Attracting, developing, and retaining talent

THE ENTREPRENEURIAL PUBLIC SECTOR GOAL



Boosting innovation and promoting productivity

3.1.1.

The Investment Goal

Investment strengthens the economy by creating a virtuous circle around business growth. A growing sector needs greater production capacity, requires investment, and utilizes innovation to renew or adapt to its own needs or those of the market.

Investment in R&D+i often results in the development of products, technologies, and methods that have an effect on companies' ability to innovate and on their potential for growth²². By obtaining results that can be exploited commercially, the competitiveness of companies is increased. Moreover, R&D+i has a clear impact on human capital – on education and experience – as highly skilled and highly specialised individuals are needed to carry this out. According to the last COTEC Report, Spain still has significant shortcomings in this area. In 2018, investment in R&D increased for the fourth consecutive year to 1.24% of GDP, still far from the peak reached in 2010 of 1.40%, as well as the trend in neighbouring countries. In the period of 2009-2018, Spain notched a 2.5% increase in its investment in R&D, far from the growth observed in the other four major European economies: Germany (38%), United Kingdom (21%), Italy (17%), and France (12%)²³.

As for **venture capital**, it favours dynamism and innovation in the business sector. This financing route provides flexible solutions to companies, contributing capital to meet their growth plans, to develop new innovative projects, to make corporate acquisitions, or to balance their equity position. Although it is a long-standing instrument, its development in Spain has lagged.

Dependence on bank financing is a constant in the recent history of the Spanish economy, and over the past few years political and economic

institutions have warned about the need to diversify the sources of business financing. This diversification is considered beneficial because it stimulates competition and innovation, strengthens the capital structure of companies, and facilitates long-term investment, which is the basis of sustainable economic growth. Nevertheless, according to the report *Financing SMEs and Entrepreneurs 2019. An OECD Scoreboard*²⁴, although the financing mechanisms available in Spain are varied, they are still poorly developed in comparison to other countries.

There are currently diverse public and private instruments, for debt or capital, specifically designed to meet the needs of innovative entrepreneurial projects in the development phase they are in.

The variety of financing agents and investors in Spain is very wide, according to the report *Vision 2019 of the Entrepreneurial Ecosystem* from the Fundación Innovación Bankinter and Startupxplore.

In 2019, when 3% more startups were recorded than in 2018, there were about 250 accelerators and incubators, more than 360 investment groups (including venture capital funds, investor networks, and family offices), and around 6,450 private investors²⁵.

In 2020, and despite the effect from the COVID-19 pandemic, the ecosystem has remained robust. Investment in startups during 2020 has maintained rates very similar to those from the last two years, according to the Fundación Bankinter²⁶. In 2020, more than 1,000 million euros were invested in technological ventures.

According to ASCRI (Spanish Venture Capital & Private Equity Association), **in the last ten years the venture capital market in Spain has evolved into an excellent ecosystem with various**



²² Fundación COTEC para la Innovación. *Innovación Tecnológica. Ideas Básicas*. http://informecotec.es/media/J05_Innov_Tec_Ideas_Basic.pdf

²³ Fundación COTEC para la Innovación (May, 2020): *Informe COTEC*. <https://online.flippingbook.com/view/1027758/>

²⁴ OCDE (July, 2019): *Financing SMEs and Entrepreneurs 2019. An OECD Scoreboard*. <https://www.smefinanceforum.org/post/financing-smes-and-entrepreneurs-2019-an-oecd-scoreboard#:~:text=Financing%20SMEs%20and%20Entrepreneurs,An%20OECD%20Scoreboard&text=The%202019%20edition%20of%20the,at%20the%20disposal%20of%20SMEs.>

²⁵ Fundación Innovación Bankinter y Startupxplore (November, 2019): *Visión 2019 del ecosistema inversor*. <https://www.fundacionbankinter.org/blog/noticia/emprendedores/el-ecosistema-startup-se-consolida-segun-los-datos-del-informe-vision-2019-del-ecosistema-emprendedor->

²⁶ Fundación Bankinter (January 2021): *Visión del ecosistema inversor de startup en España 2020*. <https://www.fundacionbankinter.org/documentos/20183/359048/Visi%C3%B3n+del+Ecosistema+Startup+de+Espa%C3%B1a/be67deb8-5b3c-416f-a24b-0c57e19286ac>



actors and has also recorded historic highs. In its report *Venture Capital & Private Equity in Spain (2019)*²⁷, it notes that the Spanish startup ecosystem continues to grow, and the number of companies that received venture capital financing for the first time over the last four years has doubled. For the sixth consecutive year, the number of Spanish startups with financing grew: in 2018, 588 private equity investments were made in a total of 459 startups (305 received venture capital investment for the first time, six more companies than in 2017, which also saw a record high). Looking at the capital injection phases: there were 231 investments in the startup phase, 178 operations in the early phase, 97 in the seed phase, and 82 in more advanced phases (Series A, B or C). The volume of investment in new operations reached 317 million euros (27.5% more than in 2017), while expansions were at 187 million euros. Eighty percent of funded startups formalised investment rounds for amounts of less than one million euros, following the trend seen in recent years.

On the other hand, according to the study *Informal Venture Capital in Spain 2019* published by *webcapitalriesgo*, in 2018 the volume of investment by networks and groups of business angels, accelerators, incubators, and other entities reached 103 million euros in a total of 521 operations (472 companies), an increase of 35% compared to 2017. Of this amount, 78 million euros correspond to new investments allocated to a total of 435 companies²⁸.

However, despite this positive evolution, *The State of Venture Capital in Europe & Spain 2019* report by *Dealroom* places the **Spanish venture capital market in 4th position among European countries**, both in volume of investment and number of operations carried out; and it indicates that its growth potential is even greater. On the one hand, the size of seed and Series A rounds is well below the European average and, on the other, the ability to attract the interest of foreign investors can still grow²⁹.

Foreign investors continue to bet on Spain and have an increasingly important presence

in the country. Although they only participate in 15.6% of investment operations, they account for more than half of the volume of investment, confirming that foreign investment is directed toward larger operations according to the *Startup Ecosystem Observatory in Spain* from the *Fundación Innovación Bankinter*³⁰.

According to the analysis done by *K Fund*, the per capita investment rate is still low compared to the rates in Germany or France, where they are nearly double.

And as this same source points out, between 2017 and 2018 there were more than 50 significant sales of Spanish startups. If the number of exits per year and the return on investments produced are shown, a curve appears that is beginning to show exponential growth. Moreover, the report notes that in 2018 the percentage of GDP spent on investment in Spain (0.50%) exceeded the European average (0.47%).

Finally, corporate venturing is becoming increasingly more important in the innovation strategies of Spanish companies. The creation of investment funds, as a way of strengthening their collaboration with the startup ecosystem in their respective industries, is becoming more frequent but it is still insufficient to reach the same level of investment found in the United Kingdom and Germany, which account for almost half of investment transactions in Europe³¹.

Although Spain has been making good progress in developing its investment and business financing mechanisms, there is still a way to go to bring our country up to the level of neighbouring countries.

²⁷ ASCRI (June, 2019): *Venture Capital & Private Equity en España*. <https://www.ascr.org/estadisticas-y-publicaciones/informe-ascr-2019-venture-capital-private-equity-en-espana/>

²⁸ *Webcapitalriesgo* (June, 2019): *El Capital Riesgo Informal en España. Financiación de Business Angels, Crowdfunding, Aceleradoras, Otros*

²⁹ *Dealroom.co* (May, 2019): *The state of Venture Capital in Europe & Spain*. España se sitúa en 4ª posición en volumen de INVESTMENT recibida y número de startups invertidas, por detrás de Reino Unido, Alemania y Francia. <https://blog.dealroom.co/wp-content/uploads/2019/05/Barcelona-EU-Startup-Summit-Newsletter-Final.pdf>

³⁰ Observatorio del Ecosistema de Startups en España de la *Fundación Innovación Bankinter* (March, 2020): *Tendencias de INVESTMENT en Startups 2019*. https://saladecomunicacion.bankinter.com/documents/20183/21642/Informe+Tendencias+de+Inversi%C3%B3n+en+%27Startups%27+en+Espa%C3%B1a+2019.pdf_1583237336388/615ce28f-4ce9-4248-b05a-a8300bac7bb2

³¹ *CB Insights* (2020): *The 2019 Global CVC Report: A comprehensive, data-driven look at global corporate venture capital activity in 2019*. <https://www.cbinsights.com/research/report/corporate-venture-capital-trends-2019/>



3.1.2.

The Talent Goal

The success of an innovative nation revolves around its **talent**. Developing, attracting, and retaining specialised professionals and keeping this human capital motivated are challenges facing the most dynamic economic systems worldwide. How to manage these challenges is a constant concern for companies as well as for countries and cities, where the race to attract the best talent has become a global competition. This Strategy will address the talent goal through three dimensions: development, attraction, and retention of talent.

Talent development is a basic pillar of personal and human growth beginning in childhood. The early stages of learning are fundamental in acquiring lifelong skills. Educational models in countries such as Finland, which prioritize curiosity, creativity, and experimentation among other skills from a very early stage, remain a point of reference in Spain³².

According to the OECD, the **Spanish educational system needs to increase investment in education**. Our system is facing challenges such as strengthening academic and professional guidance to reduce dropout rates and raise awareness about job opportunities among students; offering educational alternatives to give students work experience; and collaborating with companies to train the professionals that the labour market needs³³.

In the early educational stages, Spanish expenditures on primary and secondary education do not reach the average reported in OECD countries – 3.1 and 3.5% of GDP, respectively³⁴. Even so, the total expenditure for a full-time student is equal to the OECD and EU-23 average³⁵.

It should be mentioned that the health emergency caused by the COVID-19 pandemic has highlighted certain shortcomings in our educational system. The suspension of in-person activity has made apparent the pre-existing inequalities in student access to technology as well as the urgent need for all levels of the Spanish educational system to adapt. Digitalisation, teacher training, adaptation of timetables, educational programs and evaluation methods, and the design of preventive protocols for the return to in-person activity are weaknesses, but also provide an opportunity to accelerate changes in an educational model that needs to be adapted to the times³⁶.

As to tertiary education, this is an element that plays an essential role in society. Not only to encourage innovation, increase economic development and growth, and improve the wellbeing of citizens, but also because the demand for highly-qualified people is increasing and there is already a deficit of certain professional profiles in some EU States³⁷. If we look at educational disciplines, in Spain 24% of enrolment in degree or equivalent studies were in STEM fields³⁸, compared to 27% in the OECD; in 2017, 22% of students opted to study business administration and law. China and India lead the proportion of graduates in STEM fields: in 2015, 30% of graduates in these countries obtained a STEM degree, several points above the OECD average³⁹.

Doctoral studies represent a small proportion of the total population with tertiary studies, but are essential for the development of future innovation and research that are important for society. In the EU-23 and the OECD they account for 1.1%; in Spain, 0.7%, and in the United States, 2%, the highest of the OECD countries⁴⁰.

In fact, the impact of tertiary education on the Spanish labour market is positive: unemployment rates decrease considerably as the level of edu-

³² OECD (December 2019): PISA Survey. Finland ranked 2 nd in reading skills after Canada among OECD countries; 7 th in the OECD in mathematical skills, and 12 th in the general classification; and in scientific literacy, 3 rd in the OECD and 6 th in the general classification. Although Spain's results were not published, Spaniards are below the average of the OECD countries. <https://www.oecd.org/pisa/publications/pisa-2018-results.htm>

³³ OCDE (September, 2019): *Education at a Glance 2019 - OECD Indicators*. <https://www.oecd.org/education/education-at-a-glance/>

³⁴ OCDE (2019): *Panorama de la Educación*. <https://www.educacionyfp.gob.es/dam/jcr:b8f3deec-3fda-4622-befb-386a4681b299/panorama%20de%20la%20educaci%C3%B3n%202019.pdf>

³⁵ EU-23: Germany, Austria, Belgium, Denmark, Spain, France, Greece, Ireland, Italy, Luxembourg, Netherlands, Portugal, United Kingdom, Sweden, Finland, Czech Republic, Hungary, Poland, Slovakia, Slovenia, Estonia, Latvia, and Lithuania.

³⁶ COTEC (April, 2020): *COVID-19 y Educación: problemas, respuestas y escenarios*. <https://cotec.es/cotec-publica-un-documento-con-propuestas-pa-ra-cinco-posibles-escenarios-educativos-ante-la-crisis-sanitaria-del-COVID-19/>

³⁷ Eurostat (2016): *Ratios estudiantes / personal académico en educación terciaria*. Estadísticas de educación terciaria. https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Tertiary_education_statistics/es

³⁸ STEAM: : Science, Technology, Engineering, Arts and Mathematics.

³⁹ OCDE (2018): *How is the tertiary-educated population evolving?*. *Education Indicators in Focus*, No. 61. La media de la OCDE en titulados STEM en 2015 se situó en un 21%. <https://doi.org/10.1787/22267077>

⁴⁰ OCDE (2019): *Panorama de la Educación*. <https://www.educacionyfp.gob.es/dam/jcr:b8f3deec-3fda-4622-befb-386a4681b299/panorama%20de%20la%20educaci%C3%B3n%202019.pdf>



cation completed increases. The unemployment rate among adults with tertiary education is 8% in our country. Moreover, it has been seen that women with tertiary education earn 82% of what men earn with the same level of education, compared with the OECD average of 75% and the EU-23 average, 76%. This datum confirms a smaller gender gap in this area in Spain⁴¹.

In regard to business schools in Spain, their quality is recognized globally. The Financial Times ranking puts three **Spanish business schools among the top 13 in Europe**, behind the United Kingdom – with five schools – and ahead of France – with two⁴². Their appeal lies not only in the ability to train executives or future entrepreneurs, but in the opportunity to create a network of contacts that many foreign students use to establish a footing in Spain – once they're completed their studies – and to launch their business projects. Spanish business schools play an essential role in attracting foreign professionals to our country. Furthermore, our business schools are making their educational offerings more sophisticated to adapt to the needs of the market and to increase their appeal for foreign student enrolment.

Nevertheless, according to the analysis in *OECD Indicators of Talent Attractiveness*, Spain is one of the least attractive countries for potential immigrants, mainly due to economic and working conditions, although difficulties in obtaining a visa or residence permit also have an important influence. Of the 35 countries considered, Spain is in position 27 in the category of workers with a master or doctoral degree, position 18 in the category of entrepreneurs, and position 22 in the category of university students⁴³.

In regard to digital talent, according to a survey done by BCG for its *Decoding Digital Talent* report, **Spain would be one of the ten most attractive countries** for those interviewed from three of the five geographical areas identified: Europe-Central Asia, North America, and South America-Caribbean, where Spain would be the second choice behind the United States⁴⁴. The reason for this choice lies in the desire to move to a country nearby or a place with a similar language or culture. Digital professionals value the balance between personal life and opportunities for

career advancement and development, as well as good interpersonal relations in the work setting. London would be the favourite destination for digital talent, followed by New York, Berlin, Amsterdam, and Barcelona. Meanwhile, Madrid ranks 21st in this classification.

From another perspective, it is also interesting to note that the Spanish population living abroad has increased by one million people since the beginning of the 2008 financial crisis. The vast majority were well-educated young people whose work prospects in Spain were limited to unemployment or job insecurity and who chose to seek opportunities abroad. The United Kingdom and Germany were the main host countries for the new Spanish emigrants between 2009 and 2017, with an increase of just over 98% and 121%, respectively⁴⁵. The potential increase in the return of these professionals to Spain shows the existence of a source of talent with unique international experience, much appreciated by our labour market. **Attracting this type of talent is an opportunity, not only for companies interested in these business profiles, but also for Spain to attract valuable Spanish professionals who are currently developing their careers in other countries.**

As to the challenge for many companies of retaining talent, recommendations to avoid losing employees highlight maintaining a good working atmosphere, facilitating continuing education, and designing career plans tailored to each employee as being key. However, according to experts, current trends indicate the growing need to establish policies for flexibility and balance – emotional salary – as well as engagement and loyalty policies, such as developing economic incentives or managing the employee experience⁴⁶.

Only by reinforcing the three dimensions of this goal – development, attraction, and retention of talent – will Spain succeed in placing itself in the top tier of global competition for the best talent.

⁴¹ OCDE (2019): *Nota País. Panorama de la Educación España*. <https://www.educacionyfp.gob.es/inee/dam/jcr:5322d3e6-5273-4e91-a026-2d1c47517744/eag2019-cn-esp-spanish.pdf>

⁴² Financial Times: *Global MBA Ranking 2020*. <http://rankings.ft.com/businessschoolrankings/global-mba-ranking-2020>

⁴³ OCDE (May, 2019): *OECD Indicators of Talent Attractiveness*. <https://www.oecd.org/migration/talent-attractiveness/>

⁴⁴ BCG y The Network (May, 2019): *Decoding Digital Talent*. <https://www.bcg.com/publications/2019/decoding-digital-talent.aspx>

⁴⁵ Secretaría de Estado de Migraciones (March, 2019): *Plan de Retorno a España*. <https://www.boe.es/boe/dias/2019/03/30/pdfs/BOE-A-2019-4705.pdf>

⁴⁶ DCH - Organización Internacional de Directivos de Capital Humano, January 2020. *IV Barómetro DCH La Gestión del TALENT en España 2019*. <https://www.orgdch.org/iv-barometro-dch-sobre-la-gestion-del-TALENT-en-espana-i/>





3.1.3.

The Scalability Goal

Scalability is essential to strengthen innovation, consolidate current driving force sectors – exploring other sectors with the potential to be one in the future – and to ensure job creation. Promoting the necessary resources for business growth must become a priority. Spanish companies need to succeed in increasing their size, adopting technology to increase efficiency and productivity, and base their development on the national and international market. All this will favour an increase in their competitiveness and, thus, the development and scalability of their businesses.

As mentioned earlier, the Spanish economy is one of the economies that is most dependent on SMEs in all of Europe. The small size of companies affects their productivity and resilience during less favourable business cycles. Moreover, they face greater difficulties in securing financing compared to larger companies.

A company in Spain has an average of 4.7 workers, ahead of Italy with 4 but below the 5.7 in France, 11 in the United Kingdom, and 11.7 in Germany, numbers that Spanish companies need to approach. In the EU-28, SMEs employ 66% of workers and produce 57% of the Union's GDP; while in Spain, both categories are five points above. The proportion of micro-SMEs in our country is 11% higher than the EU-28 average, and their contribution to the total number of employees is 20%, the largest contribution of workers among small and medium-sized enterprises⁴⁷.

Nevertheless, only a small proportion of these SMEs make a significant contribution to growth and job creation. These are high-growth enterprises – as defined by the OECD, companies with more than 10 employees with annualized average growth of more than 20% per year over a three-year period⁴⁸. This refers to a certain type of inno-

vative company considered the future of the European economy; some of them will even be the champions in the industry of tomorrow, according to the report *High-growth firms and intellectual property rights*⁴⁹.

The *Annual Report on European SMEs 2018/2019* published by the European Commission in November 2019 shows that in 2017 there were a total of 187,677 high-growth enterprises in the EU-28⁵⁰. This accounted for 10.7% of the total number of EU-28 companies with 10 or more employees and implied a 15.2% contribution to employment from these companies. In 2017, the EU's six largest economies (Germany, United Kingdom, France, Italy, Spain, and Poland) accounted for 69% of all high-growth enterprises in the EU-28. It is worth noting that, in the case of Spain, Poland, and Portugal, the proportion of high-growth enterprises is remarkably high compared to their contributions to the EU-28 GDP. Spain is ranked 3rd with 10.2% high-growth enterprises, a position that must be maintained at the very least. Our country ranked behind Germany (21%) and the United Kingdom (13.5%), and ahead of Italy (9.5%), France (7.7%), and Poland (7%).

The companies called upon to improve competitiveness and productivity in Europe are the startups – newly-created companies with an innovative, scalable, technology-based business model focused on rapid growth and profitability – and the scaleups – startups in a growth phase. However, there is no official data collection that allows for a thorough analysis of their business results, so it is necessary to turn to various sources. Based on information collected by Crunchbase⁵¹, in 2019 the number of startups in the EU-28 stood at 18,258, with Spain ranking 4th behind the United Kingdom, Germany, and France. In regard to scaleups, according to *Tech Scaleup Europe 2019*, Spain fell to 6th position in the classification completed for 25 countries, with a total of 317 companies⁵².

On the other hand, **technology** is considered a crucial factor in achieving a scalable business.

⁴⁷ Dirección General de Industria y de la PYME, Ministerio de Industria, Comercio y Turismo (February 2020): *Retrato de la PYME. Datos a 1 de January de 2019*. <http://www.ipyme.org//Publicaciones/Retrato-PYME-DIRCE-1-enero-2019.pdf>

⁴⁸ Real Academia de Ingeniería (2017): *Las empresas de alto crecimiento no surgen por azar. Recomendaciones para actuar en su ecosistema*. <http://www.raing.es/sites/default/files/LAS%20EMPRESAS%20DE%20ALTO%20CRECIMIENTO%20%28LIBRO%20DEFINITIVO%29.pdf>

⁴⁹ European Patent Office (May, 2019): *High-growth firms and intellectual property rights*. This report highlights that in high-tech industries, SMEs that have filed a European patent are 110% more likely to experience high growth, and in low-tech industries the figure reaches 172%. <https://www.epo.org/news-issues/press/releases/archive/2019/20190521.html>

⁵⁰ European Commission (November 2019): *Annual Report on European SMEs 2018/2019*. Research & development and innovation by SMEs. For the purposes of this report, "high-growth companies" are considered those companies with more than 10 employees and an average growth of 10% or more in employment during the previous three-year period. The definition from the OECD for "high-growth enterprises" considers those companies with annual average growth of more than 20% over a three-year period, and with 10 or more employees at the beginning of the period. <https://op.europa.eu/es/publication-detail/-/publication/b6a34664-335d-11ea-ba6e-01aa75ed71a1/language-en/format-PDF/source-112999615>

⁵¹ Crunchbase (August 2019): <https://www.crunchbase.com/>

⁵² Mind The Bridge para Startup Europe Partnership (December, 2019): *Tech Scaleup Europe 2019*. <https://mindthebridge.com/tech-scaleup-europe-2019-report/>



In early stages of testing or experimentation, the processes designed by a startup are manual and inefficient at the beginning; once past these phases, automation and optimisation via technology quickly become necessary. *The Digital Economy and Society Index (DESI)* compares the digital evolution in the EU-28 annually. Two of the dimensions it analyses are of interest when talking about scalability.

In the connectivity dimension, Spain has improved its score over previous years, although it still ranks 5th like in the previous year. This, above all, is thanks to the increase in fast and ultra-fast fixed broadband connections. Ultra-fast broadband coverage, as well as very high capacity fixed network coverage, are well above the EU average⁵³. Spain also has a good position in terms of 5G. In fact, according to the National 5G Observatory, Spain is the EU country with the most pilot tests on this technology⁵⁴. Our leadership in this infrastructure places us at the forefront of future digital developments⁵⁵. Even so, our country shows relatively weak performance in the digitalisation of companies, especially the SMEs, according to the DESI 2020 report⁵⁶.

The market is another determining factor in the scalability of a business.

On the one hand, **the competitiveness of the local market motivates companies to adopt technologies to increase their scale and productivity.** *The Global Competitiveness Index*⁵⁷ measures the aggregate competitiveness of 141 countries through a series of individual indicators grouped under environment, human capital, markets, and innovation ecosystems. In 2019, Spain advanced three positions in the global ranking, moving to number 23 with 75.3 points out of 100. At the European level, Spain placed 13th, far from the first five ranks, which is where we should be in terms of GDP. Although our country stands out for its assessment in life expectancy – 1st position globally – it still occupies rankings that are too close to the average in areas that influence the growth of our companies: product, labour market, financing, business dynamism, and innovation. The rankings improve when it comes to environment, macro-economic stability, or market size.

Furthermore, **a company's expansion through internationalisation will be key to determining whether a business is scalable and can compete globally.** While SMEs in Spain are oriented toward market diversification, and tend to do this organically through their internationalisation processes, innovative companies are accustomed to launching with a global scope from inception, with a strategy focused on expanding their businesses in foreign markets. Some even choose to implement company infrastructure that favours a diverse culture and employees from different nationalities as of their very first hiring.

Typically, the international side is approached from an interest in exploring markets with growth potential, in access and positioning in larger markets, in increasing turnover in other countries, or desiring to diversify risk. There have also been cases in which foreign companies have acquired Spanish companies.

According to the study *Startups and Internationalisation* done by Ticketbis in 2015, 82% of the companies surveyed began their expansion process in their first two years of existence, while the remaining percentage waited more than three years. The study confirms that the scalability of the business and new technologies used were the main reasons for the internationalisation of these companies (42%), which in some cases reached 98% of turnover abroad⁵⁸.

Improving surrounding conditions and bolstering competitiveness by taking advantage of all available opportunities will be essential to facilitate the growth of innovative ventures as well as their business success in order to achieve the scalability goal.

⁵³ Comisión Europea (June 2020): *The Digital Economy and Society Index (DESI)*. <https://ec.europa.eu/digital-single-market/en/desi>

⁵⁴ Observatorio Nacional 5G. <https://on5g.es/espana-pais-mas-pruebas-piloto-casos-uso-5g-ue/>

⁵⁵ Fundación Telefónica (May 2020): *Sociedad Digital en España*. <https://www.fundaciontelefonica.com/cultura-digital/sociedad-de-la-informacion/>

⁵⁶ In January 2021, the SME Digitalization Plan 2021-2025 was approved, included among the main strategic axes contemplated in both the agenda España Digital 2025 and the Recovery, Transformation and Resilience Plan https://portal.mineco.gob.es/RecursosNoticia/mineco/prensa/noticias/2021/210127_np_pyme.pdf.

⁵⁷ World Economic Forum (2019): *The Global Competitiveness Report 2019*. http://www3.weforum.org/docs/WEF_TheGlobalCompetitivenessReport2019.pdf

⁵⁸ Ticketbis (2015): *III edición Estudio Startups e Internacionalización 2015*. https://www.innobasque.eus/uploads/attachment_files/iii-estudio-startups-espanolas-e-internacionalizacion-2015-55ed75ebee942.pdf



3.1.4.

The Entrepreneurial Public Sector Goal

The State has a central role in the Spain Entrepreneurial Nation Strategy, which is the role of embodying an entrepreneurial public sector. **An entrepreneurial public sector is agile, dynamic, flexible, efficient, has a desire to serve and a capacity for anticipation**, and is made up of infrastructures that favour and bolster innovation by removing the barriers that can slow economic development and societal progress.

Mariana Mazzucato captures this theory in her book *The Entrepreneurial State*, where she shares her vision of the role of the State and of the public administration in boosting innovative economic development. The economist debunks the myth that the State is a lumbering and conservative bureaucratic entity, as opposed to an innovative, dynamic, and competitive private sector. “The State is the most entrepreneurial organization in the market and the one that takes on the riskiest investments,” she says⁵⁹.

While the idea that the public setting is not very dynamic and flexible is still deeply rooted, the reality is that the public sector is – and must be – the true catalyst for innovation and progress in our society. The State should not limit itself to merely facilitating an innovative and entrepreneurial economy, but should be its promoter and contribute to its creation. The public sector and its professionals are perfect allies to foster the model proposed by this Strategy: due to its economic potential, stability over time, non-dependence on short-term economic profitability, and its ability to ensure a favourable and positive institutional framework for growth. We will talk about an entrepreneurial public sector that is adaptable and looks ahead in order to be dynamically innovative. It is the public administration that encourages public-private collaboration to align the interests of various players and guide them towards a common mission. This is a collaboration where the public and the private sectors look to each other to advance.

The public sector is responsible for establishing policies adapted to the characteristics and dynamics typical of entrepreneurship and innovation. It must ensure that regulations adapt to the environment in which such initiatives are developed, removing obstacles that might limit their growth. But it must also be proactive in promoting these types of initiatives. In fact, in analysing the regulatory frame of reference, it's evident that policy development in support of entrepreneurship has been very active in recent years – at local, regional, state, and European levels – and has been a concern for all governments. Spain is no exception.

With the *Economic Stimulus and Entrepreneurial Support Plan*, two laws were adopted in 2013: Law 11/2013, of the 26th of July, on measures to support the entrepreneur and to stimulate growth and job creation⁶⁰; and Law 14/2013, of the 27th of September, in support of entrepreneurs and their expansion abroad⁶¹. These are two transversal legislative initiatives at the state level that have sought to shape a legal framework for entrepreneurship, addressing issues such as the promotion of an entrepreneurial spirit from the perspective of education, second chances, support for financing, business growth, and internationalisation.

Currently, Spain has a need to establish a regulatory environment where highly innovative initiatives can be successfully developed. In December 2018, a legislative process was started with the opening of a public consultation prior to creating the draft bill for the *Startups Ecosystem Promotion Act*⁶². The aim is to create a legal framework suited to innovative entrepreneurship, allowing for the flexibility required for a dynamic ecosystem and attempting to endow Spain with a legislation adapted to the reality of these companies.

The mandate in the European Union has also been clear. In January 2013, the European Commission presented the *Entrepreneurship 2020 Action Plan*, a programme of tactics to “relaunch the entrepreneurial spirit in Europe”, facilitate the creation of enterprises, and create a favourable environment for entrepreneurship. In March 2020, the European Commission presented the *European Industrial Strategy* with a package of various communications that included A SME

⁵⁹ Mazzucato, M. (2014): *El Estado Emprendedor*. <https://marianamazzucato.com/entrepreneurial-state/es-e/>

⁶⁰ Ley 11/2013, de 26 de July, de medidas de apoyo al emprendedor y de estímulo del crecimiento y de la creación de empleo.

⁶¹ Ley 14/2013, de 27 de September, de apoyo a los emprendedores y su internacionalización.

⁶² Anteproyecto de Ley de fomento del ecosistema de Startups. <https://avancedigital.gob.es/es-es/Participacion/Paginas/Cerradas/anteproyecto-ley-ecosistema-Startups.aspx>



*Strategy for a sustainable and digital Europe*⁶³. The aim is not only to help companies grow and expand, but also to be competitive, resilient, and sustainable. Included in its framework is what is known as the *EU Startup Nations Standard*, aimed at promoting the implementation of best practices to support startups and scaleups, and to turn Europe into the most attractive continent for these types of companies. This initiative will focus on facilitating the launch of startups, their growth and expansion in other countries, on streamlining the process to obtain visas and residence permits for talent from third countries, improving the treatment of stock options, promoting venture building and the transfer of technology from universities, increasing access to financing for growth phases, and promoting the use of cross-border digital tools and platforms.

The public sector must also ensure that the country brings together ideal conditions for development of innovation and entrepreneurship to therefore consolidate existing business initiatives. *The World Bank's Doing Business project*⁶⁴ analyses the ease of doing business and compares the regulations that regulate the business activity of SMEs throughout their lifecycle in 190 economies and cities around the world. In 2020, Spain maintained its position at number 30 in the ranking with a score of 77.9 out of 100. A contrast from falling two positions in 2019, when Spain worsened in the categories of ease of doing business – starting a business or getting credit⁶⁵. Spain is ahead of France (position 32) or Portugal (39) and behind Austria (27), Ireland (24), and Germany (22). It is above the average for OECD countries in: protecting minority investors in case of conflicts of interest (position 28), paying taxes (35), enforcing contracts (26), and resolving insolvency (18). Spain stands out in cross-border trade, where it has obtained the highest score over the last five years.

Lastly, **digital transformation in the public administration** is a process still in an embryonic phase. In fact, the Government of Spain has recently approved the Digitalisation Plan for Public Administrations 2021-2025⁶⁶, which can create a

multitude of opportunities for the private sector and encourage an entrepreneurial dynamic in the public sector. Spain is among the countries with high performance and a clear strategic approach in terms of open data. According to the *Open Data Maturity Report 2020*⁶⁷, our country continues to rank second (behind Denmark and ahead of France and Ireland) and conceives open data as a strategic asset to drive digital transformation. In 2013, the G8 member countries recognised the importance of open data for government improvement and socioeconomic development⁶⁸.

In addition, an improvement and an increase in the supply of digital public services puts Spain in second position in the EU as a whole, and it increasingly benefits from the digital economy through public administrations, as noted in *The Digital Economy and Society Index (DESI) 2020*⁶⁹. However, the transition to a digital society undoubtedly requires much greater progress in the entrepreneurial public sector.

In the public sphere, there are opportunities for transformation and innovation in areas such as the design of public policies, simplification of administrative procedures, the organisational structure of the public administration, management of civil servants and their business culture, and the design of processes and services oriented toward citizens and businesses. All this potential will result in an agile, dynamic, flexible, and efficient public sector: the entrepreneurial public sector that we aspire to build.

⁶³ Comisión Europea (March 2020): *Commission Communication. The SME strategy for a sustainable and digital Europe*. https://ec.europa.eu/info/sites/info/files/communication-sme-strategy-march-2020_en.pdf

⁶⁴ Banco Mundial (October 2019): *Doing Business*. <https://openknowledge.worldbank.org/bitstream/handle/10986/32436/9781464814402.pdf>

⁶⁵ Spain has its worst positions in the ranking: the process of starting a business (position 97) or in getting credit (position 80).

⁶⁶ Plan de Digitalización de las Administraciones Públicas 2021-2025. <https://www.lamoncloa.gob.es/presidente/actividades/Documentos/2021/270121-PlanDigitalizacionAdministracionesOptimizado.pdf>

⁶⁷ Comisión Europea (2020): *Open Data Maturity Report 2020*. https://www.europeandataportal.eu/sites/default/files/edp_landscaping_insight_report_n6_2020.pdf

⁶⁸ Open Data Charter - ODC (2018): *Carta Internacional de Datos Abiertos*. <https://opendatacharter.net/principles-es/>

⁶⁹ Comisión Europea (June 2020): *The Digital Economy and Society Index (DESI)*. <https://ec.europa.eu/digital-single-market/en/desi>

3.2.

Driving sectors

As aforementioned, the driving force sectors are located in the middle of the pyramid. In addition to counting on contributions from our citizens and all public, private, and public-private entities in our country, we will leverage our Strategy in 10 priority sectors. These are fundamental springboards for the modernisation and growth of our production sector, providing a basis for the transformation of our economic structure, and they represent an essential opportunity to increase productivity and competitiveness through the development of innovative technologies and systems.

We want to have a clear impact on the collaborative spirit of this Strategy, with the ambition to promote cooperation horizontally and vertically in these sectors. Leading companies in each sector must be encouraged to participate in joint projects that foster the advancement of their industries and innovation. At the same time, we will encourage large companies and innovative ventures to work together to capitalize on common synergies and to create new opportunities.

The fundamental rationale for this choice is that these are **the sectors in which Spain is best positioned to compete globally, and in which the impact of innovation can produce greater returns for the economy and society as a whole.** These sectors assemble the necessary capabilities so that we, as a country, can respond to global challenges, creating development opportunities for new markets, businesses, and people. The potential for transformation through innovation in these sectors will result in the strengthening of a diversified economy, one that creates more jobs and better jobs for the benefit of the wellbeing and quality of life of the people.

Driving Sectors

The opportunity to increase productivity and competitiveness



INDUSTRY



ENERGY AND ECOLOGICAL TRANSITION



TOURISM AND CULTURE



BANKING AND FINANCE



MOBILITY



DIGITAL AND TELECOMMUNICATIONS



HEALTH



AGROINDUSTRY



CONSTRUCTION AND MATERIALS



BIOTECHNOLOGY



3.2.1.

Industry

The industrial sector, or secondary sector, is the engine of investment and growth for a nation. It possesses all the characteristics needed to have a primary role in the development of Spain Entrepreneurial Nation and for the creation of a new economic model based on innovative entrepreneurship and adapted to the new economic, technological, and international context. It stands out for its contribution to productivity, ability to innovate, large export potential, and its effect as a driving force on other sectors. It also makes development possible in the regions where these industries are set up, resulting in the creation of high-skilled employment and direct and indirect jobs. The industry encompasses diverse sectors with different relative positions, productivity levels, and degrees of innovation, which could be described extensively. Nevertheless, this section will be approached from the perspective of industrial policy and the objective of having the industrial sector reach 20% of GDP.

The contribution from the industrial sector in Spain in 2018 represented 16.1% of GDP and 12.8% of total employment in the Spanish economy⁷⁰.

The European Commission as well as the European Member states have set the objective of giving more industrial weight to the European economy. This is a necessity that has been made especially clear during the COVID-19 health crisis, where the need for self-sufficient industrial capacity becoming more evident to guarantee the existence of integral and diversified value chains.

The industrial sector is currently facing two major challenges – **sustainability** and **digitalisation** – which represent opportunities for transformation. On the one hand, integrating sustainability into the strategy of industrial companies is no longer an option, but rather the way forward to achieve a sustainable, “decarbonised” economy with a greater weight on renewable energy. On the other, improving production processes is a priority that companies are tackling with digital transforma-

tion to maintain their competitiveness, improve their efficiency, and attract new talent. To strengthen the digitalisation of the industry, the European Union is promoting Digital Innovation Hubs (DIHs). Spain leads in the number of DIHs operating in Europe with a total of 47, ahead of Germany and Italy, with 28 and 25, respectively⁷¹.

In terms of **innovation**, Spain is actively fostering the evolution of Industry 4.0. Companies are working in areas they consider to be priorities with the aim of increasing productivity and efficiency in their use of resources. These include more innovative processes, big data and data analytics, supply chain innovation, machine-to-machine communication, cybersecurity, robotics, the Internet of things, hyperconnectivity, and cloud computing. Other great opportunities for growth and innovation are artificial intelligence, augmented reality, and additive manufacturing (also known as 3D printing). A special mention must go to the defence and security industry, a known leader in innovation and knowledge creation which is responsible for transferring over to other industrial sectors.

Collaborating via innovative entrepreneurship will be essential to achieve maximum development in each of these, to accelerate the transformative efforts from industry, to reduce deadlines, and to limit cost and risks. The agility in creating pilots, first applications, and use cases will demonstrate the true potential of open innovation for the Spanish industry.

This industrial model is based on innovation being collaborative, production being connected and completely flexible, supply chains being integrated, and distribution channels and customer service being digital, as reflected in the Connected Industry 4.0 Strategy developed by the General Secretary for Industry and SMEs.

⁷⁰ Dirección General de Industria y de la PYME, Ministerio de Industria, Comercio y Turismo (February, 2019): *Directrices Generales de la Nueva Política Industrial Española 2030*. <https://www.mincotur.gob.es/es-es/GabinetePrensa/NotasPrensa/2019/Paginas/20190222-directrices-politica-industrial.aspx>

⁷¹ Comisión Europea: Digital Innovation Hubs in Europe Digital Innovation Hubs (DIHs) in Europe. <https://ec.europa.eu/digital-single-market/en/digital-innovation-hubs>





3.2.2.

Tourism and Culture

Tourism is a strategic sector for Spain due to its weight in our economy, and because it is fundamental in terms of how our country is perceived abroad. Tourists do not come to Spain only in search of the sun and the beach. The culture and heritage, safety, infrastructure, nature, gastronomy, the diversity of tourism products, and we could go on and on, give Spain one of the highest levels of tourism loyalty in the world.

According to the INE (National Statistics Institute), in 2018 the amount of tourism reached 12.3% of GDP, equivalent to 147,946 million euros.

The typical subcategories of tourism created 2.62 million jobs, 12.7% of total employment. Until the health crisis spurred by the COVID-19 pandemic, tourism had been a sector on the rise. Since 2015, its weight in GDP grew by 1.3 points, increasing from 11% to 12.3%⁷².

Furthermore, Spain is a global leader in the tourism sector. According to 2019 data from the World Tourism Organization, until the impact from the crisis, Spain was the second country in the world to receive the most foreign tourists, the second nation in income in this sector, and the most competitive country in terms of tourism⁷³. Reactivation of this sector will require adaptation to the new scenario. The ability of our country to adopt measures for safety, security, and confidence-building will be crucial for Spain to maintain its leadership position worldwide.

Culture, one of the most valuable aspects of Spain's projection and identity in the world, has a great deal of weight in this equation. Its activity is closely related to creativity, innovation, entrepreneurship, intellectual property, and the dissemination of knowledge. In 2017, the cultural sector – creative economy or orange economy – represented nearly 2.4% of GDP in Spain, with a contribution of 27,728 million euros. Culture and heritage are one of Spain's greatest magnets for attracting international tourism and motivate Spaniards to travel domestically.

The tourism and culture sector offers diverse possibilities for transformation, growth, and innovation, and among others, in the digital realm.

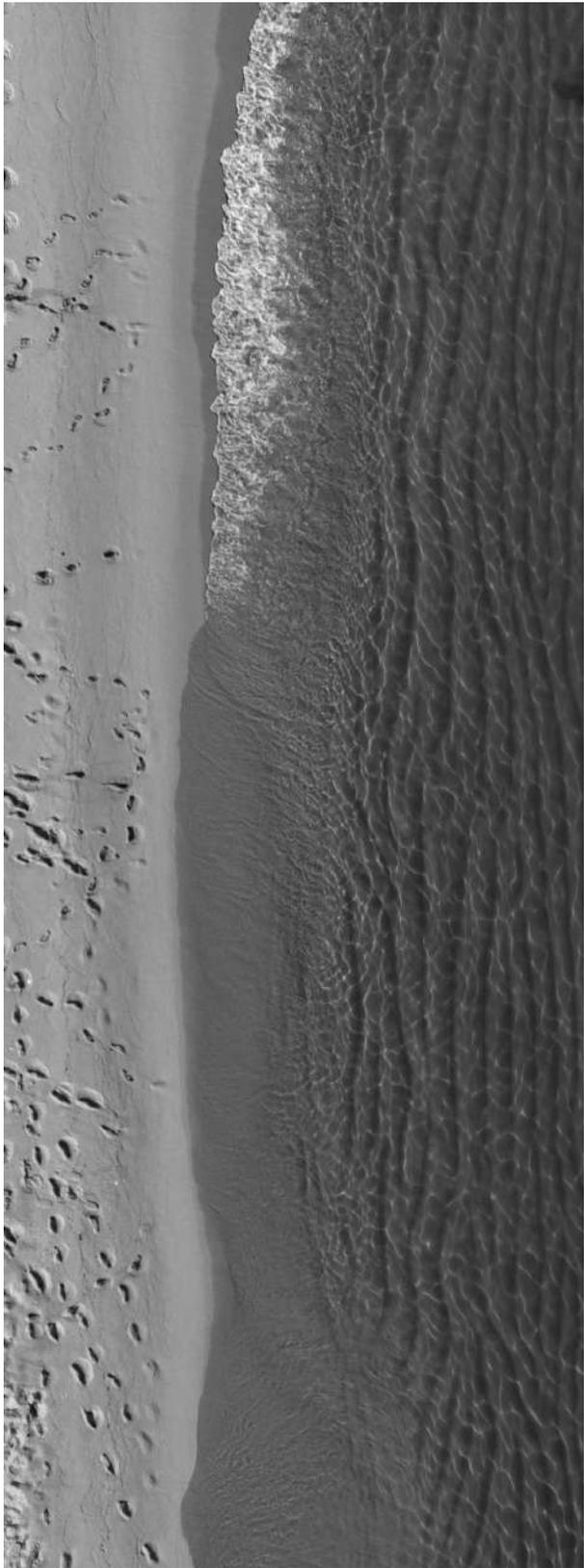
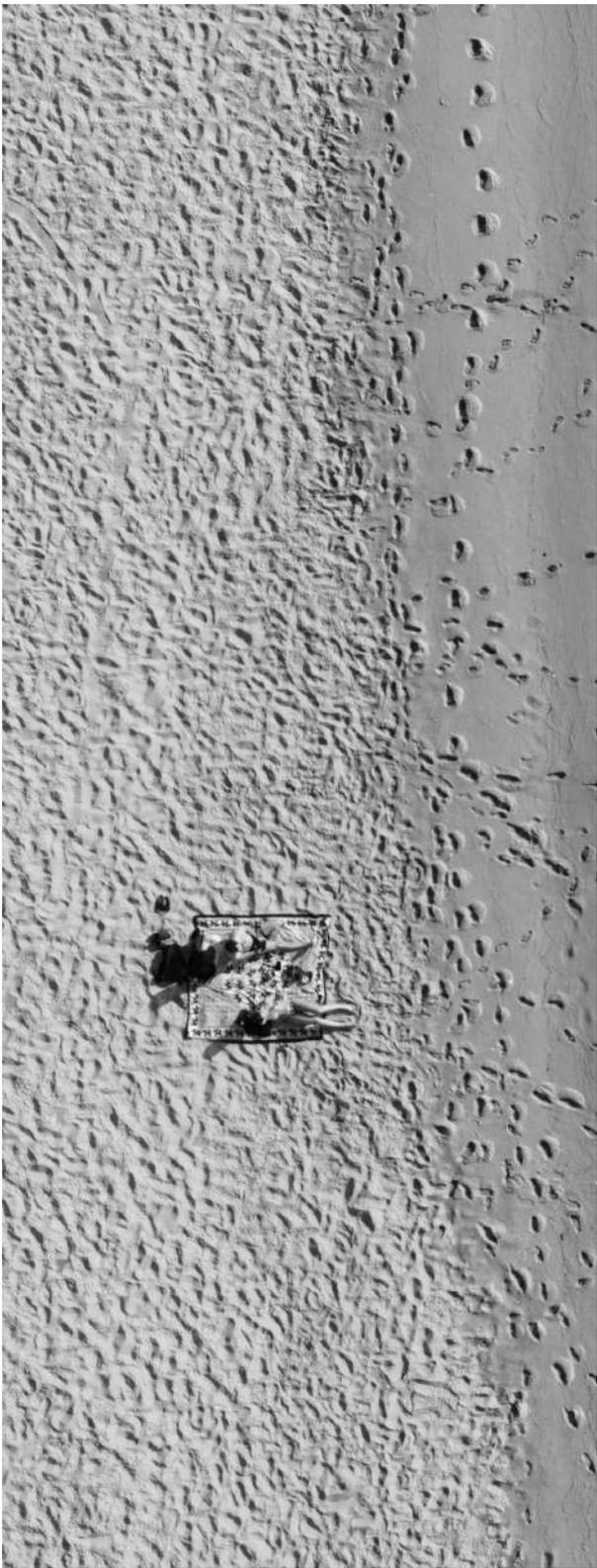
Currently Spain has the option to become a leading hub in tourist technologies or travel tech. By leveraging its advantageous global position in the tourism sector and innovative entrepreneurship, large companies and Spanish public administration offices have the opportunity to develop products and services that use technologies such as artificial intelligence, big data, virtual and augmented reality, facial recognition, or the Internet of things in the entire value chain of the tourist sector and in the different phases of the travel cycle: before, during, and after the trip, while adapting to the new health safety requirements. This means that there is now a unique opportunity for public and private strategies in the areas of tourism, innovation, entrepreneurship, and digital transformation to coalesce and mutually reinforce each other. In parallel, there are several growing trends in the sector where Spain is well positioned to hold a prominent position, such as ecotourism and sustainable tourism, environmental tourism, and solo travel, for travellers travelling alone.

The opportunity to take advantage of the importance of the cultural sector is crucial for the economy – today and in the future – of Spain. Areas such as the audiovisual sector and the development of video games and digital creation, which are experiencing huge growth, stand out. In addition, the digital environment offers possibilities, such as digitalisation of experiences through augmented reality and virtual reality; the changing role of the consumer, as the consumer is starting to participate in co-creation process models in new artistic formats, co-financing, or patronage; the creation and distribution of content, products, or services on platforms; and new marketing tools, etc.

⁷²INE: Aportación del turismo a la economía española 2018. https://www.ine.es/dyngs/INEbase/es/operacion.htm?c=estadistica_C&cid=1254736169169&menu=ultiDatos&idp=1254735576863

⁷³World Tourism Organization (UNWTO): *Destination ranking*. <https://www.unwto.org/country-profile-inbound-tourism>





3.2.3.

Mobility

Mobility affects the vast majority of citizens, directly or indirectly. From private vehicles to urban and interurban public transportation, the transport and delivery of goods, logistics, and infrastructure, the mobility sector is facing major changes and challenges in economic, social, environmental, and public health matters – areas addressed by the Safe, Sustainable and Connected Mobility Strategy. It is a sector with ample room for technical and regulatory improvement, as well as in the improvement of habits of citizens and consumers. The impact of mobility is not restricted only to these areas, but has a direct effect on urban planning and how regions are designed. Some lines of innovation in this sector – several of them already under development – are the popularisation of the electric engine and technologies related to smart cities, such as the integration of the Internet of things into urban mobility, artificial intelligence, big data, and the aforementioned 5G, as well as new infrastructures, such as the supersonic train or vacuum trains.

As to the players, some called upon to participate actively in the transformation of this sector in Spain also act as the platforms that are transforming mobility in cities. Examples that stand out include platforms for car sharing rides among several people, vehicles with a driver (VTC) rentals, per minute vehicle rentals, motorcycle rentals, or even platforms for light electric vehicle rentals such as bicycles, scooters, and others.

Public transport will be the object of a profound revolution in which trends, such as sustainability and the transition to electric vehicles, will define its future. In parallel, to increase its attractiveness and quality, it will be essential that public urban and interurban transport adopt the latest technical innovations, such as those mentioned above, and that the city create systems like dedicated lanes to increase the speed and efficiency of the service.

For logistics and the transport and delivery of goods, there are great opportunities for innovation on many fronts, such as the use of autonomous and electric vehicles, in the automation of processes through robotics, the analysis and

use of large volumes of data to improve load management and to promote fuel efficiency, and the number of journeys and their routes. There is also the use of blockchain to improve the traceability of goods; the use of drones for certain types of light deliveries, the search for delivery efficiency via intelligence applied to routes and delivery times, and the increasingly popular use of automated terminals for the shipping and collection of packages.

As for the automotive sector, its contribution to the Spanish economy is significant. According to data from the Annual ANFAC Report 2018, created with information from the automotive companies operating in Spain, this sector (manufacturing and components) amounts to 8.6% of our GDP, which represents more than 100,000 million euros per year, and in terms of jobs it represents 9% of the total working population⁷⁴.

Spain is actively involved in the transformation of mobility. For example, the city of Vigo is a test track for autonomous vehicles within the framework of a research project called AUTOPILOT (AUTOMated driving Progressed by Internet of things) involving 43 international partners. Likewise, in 2018, the first self-driving tests of an electric minibus began in Talavera de la Reina thanks to 5G connectivity. This use case shows that 5G permits the high capacity for data transfer and ultra-low latency required for autonomous driving.

On its end, the Spanish Administration is already preparing for this reality. The Directorate-General for Traffic is leading the Connected Vehicle Platform 3.0 project, the objective of which is to create a technological platform to connect all road users in real time and to provide them with real-time traffic information at any given moment.

Electric motor vehicles have undeniable advantages: they do not emit CO₂ or other pollutants, make no noise, save fossil fuels, recharging is much cheaper than filling the petrol tank, and the engines are more efficient. The drawbacks – which are expected to be solved in the near future – include the still short battery life, their cost

⁷⁴ Asociación Española de Fabricantes de Automóviles y Camiones (ANFAC): *Informe Anual 2018*. https://anfac.com/informe_anual_2018/



and long recharging time, little access to recharging points equivalent to petrol stations, and the high price of electric cars.

Along with this, the reduction in the overall vehicle fleet will have a direct impact on regions with high population density, transforming their design, the use of public space, and the dynamics of citizens themselves. This includes the creation or extension of bicycle lanes, implementation of dedicated lanes for public transportation, widening of sidewalks and repossession of parking areas to promote foot traffic, to the narrowing of lanes given that self-driving cars need less lateral space.



3.2.4.

Health

The health industry in Spain is intimately linked to public health, to which Spain devotes 6% of its GDP, being the most efficient health care in Europe and the third best in the world according to a Bloomberg ranking in 2018⁷⁵ in which more than 200 national economies were analysed.



According to the Digital Economy and Society Index (DESI), prepared by the European Commission in 2018, Spain ranks 5th in the EU in the use of electronic health services, with 29% of citizens using eHealth services countrywide⁷⁶. In addition, a study by the Spanish National Observatory for Telecommunications and the Information Society (ONTSI) analysed the opinions of Spaniards on the use of technology in the healthcare field. The study found that the best-known eHealth services were electronic prescriptions (88.7%) and appointments made online via Internet or mobile (82.10%); and that the usefulness of tools such as the electronic health record (77.1%) is highly valued⁷⁷.

The health sector is closely linked to innovation, as it is one of the areas that receives the highest amount of R&D+i investment and is where innovations are generated at a faster pace. Nevertheless, it should be noted that it is a highly regulated sector, which sometimes slows down not the research necessarily, but the delivery of its results on the market. It is also important to note that, according to a study by Axon Partners and Tech.eu, the eHealth sector in Europe is ranked second in attracting investment, with an amount that rose from 1.7 billion euros in 2016 to 3.7 billion euros in 2017.

The health crisis brought on by the COVID-19 pandemic has revealed, not only the need to plan ahead in the development of new drugs and therapies, but also, the need to strengthen healthcare services for the population, adapting to social changes and responding to the expectations of increasingly informed and demanding patients. Some of the lines of development in the healthcare market for the coming years are mHealth, data analytics and big data, telehealth, and the use of social media as a means for the community and healthcare consumers to interact.



⁷⁵ Bloomberg (2018): *Health-Efficiency Index 2018* <https://www.bloomberg.com/news/articles/2018-09-19/u-s-near-bottom-of-health-index-hong-kong-and-singapore-at-top> y Secretaría de Estado de España Global (2020): *La sanidad española, de nuevo en cabeza* <https://www.thisisthereals-pain.com/espana-en-el-mundo/sanidad/la-sanidad-espanola-de-nuevo-en-cabeza/>

⁷⁶ Comisión Europea (2018): *The Digital Economy and Society Index (DESI)* <https://ec.europa.eu/digital-single-market/en/scoreboard/spain>

⁷⁷ Observatorio Nacional de las Telecomunicaciones y de la SI - ONTSI (April, 2016): *Los ciudadanos ante la e-Sanidad* https://www.ontsi.red.es/sites/ontsi/files/los_ciudadanos_ante_la_e-sanidad.pdf



3.2.5.

Construction and Materials

Access to housing is a fundamental universal right. Building, remodelling, and renovations make up a production sector connected to the economic cycle of our country, and is deeply linked to people's wellbeing. Investment in public works – primarily through the development and maintenance of infrastructures – drives the competitiveness of the economy.

In Spain, the construction sector contribution to GDP in 2018 was 5.8% and accounted for 6.3% of total employment. In addition, construction materials⁷⁸ represent between 10% and 11% of Spanish GDP⁷⁹.

The construction industry needs to integrate innovative processes applied to faster, safer and less environmentally impactful builds, based on technologies such as BIM⁸⁰, the use of drones, or modular or prefabricated elements. Through energy efficiency, areas such as renovations, remodelling, or new construction look to sustainability⁸¹, to improve profitability as well as the real estate business.

Innovation in materials is part of the answer to the challenges facing the transformation of this sector in general. The possibilities are expanded with integrated computational materials engineering, 3D or 4D characterisation, additive manufacturing, etc. The development of new materials or discovery of new properties in traditional materials leads to more efficient use of natural resources and provides new possibilities for construction.

For example, advanced multifunctional materials allow diverse properties to be grouped into a single material; composite materials make it possible to obtain improved capabilities – thermal, electrical, and fire resistant – through techniques such as injection, infusion, pultrusion, or consolidation of pre-pregs; and also metal alloys whether light or highly resistant.

The integration of technology creates opportunities in areas such as intelligent automation (in the case of home automation), allows the use of energy management systems or other services, security at access points or activity control, etc.

Facilitating access to housing, both for renting and owning, or managing to balance supply and demand for real estate are challenges facing today's society. The way people live or work and the new types of families condition pre-existing business models or ownership or usage models. There are currently initiatives adapted for single-parent families, those with shared custody, and people living alone. Additionally, there are multiple ownership trends such as co-living – or shared housing – and co-housing for communities of adults, families, or young people who make a commitment to shared housing, either as owners or renters.



⁷⁸ The Spanish Confederation of Construction Materials Producers (CEPCO) refers to building materials and products: extractive industries, glass, wall and floor tiles, bricks and roof tiles, toilets and other ceramic products, cement, limestone, plaster and its elements, stone, pipes, taps, valves and equipment, metallic structures, electricity and lighting, plastics, wood, etc. www.cepco.es

⁷⁹ CC. OO. Construcción y Servicios (2020): *Los materiales de construcción afrontan con incertidumbre la crisis del COVID-19*. <https://construcciony-servicios.ccoo.es/a8623ff6a06cb5c29cc95503310b5605000072.pdf>

⁸⁰ BIM: Building information Modeling o Modelado de Información en Construcción)

⁸¹ Construction is one of the priority sectors of action of the Spanish Circular Economy Strategy: <https://www.miteco.gob.es/es/calidad-y-evaluacion-ambiental/temas/economia-circular/estrategia/>

3.2.6.

Energy and Ecological Transition

Due to their relevance to the sustainability of the country, of our economy, and of the environment, the energy and ecological transition sectors are two of the economic drivers on which the Spain Entrepreneurial Nation Strategy is based. In addition, these are fronts that are capable of experiencing major improvements and efficiencies through technological innovation.

As far as the energy sector is concerned, Spain shows a high degree of innovation in the generation, transmission, distribution, storage, and commercialisation of energy. According to Eurostat data, energy supply in Spain rose 5% in 2017 compared to the previous year, during which the contribution from renewables and bio-fuels fell by 4.8% due to lower hydroelectric production. Moreover, dependence on energy from abroad is 73.9%, two and a half points more than the previous year⁸². In addition, the 2021-2030 Integrated National Energy and Climate Plan, which maps out the future decarbonisation programme for the Spanish economy to make Spain a carbon-neutral country in 2050, estimates that planned investments, energy savings, and use of renewable energy will increase Spanish GDP by 1.8% during this period⁸³.

Great progress has been made in Spain on the energy front. For example, replacement of old analogue meters with intelligent meters, coupled with deployment of the necessary network infrastructure and intelligent management of data, has given our energy networks a high degree of digitalisation. This creates advantages, such as the ability to balance supply and demand for electrical consumption, to extract information from consumption data, and to facilitate fraud detection.

Within the energy sector it is worth highlighting the efforts in ecological transition, an area that works to achieve maximum energy efficiency mainly through the implementation and popularisation of renewable and clean energy, which represented less than 20% of the total energy consumed in Spain in 2017, as well as lower consumption of natural resources.

Our country is undertaking considerable efforts in this direction, a fact confirmed by the creation of the Ministry for the Ecological Transition and the Demographic challenge in 2018. This ministry is responsible for the fight against climate change, prevention of pollution, protection of natural heritage, biodiversity, forests, the ocean, water, and energy for the transition to a more ecological production and social model⁸⁴, among other responsibilities.

The main lines of innovation and trends with the greatest opportunities in the energy sector and ecological transition are energy efficiency in construction and in industry; energy generation from renewable sources – hydropower, photovoltaic, biomass, solar, wind, geothermal, and ocean energy; the use of technologies applied to energy generation and storage – such as electric batteries made from new materials, size reduction, and improvements in efficiency; personal consumption, which will require new protection systems, voltage regulators, or control capacity; renewable fuels and sustainable transport, such as the electric vehicle and the infrastructure for necessary recharging points; new services and technologies for consumers, cities, and intelligent communities. Finally, there are also opportunities in other areas of ecological transition such as waste management, eco-design, ecological engineering, recycling, sustainable construction, water efficiency, and urban water systems.



⁸² Eurostat (June 2019): *Producción e importaciones de energía* https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Energy_production_and_imports/es

⁸³ Ministerio de Energía y Transición Ecológica (January 2020): *Borrador Actualizado del Plan Nacional Integrado de Energía y Clima 2021-2030*. <https://energia.gob.es/es-es/Participacion/Paginas/DetalleParticipacionPublica.aspx?k=236>

⁸⁴ Funciones del Ministerio de Energía y Transición Ecológica (2020) <https://www.miteco.gob.es/es/ministerio/funciones-estructura/default.aspx>



3.2.7.

Banking and Finance

The Spanish financial sector has historically been characterised by its strong position in the market. Moreover, its strategic commitment to internationalisation has been key in consolidating the leadership of large Spanish firms abroad.

In 2018, this sector represented 4% of GDP in Spain and accounted for 342,199 workers.

Traditionally, this sector has rapidly integrated technological advances. However, it is currently undergoing a transformation process that goes beyond technology, caused by the need to adapt to new forms of interaction, to the changes in our society, and to the need for banks to improve the efficiency of their business models and to regain profitability.

In this sector, the areas of opportunity are extremely varied. The use of technologies such as big data, artificial intelligence, machine learning, blockchain, or biometrics; new financial products tailored to personal and business needs; services such as electronic payment instruments, applications for currency exchange, or personal finance management; experiences such as omnichannels or the office of the future; and challenges like cybersecurity or massive storage of data are just a few examples of the growing potential of this sector.

Innovation is a clear ally in this transformation. With the advent of fintech – specialised companies that offer products or services within the value chain of traditional banking – the financial sector is showing its appetite for innovation, for more flexible structures, and for a full focus on client needs. This has led to the emergence of spaces for entrepreneurship, collaboration, and innovation between traditional banking and new operators or other agents. In addition, the international experience of Spanish financial institutions and their presence in foreign markets can be of great value for innovative entrepreneurial ventures in their internationalisation process. This driving force effect of the big banks should undoubtedly serve as a reference point for other industries.

These new operational models have a direct impact on the regulation of the sector, as such

there is a prevailing need to adapt regulation to these new dynamics. Thus, a favourable environment for the development of these initiatives will be essential, while ensuring conditions are put in place to protect and benefit the consumer.



3.2.8.

Digital and Telecommunications

The Spain Entrepreneurial Nation Strategy is aligned with the big technological trends whose evolution constitutes the engine of change for society. Digitalisation will be one of its priority axis points for action and growth. Moreover, information and communication technologies provide this Strategy with the ability to have a direct impact on modernisation and competitiveness in all the key sectors of the Spanish economy and on the wellbeing of society as a whole, as Spain Digital 2025 recognises, a digital agenda presented in July 2020⁸⁵.

According to the Spanish National Observatory for Telecommunications and the Information Society (ONTSI), in 2018 the ICT and content sector contributed 3.1% of GDP to our country, achieved a turnover of 115,154 million euros – 5% more than in 2017 – and reached 532,822 workers, 7.3% more than the previous year⁸⁶.

Digital enabling technologies, with a high impact and disruptive capacity, are strategic for the development and transformation of the economy and society in general.

Artificial intelligence (AI), as a revolutionary proposition, is transforming areas such as language processing, intelligent prediction systems, robotics, machine learning, recommendation systems, driver assistance, and data analysis, among others. Moreover, AI revolutionises how citizens, businesses, and all kinds of public or private organisations interact. Thus, there will not be any economic sector or social sphere escaping its influence. The Government of Spain has recently approved the National Artificial Intelligence Strategy⁸⁷.

Another area with great opportunities is **supercomputing**. It contributes to building a competitive economy in data and knowledge with its high data processing capacity, performance, storage, and efficiency. Spain currently has a distributed infrastructure that interconnects 12 supercomputers with the objective of providing high-performance computing resources to the scientific community.



Cybersecurity is a priority goal of governments to ensure national security and confidence in today's digital society. In 2018, Spain ranked 7th globally – in a ranking of 175 countries – for its level of commitment to cybersecurity. At the institutional level, our country also has a prominent place thanks to the work of the Spanish National Cybersecurity Institute (INCIBE) and the National Cryptologic Centre (CCN-CERT)⁸⁸, among other administrative entities.

The European Union promotes the establishment of data use and storage infrastructures that are distributed, decentralised, and interconnected, with an application to a wide variety of sectors or administrations and where solutions such as Distributed Ledger Technologies (DLT) can be developed.

High-capacity telecommunications networks, in particular **optical fibre networks and 5G networks**, allow for economic development of enterprises and Territorial unity, boosting growth in levels of wellbeing and quality of life for citizens. Spain ranks 3rd among OECD countries in the rollout of optical fibre, 1st in Europe in terms of coverage and consumers⁸⁹, and is the EU country with the most pilot tests in 5G technology⁹⁰. The Spanish strategy envisions that when 5G reaches its technological and commercial maturity, our country is in a position to take full advantage of the opportunities it offers in areas such as connected and safe cars, the Internet of things, artificial intelligence, etc., and that these initiatives will have contributed to its strengthening as an Entrepreneurial Nation.

⁸⁵ Ministerio de Asuntos Económicos y Transformación Digital (July 2020): Agenda Digital 2025 https://www.lamoncloa.gob.es/presidente/actividades/Documents/2020/230720-Espa%C3%B1aDigital_2025.pdf

⁸⁶ Observatorio Nacional de las Telecomunicaciones y de la Sociedad de la Información, ONTSI (December, 2019): Informe Anual del Sector TIC y de los Contenidos en España 2019. <https://www.ontsi.red.es/es/estudios-e-informes/Sector-TIC/Informe-Anual-del-Sector-TIC-y-de-los-Contenidos-en-Espana-2019>

⁸⁷ Estrategia Nacional de Inteligencia Artificial (ENIA) <https://www.lamoncloa.gob.es/presidente/actividades/Documents/2020/ENIA2B.pdf>

⁸⁸ Telecommunication Development Sector ITU-D (July, 2019): Global Cybersecurity Index <https://www.itu.int/en/ITU-D/Cybersecurity/Pages/global-cybersecurity-index.aspx>

⁸⁹ Fundación Telefónica: Sociedad Digital en España 2019. <https://www.fundaciontelefonica.com/noticias/informe-sociedad-digital-espana-2019/>

⁹⁰ Observatorio Nacional 5G. <https://on5g.es/espana-pais-mas-pruebas-piloto-casos-uso-5g-ue/>



3.2.9.

Agroindustry

In addition to its vital importance to feed people and to ensure their survival, agroindustry is one of the main economic engines in our country overall and, specifically, for various autonomous communities.

This sector accounts for 3% of national GDP and 21% of the manufacturing industry, and is comprised of agriculture, fisheries, livestock, and the food and beverage industry.

The agricultural sector continues to grow. According to data from the Ministry of Agriculture, Fisheries and Food, agricultural income in 2018 reached a record 30,217 million euros, experiencing a growth trend since 2012. The export potential of the sector is also proven as Spanish agri-food exports have increased by 97.5% in the last 10 years, reaching a new record of 50,349 million euros⁹¹.

As for food and beverage production, data from the Spanish Federation of Food and Drink Industries (FIAB) confirms that production from the food and beverage industry reached 119,224 million euros in 2019, its best record to date⁹².

In addition to turnover and exports, if there is one piece of data that stands out, it is employment. In 2019, this sector created more than 500,000 direct jobs. In this regard, the sector continues to focus on female employment, which remains above the national average.

Agroindustry is an entrepreneurial sector with many possibilities for innovation. Some areas of opportunity – many of them already underway – are automation and robotisation in food harvesting and processing, adoption of biotechnological innovations, precision farming, and use of drones, sensors, and satellites to improve knowledge and crop monitoring; also the application of enabling technologies in different branches of this sector to make more efficient use of resources while protecting the environment. Finally, on the demand side, the big opportunity lies in the growing interest in products coming from organic and sustainable agriculture and livestock.

Now is the time to firmly push this sector so that it not only continues at the same pace, but also accelerates this growth trajectory; thus, contributing to the successful evolution of the Spanish economy in a decisive manner.



⁹¹ Ministerio de Agricultura, Pesca y Alimentación (July, 2019): *Informe Anual de Comercio Exterior Agroalimentario Pesquero y Forestal 2018* https://www.mapa.gob.es/es/ministerio/servicios/analisis-y-prospectiva/informecomextanual2018_tcm30-511506.pdf

⁹² Federación Española de Industrias de Alimentación y Bebidas, FIAB (June, 2020): *Informe Económico 2019* http://fiab.es/es/archivos/documentos/INFECO_2019.pdf



3.2.10.

Biotechnology

Investing in research and innovation is investing in the future of society. If there is a sector that faithfully represents this commitment to the future, it is biotechnology, which is also one of the most dynamic in the production of high-quality scientific and technological knowledge. Thus, this sector represents the perfect epitome of Spain Entrepreneurial Nation, as it is a transformative sector that constantly commits to ensuring people's wellbeing and quality of life.

According to the latest report available from the Spanish Bioindustry Association (AseBio), in 2019 biotechnology companies had an impact on the Spanish economy of more than 8,200 million euros (0.8% of GDP) and created 105,000 jobs⁹³.

There are many types of activities related to biotechnology, which is R&D intensive, that have direct applications and impact on the development of different sectors of the economy. Opportunities for development are as varied as their applications, these include:

- **Agriculture:** disease diagnosis, agrobiological applications, improvement in crop productivity or of pest and weed control; in vitro cell and tissue cultures for large-scale plant production, secondary metabolite production, and genetic improvement; genetically modified crops; germplasm conservation; diversity studies, evolution, population genetics and improvement programmes.
- **Industry:** in the production of additives and flavourings for the food industry, dyes for the textile industry, fuel alcohol (ethanol), dairy products through enzyme and microorganism manipulation; and detergents from enzymes and proteins.
- **Environment:** for the treatment of contaminated liquid waste and organic solid waste using bacteria and fungi; and the diagnosis and detection of substances that act as biosensors.
- **Medicine:** diagnostic systems for diseases, the development of vaccines, the development of gene therapies and treatment for diseases of a genetic origin; and the development of pharmaceutical products such as antibiotics, vitamins, and insulin.

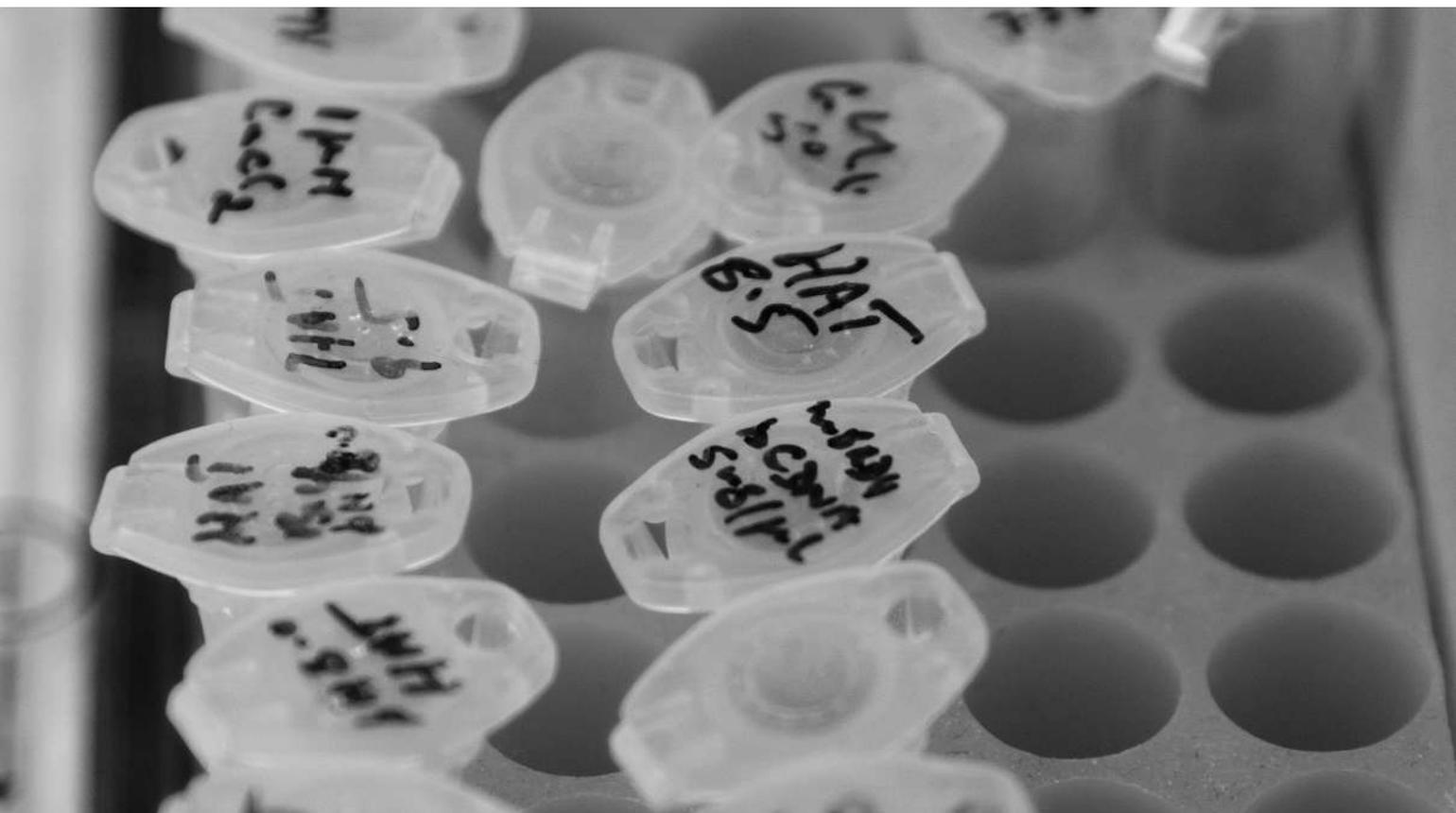
⁹³ AseBio - Asociación Española de Bioempresas (May, 2020): *Informe AseBio 2019*. <https://www.asebio.com/sites/default/files/2020-06/Informe%20AseBio%202019.pdf>



In 2002, the European Commission began developing a strategy to achieve greater use of biotechnology, based on the challenges facing the sector. Some of these challenges are advocating for research and market development, encouraging competitiveness and technology transfer, promoting public debates on the advantages and risks of biotechnology, improving the application of legislation and its effects on competitiveness, and ensuring a sustainable contribution from modern biotechnology to agriculture.

Internationally, Spain is positioned as the 9th world power in knowledge production in the biotechnology sector⁹⁴. According to AseBio, companies positively value the level of training and availability of their workers, but identify weaknesses in areas for improvement such as in executing mergers and acquisitions or strategic alliances, the regulatory framework, access to financing, or the cost of innovation.

The societal importance of this sector has become evident during the COVID-19 crisis due to the role it can play in future health emergencies. Furthermore, biotechnology is essential to building the Entrepreneurial Nation. It has the capacity to respond to challenges in society, such as aging, sustainable food, protection against new diseases, or the fight against climate change, while creating highly-skilled, knowledge-intensive employment.



⁹⁴AseBio - Asociación Española de Bioempresas (May, 2020): *Informe AseBio 2019*. <https://www.asebio.com/sites/default/files/2020-06/Informe%20AseBio%202019.pdf>

3.3.

The Gaps

Spain Entrepreneurial Nation is set to be the Strategy plan with the biggest social impact in the history of our nation. In its bid to create a more prosperous, just and sustainable society, the Strategy will focus all its efforts on eliminating the gender gap, the socioeconomic gap, the territorial gap and the generational gap.

Under the 2030 Agenda for Sustainable Development approved by the UN in 2015, the Spain Entrepreneurial Nation Strategy is an opportunity for our country to embark on a new path that enables us to improve the lives of every citizen, leaving no one behind. In order to achieve dynamic inclusive growth, it is essential that we guarantee equal opportunities, where talent and determination are the main ingredients for the success of business projects. The aim must be to generate and optimise opportunities for every citizen, enabling the development of the best ideas regardless of gender, origin or income, or location or age of those promoting them.

This Strategy aims to reduce the main social and economic gaps of our time across the board in a cross-cutting manner.

Through the governance model set in the Spain Entrepreneurial Nation strategy, indicators will be created to evaluate the progress of the measures applied to reduce and overcome each of these four gaps.

Closing the Big Social Gaps

The Entrepreneurial Nation with the greatest social impact in history



THE GENDER GAP



THE SOCIOECONOMIC GAP



THE TERRITORIAL GAP



THE GENERATIONAL GAP



3.3.1.

The Gender Gap

Ensuring that men and women have the same rights and can access the same opportunities - in both the public and private sectors - is a matter of principle. An equal presence of male and female individuals in every field of society will be the true reflection of diversity, and, of real distribution within the country. It will denote the balanced integration of diverse perspectives, experiences and interests, and, the harnessing of everyone's capabilities, ensuring an inclusive and sustainable growth model⁹⁵ - the United Nations asserts that sustainable development will not be possible without gender equality⁹⁶.

Harnessing female talent is a strategic endeavour for society as a whole. In the case of innovative entrepreneurship, where all available potential needs to be seized, talent should focus on developing viable and sustainable business projects, and, on achieving a richer and more diverse economic model. The motivations, intentions, and projects of entrepreneurial men and women can be fairly diverse⁹⁷ and, will be depicted in the different responses that innovative entrepreneurship is able to offer to arising needs, thus, augmenting the possibilities of successful development of said projects.

It is estimated that Spain will spend the next 99.5 years bridging and closing the gender gap⁹⁸. Despite this gap showing a significant improvement in relation to data obtained in 2018, when the estimated period was 108 years, it is rather obvious that we still have a long way to go. On a global scale, our nation holds position nº8 on a list of 153 countries. In the political field, this data stands out, and in relation to previous years, there is a clear improvement at all levels. However, in the economic field, where Spain sits at 72nd place, it must bridge large wage and income gaps, and, increase the presence of women in managerial positions.

When analysing equalitarian distribution based on professional profiles, the trends we see in Spain are similar to those in other countries; the gaps are more pronounced in STEAM careers, whilst they are

narrowing in sales and marketing. In fact, and according to one of the indicators of the *Digital Economy and Society Index 2020* (DESI), when looking at the percentage of ICT professionals at the European level, in Spain, women represent 1% of the total, whilst the European average is 1.7%.

While the Strategy's objective is to contribute to equality in every sector of the economy and society, we aim to focus on what is happening in the field of entrepreneurship in our country. *The Global Entrepreneurship Monitor* - a global entrepreneurship observatory that studies the behaviour of entrepreneurial dynamics in 50 countries - states that only six countries in the world have similar rates of entrepreneurship between men and women (2019-2020). In Europe, Spain is the best positioned country: it leads in parity for the sixth consecutive year, with 9 female entrepreneurs for every 10 males; the European average is at only 6 women for every 10 male entrepreneurs. The report also determines that the creation of individual wealth is not the only driving force for female entrepreneurs: women who start a business aspire to change the world, compared to men, whose main motivation is profit or self-employment⁹⁹.



Promoting female entrepreneurship means advancing in terms of gender, but it is also an opportunity to create companies that make the most of everyone's capabilities.



From a venture capital perspective, women are underrepresented on both the founder and investor sides. All Raise is an American organisation that works to reduce the gender gap by encoura-

⁹⁵ OCDE/Unión Europea (2019): *The Missing Entrepreneurs 2019: Policies for Inclusive Entrepreneurship*, OECD Publishing, Paris. <https://www.oecd.org/industry/the-missing-entrepreneurs-43c2f41c-en.htm>

⁹⁶ Organización de las Naciones Unidas para la Educación, la Ciencia y la Cultura (UNESCO). *Educación e igualdad de GENDER*. <https://es.unesco.org/themes/educacion-igualdad-genero>

⁹⁷ OCDE/Unión Europea (2019): *Policy Brief on Women's Entrepreneurship*. <https://www.oecd-ilibrary.org/docserver/dd2d79e7-en.pdf?expires=1592813892&id=id&accname=guest&checksum=5EFDC6085F1EF57CEEEA18F01AEF2C20>

⁹⁸ Foro Económico Mundial (December, 2019): *Global Gender Gap Report 2020*. <https://www.weforum.org/reports/gender-gap-2020-report-100-years-pay-equality>

⁹⁹ Red GEM España (2020): *Global Entrepreneurship Monitor. Informe GEM España 2019-2020*. <https://www.gem-spain.com/informes-nacionales/>



ging women investors to participate in venture capital funds that invest in business projects led by women. According to their report, *All In. Women in the VC Ecosystem*, some progress has been made in the last few years¹⁰⁰.

According to data published by *Pitchbook*, the activity of startups founded by women has quadrupled across the globe in ten years, and investments made by women have also quadrupled between 2010 and 2018. Moreover, startups founded by at least one woman managed to achieve an exit in less time (6.4 years compared to 7.4 years for other companies), which is undoubtedly a key metric of their success¹⁰¹. In addition, according to data published by South Summit in 2018, startups with women at the helm have a lower failure rate than projects led by men, 22% compared to 51% respectively¹⁰².

Promoting female entrepreneurship means advancing in terms of gender, but it is also an opportunity to create companies that make the most of everyone's capabilities. A business model that embraces diversity will not only generate environments that are more conducive to innovation, but will also benefit from complementary and alternative visions that are more in line with the reality of our social setting, increasing its competitiveness, and promoting greater chances for success. All this will result in increased labour productivity, and will, in turn, contribute to the country's economic growth.

¹⁰⁰ PitchBook and All Raise (2019): *All In. Women in the VC Ecosystem* https://www.allraise.org/assets/pitchbook_all_raise_2019_all_in_women_in_the_vc_ecosystem.pdf

¹⁰¹ Pitchbook (February 2019): *The VC Female Founders Dashboard* <https://pitchbook.com/news/articles/the-vc-female-founders-dashboard>

¹⁰² South Summit (September 2018): *El mapa de emprendimiento 2018*. <https://s3-eu-west-1.amazonaws.com/ssassetspro/docs/press/Informe%20Mapa%20del%20Emprendimiento%202018.pdf?timestamp=1591359887>



3.3.2.

The Territorial Gap

Inequality manifests itself through different perspectives, and the Territorial divide is one of them. Efforts to maintain Territorial unity have not yet managed to curb the effects of mobility between territories, a fact that has characterised our country in recent years. Granted that the greatest impact of this phenomenon can be seen in rural areas, but territorial mobility also has deep effects in provincial capitals – and other localities – where professional or employment opportunities are more limited than in large cities.

When we talk about tackling the territorial divide, we are not only referring to the revitalisation of rural areas, but also, to the reactivation of those geographical areas that are facing the difficulties inherent to the loss of talent and of population, low birth rates, and, the slowdown or termination of economic activity, amongst others. These are areas where promoting initiatives aimed at fixing both population and wealth, or at generating opportunities that allow people to freely decide where to stay or settle, are paramount.

It is a fact that Spain's major cities are the main locations for startups in our country. According to data from Startupxplore, Madrid and Barcelona account for more than half of the companies, while Valencia (14.3%) and Bilbao (4.5%) are beginning to establish themselves as secondary hubs¹⁰³.

In leading global rankings for innovation ecosystems, countries are represented by their capital cities. It is exceptional that, as is the case in Spain, there are several locations in a single country. This is also the case in the United States, where several hubs with different specialisations appear in top positions. *StartupBlink* compiles a ranking that includes 100 countries and classifies another 1,000 cities worldwide¹⁰⁴. In Spain's case, 18 cities were registered in 2019 – five of them appear for the first time ever in the ranking – and not all autonomous communities were represented.

Entrepreneurship is often condensed in poles of attraction for people and investment. These tend to be places with specific characteristics (high

concentration of talent, attraction of specialised professional profiles and investors, availability of resources...), where the surrounding conditions (communications, infrastructure...), and their own dynamics (support networks, event organisation, university-business connection...), boost the growth of these activities. These places also tend to promote interaction between the different players in the ecosystem – also mixing with other ecosystems– giving success stories greater visibility, and, yielding a greater capacity to attract the interest of professionals from outside the region.

Ensuring the prosperity of the entire national territory is an utmost principle for all governments. Initiatives aimed at modernising and developing economic sectors, ensuring territorial connectivity, reducing the digital divide and fostering entrepreneurial activity are the main challenges of any territory. The COVID-19 health crisis has accelerated debates around some of these initiatives, prompted by the imposition of teleworking or online learning. As Schumpeter argued, entrepreneurship is the real engine of change in societies.

It may seem that entrepreneurship outside urban areas has its disadvantages, but it also offers the opportunity to generate ideas with innovative value, opportunities with fewer competitors, strengthening the talent associated to each region. Moreover, thanks to the bond created with the environment in which they sprout up, business projects of this kind are capable of generating real social and economic impact.

In modern day Spain, there are more and more initiatives aimed at promoting entrepreneurship in cities. The creation of local business projects is encouraged, with the underlying aim of improving competitiveness within the entire territory; thus, facilitating the development of new economic activities that favour the settlement of populations and of people taking roots.

Between 2001 and 2018, 63% of Spanish municipalities decreased in population and, 48% of

¹⁰³ Startupxplore (2017): *Visión del ecosistema inversor startup de España* <https://startupxplore.com/es/blog/informe-vision-del-ecosistema-inversor-startup-de-espana-2017/>

¹⁰⁴ StartupBlink: *Global Map of Startup Ecosystems* <https://www.startupblink.com/>



these municipalities, suffered population losses of between 10% and 50%. In almost half of Spanish municipalities, population is now below 12.5 inhabitants per km², a ratio that the EU describes as "at risk of depopulation"¹⁰⁵.

Today's society is faced with the conundrum of how to manage this demographic challenge. As a result, *the National Strategy to Confront the Demographic Challenge*¹⁰⁶, arises with the goal of laying the foundation of a country project that guarantees equal opportunities, and, the free exercise of citizens' rights throughout the territory. Ageing, Territorial depopulation and floating populations are phenomena that several countries around us have had to face, and, one of the ways to tackle these issues has been to convert territories into spaces of opportunities. A clear example of this is the *Highlands and Islands Enterprise*¹⁰⁷ initiative, a public agency created to halt depopulation in the Scottish Highlands and Islands. This project has managed to halt depopulation by promoting the development of initiatives with social impact, allowing these territories to gather 22% of all the social enterprises in the country¹⁰⁸.

There are experiences which prove that harnessing local resources generates economic activity, promotes entrepreneurship, and in turn, highlights and promotes local talent. At the same time, it contributes to the use and preservation of resources and heritage in all its forms and manifestations, especially so in rural areas.

Overcoming this gap is undoubtedly a unique opportunity. An unparalleled, exceptional opportunity to augment innovation, productivity and sustainability rates across the country, whilst in turn, we weave a network of opportunities for all citizens across Spain regardless of where they have chosen to live.



¹⁰⁵ Ministerio de Política Territorial y Función Pública: *Estrategia Nacional frente al Reto Demográfico*. https://www.mptfp.gob.es/dam/es/portal/reto_demografico/Estrategia_Nacional/directrices_generales_estrategia.pdf

¹⁰⁶ In March 2019, the Council of Ministers approved an Agreement on the general guidelines of the National Strategy for the Demographic Challenge, prepared by the Government Commissioner for the Demographic Challenge, attached to the Ministry of Territorial Policy and Public Function.

¹⁰⁷ Highlands and Islands Enterprise (HIE): <https://www.hie.co.uk/>

¹⁰⁸ Ministerio de Política Territorial y Función Pública: *Estrategia Nacional frente al Reto Demográfico*. https://www.mptfp.gob.es/dam/es/portal/reto_demografico/Estrategia_Nacional/directrices_generales_estrategia.pdf

3.3.3.

The Socioeconomic Gap

An individual's potential can be drastically held back by social and economic obstacles that limit their access to education and training, funding, or, the most productive jobs. Therefore, it is unequivocal that entrepreneurial ecosystems must be as rich and plural as the societies in which they bloom.

According to the report by the OECD, *Framework for Action on Inclusive Growth*¹⁰⁹, in order to ensure inclusive growth, Spain needs to overcome certain challenges. As shown by the Gini coefficient, income and wealth distribution inequality in Spain is above the OECD average mainly as a result of a structurally high unemployment rate.

The socioeconomic gap is not only rooted in the economic imbalances of today's society. Inclusive growth must also confront the inequalities generated amongst the population on the basis of place of origin, race, disabilities, political or religious ideology, sexual orientation, culture and education, social status, or, any other conditioning factor that prevents access to this economy that has a direct impact on the social welfare index of the population as a whole.

Furthermore, the OECD determines that, although the growth and efficiency of markets are meant to increase people's living standards, globalisation and technological innovation are favouring the inequality of opportunities. The role of technology should not be limited to improving economic development, it should also promote social inclusion, and, it is the responsibility of governments to guarantee this outcome. In a similar line, according to the United Nations, technology plays a fundamental role in achieving Sustainable Development Goals at a global level¹¹⁰.

Clearly, education is a key element in overcoming the socioeconomic divide – both for children and adults – as it can provide the neces-

sary tools to bridge the gaps. According to the United Nations, inclusive development can be achieved, by simply ensuring inclusive and equitable quality education, as well as promoting lifelong learning opportunities for all¹¹¹.

Of particular concern to Spain is the fact that the **child poverty rate is higher than the OECD average**. The most recent data indicates a slight decrease in the total number of households with at least one child, and with no income. However, these specific cases still account for almost one in four households without income. The material deprivation, or deprivation to which a child may be subjected, can significantly affect their learning process, and influence their development as an adult, resulting in reduced future opportunities.

The Spanish Government's High Commission for the fight against Child Poverty indicates that the acquisition of digital skills and competences for children and adolescents is crucial and fundamental for social inclusion, and influences their future educational, social and employment opportunities¹¹².

For the adult population, work environments must foster the development of everyone's human and professional potential, regardless of their socioeconomic status, and, in turn, take advantage of the opportunities offered by diversity. A diverse professional environment is not only nurtured and enriched by multidisciplinary work teams, but also, by people who bring together different personal, social and cultural experiences; thus, providing business, reputational and emotional benefits¹¹³.

Organisations must adapt to the rapid and constant evolution to which they are subjected due to their ever-changing environment. The labour market needs to guarantee an ongoing learning process for professionals, in order to develop

¹⁰⁹ OCDE (2018): *Opportunities for All. A Framework for Policy Action on Inclusive Growth*. <https://www.oecd.org/economy/opportunities-for-all-9789264301665-en.htm>

¹¹⁰ Naciones Unidas, International Telecommunication Union (2018). *Fast-forward progress: Leveraging tech to achieve the Global Goals*. <https://www.itu.int/en/sustainable-world/Pages/report-hlpf-2017.aspx>

¹¹¹ N, Sustainable Development Goals. Goal 4: Quality education. Ensure inclusive, equitable and quality education and promoting lifelong learning opportunities for all. <https://www.un.org/sustainabledevelopment/education/> <https://www.un.org/sustainabledevelopment/es/education/>

¹¹² Alto Comisionado para la lucha contra la pobreza infantil: <https://www.comisionadopobrezainfantil.gob.es/>

¹¹³ Grant Thornton (2019): *Women in Business: hacia un avance real*. <https://www.grantthornton.es/globalassets/1.-member-firms/spain/insights/wib2019/women-in-business-2019-hacia-un-avance-real.pdf>



their talent, and offer training that is in line with their process of adaptation, so that no one is left behind. The goal is to support professionals by offering them up-to-date knowledge, so that they are capable of adapting and acquiring new skills to move forward.

A final point to consider regarding the socioeconomic divide is that of immigration. Spain, like other developed countries, receives immigrants who, in many cases, arrive in search of opportunities for a better future. Given that immigrants are generally a more vulnerable group, it is essential for us to implement active policies that help bridge the gap. We must promote the truly positive impact that immigration has on society and its economy, and how it contributes to strengthening the Entrepreneurial Nation. The United States is a prime example of this. According to the research study by The University of Pennsylvania, *The Effects of Immigration on the United States' Economy*¹¹⁴, immigrants have not only not replaced local workers or had an impact on their wages, but have instead generated long-term benefits by generally increasing the pace of innovation, and productivity growth. The study concludes that while local workers tend to initially cover certain social costs for immigrants and their families, in the long run there is a positive net return on that initial investment.

The fact that technology has created a wide and new spectrum of economic and employment opportunities is undeniable. Through education and higher training, professional skills linked to entrepreneurship can be taught and enhanced, generating future employment and wealth for all.

¹¹⁴ University of Pennsylvania (2016): *The Effects of Immigration on the United States' Economy* <https://budgetmodel.wharton.upenn.edu/issues/2016/1/27/the-effects-of-immigration-on-the-united-states-economy>



3.3.4.

The Generational Gap

The increase of longevity is a global reality. The United Nations estimates that by 2050, 16% of the population will be over 65, compared to 9% in 2019. Currently, the average age in Spain is 43.4 years, whereas in 2010 it was 41.

In the current economic context, various sources¹¹⁵ such as the Bank of Spain, the OECD, the International Monetary Fund, and the Independent Authority for Spanish Fiscal Responsibility (AIReF), have shared their concern about this demographic shift, and the growing pressure that the ageing of the population is putting on public finance. Given the increasing ageing of the population and low birth rates, our quasi-labour dependency ratio will continue to grow. Considering that other factors in this equation are expected to remain unchanged, immigration is the most viable solution when it comes to slowing down the ratio's rise, more specifically so, through the integration of immigration into the labour market. The report "*Spain and the demographic challenge*" highlights that if Spain wants to maintain the dependency ratio at 2018 levels, it is essential that we increase net labour immigration.

One may also appreciate that no area in today's society remains unaffected by the transformation process driven by the digital revolution; neither as professionals nor as citizens.

In professional spheres, according to the OECD's *Getting Skills Right: Future-Ready Adult Learning Systems* (2019), 32% of the jobs analysed globally will undergo major changes, and 14% will become completely automated¹¹⁶. In addition to this, only 41% of adult employees undergo professional training each year as part of their career development. In all the 32 countries analysed, organisational and human capital shifts will be required; adapting to this new work environment will be a clear challenge for certain individuals, particularly for adult professionals.

In today's digital society, citizens must be at the centre of the game, playing an active role in the field of technological progress. One of the indicators of the *Digital Economy and Society Index 2020* (DESI) shows that although an increasing number of Spaniards use the Internet (88%), levels of basic and advanced digital skills are still slightly below the EU average: 43% of people aged 16-74 lack basic digital skills (creating an email account or downloading applications on their mobile phone), compared to the EU average of 42%.

The hasty development of current day societies must include all individuals and leave no one behind. It must be an inclusive progression that enhances the capabilities of every individual.

The 2019 *Entrepreneurship Venture Framework* drafted by South Summit, highlights the fact that senior professionals joining the world of entrepreneurship, could be regarded as an opportunity; either because they decide to launch their own business projects, or, because they decide to become involved, in some capacity, in a third party project¹¹⁷.

¹¹⁵ Ministerio de Industria, Turismo y Comercio, Secretaría de Estado de Comercio (2019): Revista de Economía ICE: "España ante el reto demográfico". <http://www.presidencia.gva.es/documents/166658342/167751267/Ejemplar+908/f5214d39-d2dc-4bba-a6a2-4dee7c6845c3>

¹¹⁶ OCDE (February, 2019): *Getting Skills Right: Future-Ready Adult Learning Systems* <http://www.oecd.org/fr/publications/getting-skills-right-future-ready-adult-learning-systems-9789264311756-en.htm>

¹¹⁷ South Summit (September 2019): *Mapa Emprendimiento South Summit 2019* <https://s3-eu-west-1.amazonaws.com/ssassetspro/docs/press/MAPA%20EMPREDIMIENTO%202019%20-%20Presentaci%C3%B3n%20Rueda%20de%20prensa.pdf?timestamp=1591359887>



An older professional knows his or her sector of activity perfectly well, and has a wealth of knowledge and experience. In addition, they can bring a network of contacts that is essential for the business (customers, suppliers, collaborators, partners), which in turn, may lead to greater business success.

Veteran entrepreneurs bring value to younger teams through their knowledge and approach, and are a valuable asset in the mentoring process, as witnessed in the numerous mentoring programmes for young entrepreneurs in current practice.

Business projects driven by senior entrepreneurs often provide solutions for the needs of the elderly. In the report *Senior Entrepreneurship: The Unrevealed Driver for Social Innovation*, such projects fall within the scope of social innovation, and have a positive impact on society. This report also points out that from a political and economic outlook; senior entrepreneurship is the answer to the effects of Europe's ageing population. In fact, the OECD promotes senior entrepreneurship through the creation of a favourable environment and framework for senior entrepreneurs¹¹⁸.

The enormous potential of the silver economy must not be overlooked, as it encompasses ever-growing opportunities and market niches arising from the fact that longevity is a global trend. The European Union defines the silver economy as the sum of all economic activities that meet the needs of people aged 50 and over (production, consumption, and trade of goods and services relevant to older people, both in the public and private sectors)¹¹⁹.

Lastly, the *Global Institute for Experienced Entrepreneurship* promotes what it calls experienced economy. This entity bases its impact on data provided by the Global Entrepreneurship Monitor: this is that five years after the start-up of their business project, 70% of companies founded by senior entrepreneurs actively remain in business, compared to only 28% of companies launched by younger entrepreneurs¹²⁰.



¹¹⁸ Stypińska Justyna, Franke Annette, Myrczik Janina (2019): *Senior Entrepreneurship: The Unrevealed Driver for Social Innovation* <https://doi.org/10.3389/fsoc.2019.00030>¹

¹¹⁹ Comisión Europea (2015): *The Silver Economy*. <https://op.europa.eu/es/publication-detail/-/publication/a9efa929-3ec7-11e8-b5fe-01aa75ed71a1>

¹²⁰ The Global Institute for Experienced Entrepreneurship <https://experiencneurship.com/>



ELOISE
Send us up
for shout!

ELOISE
You were
♡

SHOUT OUTS
JASON
Needs the Turnaround
& Quality

SHOUT OUTS
ELOISE
Needs the Turnaround
& Quality

SHOUT OUTS
LOUISE
Needs the Turnaround
& Quality

LOUISE
Needs the Turnaround
& Quality

04.

STRATEGIC MEASURES FOR SPAIN ENTREPRENEURIAL NATION



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The measures comprised in the Spain Entrepreneurial Nation Strategy are **recommendations that the High Commissioner for Spain Entrepreneurial Nation** will promote through public-private sector collaboration.

Each measure herein, constitutes a guideline addressed to Ministries and other public and private agents, and, is intended to help them achieve the goals outlined in this Strategy, which is a top priority in our country's political agenda.

Most of these measures are concise recommendations; deliberate decisions, arising from our intention to keep the wording as unrestrictive as possible. Additionally, the aim is to leave space for those who work on each recommendation, to make them their own, and to complete their definition, always in line with the framework to achieve the goals and reduce the gaps set out in this Strategy.

Each measure is labelled on the basis of the goals and gaps it directly affects. The initial nine measures are utmost priorities, and their implementation is considered preferential. The rest of the measures are classified in four groups; all of them in relation to the goal they directly affect; but, they are also labelled in relation to other goals that may overlap, along with the gaps they make reference to.

Established classification and labels referring to the achievement of goals:

GOALS	INVESTMENT	SCALABILITY	TALENT	ENTREPRENEURIAL PUBLIC SECTOR
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Labels referring to gap reduction:

GAPS	GENDER	TERRITORIAL	SOCIOECONOMIC	GENERATIONAL
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4.1.

Priority Measures

1. A Brand for Spain Entrepreneurial Nation

The notion is to build a national brand that embodies all the initiatives related to innovative entrepreneurship. A brand that generates a sense of belonging to society as a whole; and a brand that puts Spain on the map as an attractive international nation in which to live, launch businesses and invest.

The brand will multiply the dissemination of initiatives to support entrepreneurship and align different types of stakeholders – both public and private – under a common goal: to achieve the goals of investment, talent, scalability, and of the entrepreneurial public sector; and to reduce gender, territorial, socioeconomic, and generational gaps.

The brand's prime attribute will be to generate positive impact. The brand will be based on a strategy that champions inclusive, social, environmental, and economic development. Positive impact awareness shall be promoted among all stakeholders in the economy, including public administrations. This awareness will be fostered culturally amongst citizens, and in every organisational process and initiative.

GOALS	INVESTMENT	SCALABILITY	TALENT	ENTREPRENEURIAL PUBLIC SECTOR
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2. Establishment of the National Office for Entrepreneurship (ONE)

The establishment of an entity in charge of **organising and coordinating entrepreneurial support services**, in collaboration with every State-run organisation, and other public and private agents within the ecosystem. The ONE (National Office for Entrepreneurship) will rely on the National Network of Entrepreneurship Centres (RENACE)¹²¹, and on Entrepreneur Service Points (PAEs) to gain capillarity and to flow across the national territory.

The **ONE** could have the following duties:

- To be the main **point of entry, information, and help and guidance for innovative entrepreneurship** in Spain. The ONE will become the source of information par excellence for any person, company, or institution; and will be a key ally to carry out complex international processes such as applying for European funding.
- To create and share a **repository of resources** for entrepreneurs and investors. This will organise all support measures in a clear and efficient way and identify the areas to be improved. Personalised itineraries adapted to the specific needs of each user will be available.
- *SME Clinic*: to create an **intensive training programme** for SMEs that want to invest in innovation to become more productive, sustainable, and competitive. The programme will include a personalised consultancy service with experts specialising in the needs of each SME.
- To create a service aimed at enabling companies to make the most out of all the **international financing tools and instruments** available for innovative projects. The aim will be to maximise the returns from these types of resources for Spain, based on the positive Spanish experience within the European Union's Framework Programme for Research and Innovation (Horizon 2020)¹²².
- To promote the participation of Spanish entrepreneurs in **European projects** through *Startup Europe*, and, to encourage their collaboration with European entrepreneurship organisations.
- To favour **cooperation and dialogue** between the different departmental areas of public administration, with other mixed or private organisations related to innovative entrepreneurship, whilst maintaining their given areas of specialisation.
- To coordinate and manage **Entrepreneurship Information Points** in universities.
- To make **success stories** visible, and to support them publicly. To continue promoting the positive image of entrepreneurs today. And, to work towards changing the social perception of business failure, so that it is instead perceived as a learning curb or opportunity.
- **Entrepreneurship Observatory**: to measure the ecosystem's evolution, draft reports, and make recommendations for upgrading and growth opportunities

GOALS	INVESTMENT	SCALABILITY	TALENT	ENTREPRENEURIAL PUBLIC SECTOR
GAPS	GENDER	TERRITORIAL	SOCIOECONOMIC	GENERATIONAL

¹²¹ The National Network of Entrepreneurship Centres (RENACE) is described in detail in Measure 4.

¹²² According to data published by the CDTI in 2019, between 2014–2018 Spain ranked 4th in a list of countries, in terms of return on investments, 3rd in participation and 1st in project leadership in Horizon 2020.

3. Promotion of the Startup Ecosystem Act

Passing a law that develops a regulatory environment which is favourable to the creation, growth and consolidation of innovative entrepreneurship in Spain. This law should specifically recognise startups as companies with high-growth potential, as well as for their potential in creating employment, wealth, and innovation.

The goals within this Act should be as follows:

- **To encourage the launch or relocation of startups in Spain:** the law should define startups and establish their form of accreditation to determine the conditions applicable to their incorporation and operation. Tax incentives related to the activity of such companies will be assessed.
- **To facilitate administrative procedures:** the law should, among other things, simplify the incorporation of startups as limited companies; promote their creation through the National Entrepreneurship Office (ONE); facilitate remote registration procedures; and, adapt the associated fees and charges.
- To attract and retain **specialised talent to startup companies** through more favourable tax considerations for stock options.
- To promote the **rapprochement between vocational training institutions, universities and emerging companies**, and, in turn, to contribute to an increase in the transfer of technological knowledge from universities to the business world.
- To support the development of **poles or centres of attraction for companies and investors in peripheral cities and rural areas**; and, to encourage the interaction between companies, financing agents, and territories, in order to increase the chances of success for emerging companies.
- **To promote innovative public procurement** with emerging companies, and, to adapt the economic and technical solvency requirements, to ease their participation in public tenders.
- To ensure the **effectiveness and coherence of the State support system** for innovation-based entrepreneurship.
- To promote **inclusive protocols that will monitor the evolution of the Spanish** startup ecosystem, and the results arising from this law.

GOALS	INVESTMENT	SCALABILITY	TALENT	ENTREPRENEURIAL PUBLIC SECTOR
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4. RENACE. National Network of Entrepreneurship Centres

The aim is to create a network of incubators, accelerators, and venture builders, public, private, as well as a public-private sector mix; a network where entrepreneurship and innovation are encouraged across the national territory. The result will close the territorial gap and multiply the country's productive capacity.

A specific brand will be designed to this end to provide credentials to network members, and information in regards to the degree of services provided.

The network functions shall be:

- To encourage collaboration between all **members of the network** as well the sharing of knowledge.
- To boost the local sector by **holding activities** such as events, workshops, and meetings.
- To offer **incubation and acceleration services** to innovative companies. These services may include mentoring and advice in the search for investment; testing and market testing; and, the provision of technological infrastructure, amongst other services.
- To promote **training activities** aimed at *upskilling and reskilling*, particularly in areas such as digital skills, innovation and growth methodologies, and disruptive technologies.
- To **support innovation** through access to advanced technological equipment, and technological transfer.
- To **collaborate with large companies** so that they have a presence within the network's centres and can rely on these spaces to headhunt and attract talent, generate open innovation, and provide products and services.
- To carry out programmes that **develop, attract, and retain female talent**.

RENACE will contribute to population settlement in the territory. The members of the network will not only promote the development of talent in their direct environments, but will also advance its link with business initiatives that favour employment creation, wealth, and the attraction of investment to their territory.

RENACE will be supported by a central management team that will coordinate efforts and design lines of work, as well as generate opportunities for all the centres in the network. Meanwhile, it will also promote international alliances, with the aim of fostering collaboration with other ecosystems, and to maximize business opportunities between countries. We shall seek to represent The National Entrepreneurship Office (ONE) in every network centre.

GOALS	INVESTMENT	SCALABILITY	TALENT	ENTREPRENEURIAL PUBLIC SECTOR
GAPS	TERRITORIAL			



5. Scaleup Spain: Support for Scalability

Spanish companies must increase in size and cement their development in both national and international markets.

To achieve this objective, we propose the following:

- **Scaleup Spain, a programme designed to support scalability:** the aim is to create an annual programme for companies whose high-growth potential can be translated into positive impact on the economy and society. The companies will be selected considering criteria such as growth projection and geographical origin, among others. The selected companies will have access to a series of advantages and opportunities related to national and international visibility, guidance, access to capital funding, and innovation grants. In addition, participating companies will be part of a network that promotes the exchange of best-practices, and facilitates collaboration within the network.
- **Supporting the internationalisation of Spanish companies:** the goal is to promote initiatives that support the internationalisation of innovative entrepreneurial projects, providing them with market and industry intelligence, and facilitating access to sectoral experts in the country of internationalisation. This line of work will help promote the network of economic and commercial offices abroad, as well as facilitating cooperation with local entities that also support innovative entrepreneurship once it has been established in that country.

GOALS	INVESTMENT	SCALABILITY	TALENT	ENTREPRENEURIAL PUBLIC SECTOR
GAPS	TERRITORIAL			

6. International Programme to Attract Female Talent

In the global race to attract talent, especially those with technical profiles, key differentiation can be achieved by focusing our efforts on attracting female talent. Spain is particularly well positioned for this, given that our country is already making good progress in generating professional, social, and family environments that are favourable to career development for women.

Betting on female talent is a strategic concern, but it is also a matter of principle for our country. This does not imply that Spain will no longer be a country that welcomes professionals – men and women – from all backgrounds. Yet, as a nation, we believe that there is a clear opportunity to redouble our efforts to attract female talent.

To this effect we propose the following:

- To create an international **talent attraction or inpatriation** programme, that positions Spain as a benchmark country for professional women.
- To create a programme aimed at the **repatriation of Spanish** talent back to our country.
- To create a campaign to help **avoid the so called “brain drain”** of talent from Spain to other countries.

GOALS	TALENT
GAPS	GENDER



7. Visa permit Programme

The programme to obtain work visas for foreign professionals who meet certain criteria and requirements will be improved. This programme will be aimed at entrepreneurs who want to set up, establish or move their business to Spain; investors in new or startup companies; professionals who are going to be hired by innovative Spanish companies, or those who are already employed by them, but require a visa to continue working.

A measure of this nature is essential in allowing Spain to become as competitive as its neighbouring countries; countries that already offer opportunities of this kind. This measure will facilitate the attraction and retention of international talent by innovative companies.

GOALS	SCALABILITY	TALENT
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8. Flagship Programme

The “Bandera”, or Flagship programme, will focus on institutionalising the creation, development and attraction of international events focused on innovative businesses, and bringing them to Spain.

There is currently a lack of coordinated and structured efforts between the different administrations, organisations, and ministerial departments aimed at attracting investment opportunities, talent, or companies through international events. Therefore, the objective of this programme will be to position Spain at a global level, to generate meeting points and business development, and, to promote and be an active part of the social, political, and economic debates that concern the most advanced entrepreneurial ecosystems. To this end, the programme will be at the service of the Spain Entrepreneurial Nation brand and will contribute to the projection and expanse of our country’s image on a global scale.

Its highest mission will be to contribute to the achievement of investment goals, talent, scalability, and that of an entrepreneurial public sector; and in turn, to reduce the gender, territorial, socioeconomic, and generational gaps.

GOALS	INVESTMENT	SCALABILITY	TALENT	ENTREPRENEURIAL PUBLIC SECTOR
GAPS	GENDER	TERRITORIAL	SOCIOECONOMIC	GENERATIONAL





9. Public Procurement as a Driver of Innovation

The Public Procurement of Innovation (PPI) is an effective tool which fosters business R&D+i, boosts innovation in the public sector – as well as improving its services – and strengthens the commercialisation of innovation by using the public customer as a customer of reference.

To promote the role of public procurement as a driver of innovation, the creation and launch of a public authority for innovative procurement is advisable. The main objective of this authority will be to promote and assess the policies creating a demand for PPI in the public sector. A crucial part of said objective will be to provide the means for its development, and, to support public administrations at different administrative levels – national, regional, and local – in their procurement processes. This authority will supervise all the efforts for public procurement of innovation; it shall also monitor the results, to implement essential improvements in innovative procurement mechanisms.

The public authority for innovative procurement will promote the selection of projects of a strategic nature; projects aimed at resolving the challenges currently facing Spanish society in the scientific, economic, and social fields.

This public authority will impulse the following:

- **Demand-based PPI:** the public sector can act as the first customer and user of innovative solutions. This mechanism will contribute to the improvement of public services, in terms of both effectiveness and efficiency; and will also contribute to improving innovation and business competitiveness by attracting R&D+i funds through procurement. As Public Administrations become the first customers, they shall encourage the commercial introduction of the solution, stimulating entrepreneurship and innovation.
- **Pre-commercial Public Procurement:** the CDTI's current Office of Innovative Public Procurement (an agency under the Ministry of Industry), will actively encourage the participation of companies in PPI mechanisms. Public administrations will also find an answer to their needs; they shall do so with technologies not yet on the market, technology that is more in line with their demands. Public administrations will take ownership of the prototype for the testing and validation of any developed technology. Pre-commercial public procurement may also be used to promote technology transfer based on the collaboration between research and technology centres and innovative companies.



- PPI Missions:** the public authority for innovative public procurement will organise joint innovative public procurement trade missions amongst different public entities. A standard PPI trade mission will involve different public administration agents jointly visiting potential suppliers, who shall present their products and services. The aim of these missions will be to join forces and pull together – both economic and technical efforts, as well as knowledge and experience – to facilitate public procurement by generating aggregate demand. These missions will ease and speed up commercial contacts and will promote the reach and exposure to innovative solutions throughout Spain and Europe.
- Challenges through PPI:** the public authority for innovative procurement will call for challenges to respond to the needs of public administrations; challenges that can be addressed through Public Procurement of Innovation. Traditionally, public calls for tender are based on the demands for a specific solution. This is a barrier to discovering alternative and innovative solutions. However, with a change of perspective – moving from the need to the challenge – the door opens for innovative companies to present solutions that the Administration was unaware of or had not yet considered. This will allow for an early – and potentially aggregate – demand for technology, and for the products developed by innovative companies.

GOALS	INVESTMENT	SCALABILITY	TALENT	ENTREPRENEURIAL PUBLIC SECTOR
GAPS	TERRITORIAL			



4.2.

Investment

10. National Plan for Social Entrepreneurship

The concept of social entrepreneurship was first coined in 1980, when Bill Drayton, CEO and founder of Ashoka¹²³, first referred to innovative initiatives; particularly, initiatives based on entrepreneurial principles seeking to create scalable social impact. A social entrepreneur is not only thinking about the economic gain of his or her endeavour, but is, in fact, also, taking into account what measure of social impact their business proposal may carry. Hence, social entrepreneurs develop business models that are financially sustainable, but also viable over time with a view of maximising their impact.

To this end we propose:

- Promoting **policies which boost social entrepreneurship** amongst all public and private agents, specifically those which support triple bottom line (TBL) innovative entrepreneurship (with social, economic, and environmental impact). The aim will be to recognise this kind of unique and distinct business model and encourage a type of innovative entrepreneurship that is guided by its transformative and long-term impact on society, the economy, and the environment. The following lines of work will be encouraged:
 - The approval of a **favourable regulatory framework** for entrepreneurship and social innovation that, amongst other things, establishes a legal figurehead that defines its singularities and requirements, favours development, and attracts investment to this line of business.
 - A **national pact** establishing an agreement amongst all Public Administrations: a pact with the intention of carrying out the firm commitment to boost the development of innovative triple bottom line entrepreneurial projects.
 - The **creation of spaces or centres for social innovation** that bring together different social and business movements linked to citizen participation through technology and innovation. Its mission will be to promote triple bottom line entrepreneurship to address the challenges faced by the population, always from an innovative, efficient, and scalable perspective. These centres will be responsible for forging collaborative networks between social entrepreneurs, the business community, and the Public Administration, and for creating a cooperative environment in which to share knowledge and skills.
- Promoting triple bottom line **entrepreneurship forums** to contribute to the dissemination of known successful initiatives, best practices, and methodologies. The organisation of these forums will be supported by our Public Administrations and will serve to share resources.

¹²³ Ashoka is a non-profit organisation founded in the United States in 1981. It is the benchmark organisation for social entrepreneurship and currently has a community of over 3,600 social entrepreneurs in more than 90 countries. In Spain, it was founded in 2006 bringing together 40 social entrepreneurs, 12 changemaker schools, and 90 young social innovators. <https://spain.ashoka.org/>



- **Strengthening public and private investment mechanisms for social entrepreneurship.** To this avail, we propose:
 - **Strengthening the public sector’s role as a catalyst for impact investment.** This will be done through the development of a strategy in line with those existing in Portugal and France, and, through the mobilisation of public funds. These public funds shall be aimed at increasing or guiding current investment and financing, towards impact generating triple bottom line projects.
 - **Incentivise private investment:** encourage the involvement of impact investment in the fields of Corporate Social Responsibility (CSR). This will encourage the mobilisation of corporate funds towards social impact investments.

GOALS	INVESTMENT	SCALABILITY	TALENT	ENTREPRENEURIAL PUBLIC SECTOR
GAPS	GENDER	TERRITORIAL	SOCIOECONOMIC	GENERATIONAL

11. Streamlined Processing of the NIE (ID Card) for Foreign Investors

To streamline the application process to obtain the NIE identification card for foreign investors. Currently, this requirement can have a dissuasive effect on investors or investment processes, and therefore represents a barrier for Spanish innovative ventures in their quest to attract international funds.

GOALS	INVESTMENT	SCALABILITY
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12. Bringing Company Headquarters to Spain

Intensifying the active policy to attract international innovative companies to bring their headquarters to Spain as a way to entice foreign investment to our country and generate employment. To this avail, an aid or assistance package should be created to facilitate the opening of branches; development or innovation centres that generate employment and knowledge transfer; and a service to offer support with administrative management tasks and sectoral advice.

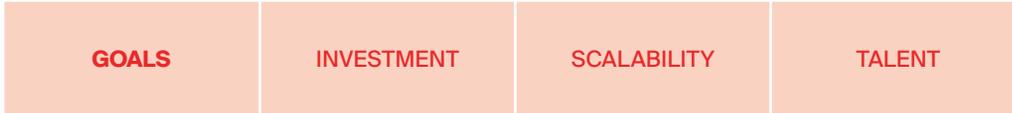
GOALS	ENTREPRENEURIAL PUBLIC SECTOR	TALENT
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13. Stock Options

Encouraging the provision of stock options as a form of payment for employees on behalf of innovative companies and to attract and retain talent.

To achieve this, the current tax treatment of wages based on stock options should be upgraded to attract specialised talent to startups so that said companies can offer greater remuneration.



14. Private Seed-Stage Investment

Through the application of existing benefits in Personal Income Tax, we aim to encourage private capital investment in innovative entrepreneurship at seed-stage.

The aim will be to increase the flow of capital earmarked for innovative entrepreneurship at an early stage, which, in turn, will contribute to the activation of the productive fabric, boosting economic activity and generating employment.

Based on the success story of the British Seed Enterprise Investment Scheme (SEIS), we propose the following measures to encourage private investment in innovative entrepreneurship:

- Assisting business projects that need resources, but are at too early a stage to access the professional financing or investment circuit by identifying investment opportunities through a platform that will grant them visibility. The projects will be validated according to the compliance of certain requirements such as: the trade name in Spain; age; number of employees; valuation of assets, or financing needs. These will be made public for a specific period, which may be extended after verification of criteria compliance.
- Incentivising the reinvestment of capital gains, resulting from investments in entrepreneurship and innovation.



15. Women in Investment

The aim is to encourage women's interest in the investment world, enticing them to become active investors, but also getting a higher percentage of women to actively found or join professional investment groups. To this end, investment training, and advisory and support services in the investment process will be proposed. The aim will be to diversify the investment process in terms of perspectives, approaches, and interests with the goal of complementing value creation for project investments.

GOALS	INVESTMENT
GAPS	GENDER

16. Pension Plans

In line with best practices in other leading countries, we will explore the possibility of providing appropriate incentives for pension funds to invest a limited percentage of their resources, in hedge or venture capital funds – both in venture capital and private equity – while reinforcing guarantees of protection for pensioners and small savers.

This change would allow pension funds to diversify their investment portfolios, including new products, which could provide a strong influx of capital for the investment environment in entrepreneurial companies. Potential increases in risk must be adequately regulated, and, all potential investors, particularly retail investors, must be informed and receive maximum disclosure of said scenarios.

This measure is aligned with the successful endeavours in countries such as the United States, where, since 1979, pension funds can invest in hedge and private equity funds. Likewise, we find an example in the case of Sweden, where certain public pension funds can invest in private equity, and, where a 2018 directive allowed private pension funds to increase the percentage allocated to alternative investments from 5% to 40%¹²⁴. Another example of this is Australia, where, according to a KPMG report, currently over a quarter of the country's private equity firms manage capital from pension funds, something that has helped increase both the closing of funding rounds and their size¹²⁵.

GOALS	INVESTMENT	SCALABILITY	TALENT	ENTREPRENEURIAL PUBLIC SECTOR
GAPS	SOCIOECONOMIC			

¹²⁴ Sifted (2019): *Want to invest in startups? Your pensions may already be doing it*
<https://sifted.eu/articles/pensions-invested-in-vc/> <https://www.va.se/nyheter/2018/11/30/riskkapital-insights/>

¹²⁵ Bloomberg (2019): *Venture Capital Is the New Buzz Word for Australia Pension Funds*
<https://www.bloomberg.com/news/articles/2019-09-18/venture-capital-is-the-new-buzz-word-for-australia-pension-funds>





17. Investing in Debt

The goal is to promote investment in debt, or venture debt, to encourage financial support for innovative entrepreneurship projects. This will be promoted from both the public and private spheres.

Debt investment is an instrument for financing innovative companies of a hybrid nature, as it combines bank loan debts with venture capital models. As a financing mechanism, it complements traditional debt and venture capital, mechanisms that are already widespread in the Spanish market.

Although debt has higher interest rates than traditional loans, venture debt is an alternative to venture capital that entails less dilution for the entrepreneur and facilitates his or her autonomy in the management of the company.

Based on the success stories of banks dedicated exclusively to debt investment, such as the *Silicon Valley Bank*, or banks which include debt investment amongst their financing options, such as the European Investment Bank, a public-private partnership pilot programme could also be created in Spain aimed at promoting the use of this financing mechanism, validating its role in the market, and establishing the necessary guarantees to ensure its proper functioning.

GOALS	INVESTMENT	SCALABILITY	ENTREPRENEURIAL PUBLIC SECTOR
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18. Investment in Family Offices

The goal is to support current measures that attract investment from family offices towards innovative entrepreneurial projects.

Family offices often hold capital from traditional sectors; attracting said capital towards innovative entrepreneurship could be of great interest. However, these companies currently allocate most of their investments to private equity operations.

Therefore, their commitment to innovative entrepreneurship could grant them huge opportunities such as the diversification of their investment portfolios and the possibility of attractive returns.

GOALS	INVESTMENT
GAPS	SOCIOECONOMIC

19. Alternative Markets

The goal is to position BME Growth as an attractive financing alternative for companies in the expansion phase, as well as an interesting option to diversify investment portfolios. To this end, promoting and raising interest in this market on behalf of investors, public and private institutions, and the media, will be key.

Since its launch in 2009, this market has been characterised by its small size, low trading volume and lack of liquidity. Nonetheless, BME Growth is an ideal option for entrepreneurs who want to professionalise and keep long-term management of their companies, with costs adapted to their needs, and transparency and disclosure requirements that generate confidence amongst potential investors. Moreover, this may be a company's first attempt or experience at public listing, which can encourage growing companies to take the leap into other select markets.

GOALS	INVESTMENT	SCALABILITY
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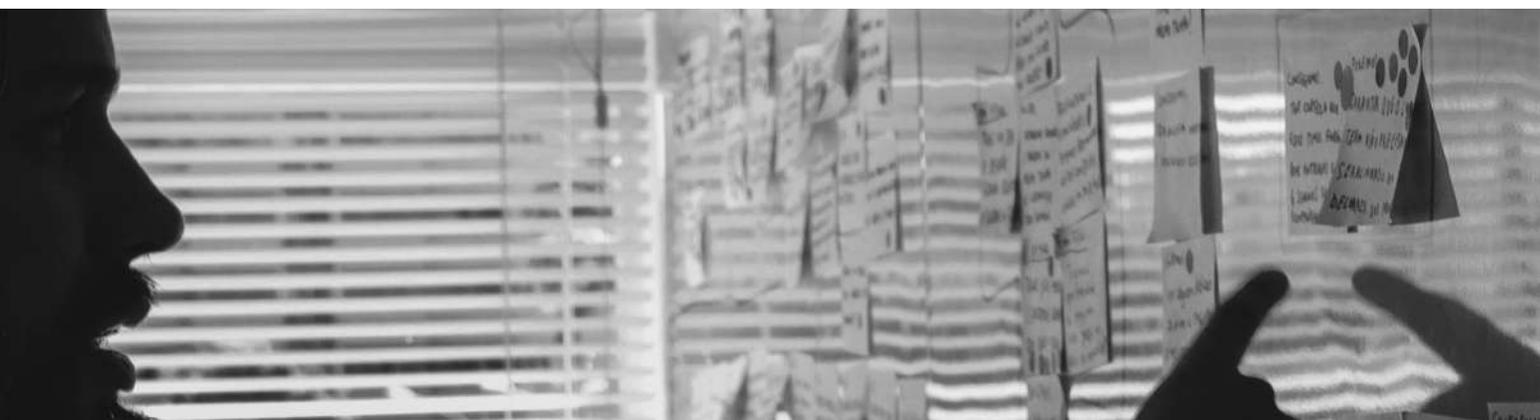
20. Boosting the Transfer and Sharing of Knowledge

In recent years, Spain has witnessed a strong development in the field of scientific and technical research, and the generation and dissemination of knowledge. Spanish companies – aware of the need to increase their competitiveness – are contributing to the transformation of our production model into a production model based on innovation.

For its part, the Spanish Science, Technology and Innovation System has strengthened the participation of all its stakeholders. Additionally, a collaboration culture has emerged, and it places Spain in a comfortable position with a view towards consolidating a knowledge-based economy and fostering a more efficient system.

Despite this, our country must continue to improve the transfer of research results to the productive fabric. In its initial phases, one of the difficulties encountered when developing this kind of project is access to existing market financing mechanisms. To this end, we propose to strengthen public initiatives aimed at investing in enterprises in the initial phases, and to accompany private investment in the more advanced phases.

GOALS	INVESTMENT	SCALABILITY	TALENT	ENTREPRENEURIAL PUBLIC SECTOR
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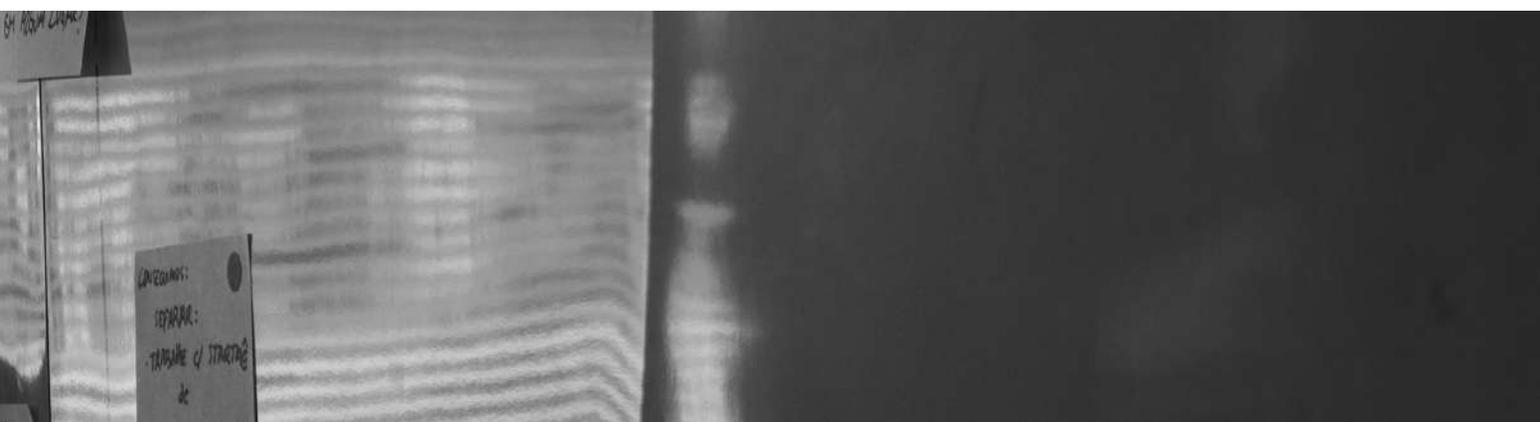
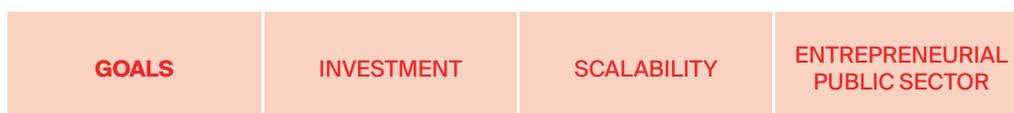
21. Enisa & CDTI Resources

Enisa (National Innovation Company S.A., www.enisa.es) has consolidated its position as a benchmark public entity by supporting innovative entrepreneurship through risk financing. The entity has financed over 6,000 companies and has invested over one billion euros through participative loans. With the objective of strengthening and improving support for the creation, growth and consolidation of innovative small and medium-sized enterprises, the following measures are proposed:

- Reinforcing the public budget assigned to its funding and to the provision of resources for its management, to strengthen its structure and enhance its role in supporting innovative entrepreneurship in Spain.
- Modifying the approval regime for its funding schemes to ensure year-round budget availability, streamlined processing, and continuous adaptation of said means to market needs.
- Assessing the development of other mechanisms, such as: the search for international financing to guarantee participative loans; the constitution of a fund to have year-round financial endowment; or, the creation, as a pilot programme of a line of convertible participative loans for companies that meet specific criteria.

For its part, the Centre for the Development of Industrial Technology (CDTI) not only promotes innovation, but also, the technological development of Spanish companies; thus, contributing to the improvement of their technological standard and supporting entrepreneurship. Through Neotec grants, it supports emerging companies with a strong innovative component in the field of technology. Additionally, CDTI has other assistance tools such as: Cervera programme; the Science and Innovation Missions; or business R&D projects. To this avail, it also proposes:

- Reinforcing actions taken by the INNVIERTE company, a co-investment initiative aimed at technology companies in their initial stages of development, supplementing them through the creation of a transfer fund aimed at companies in the process of incorporation. This will facilitate the market arrival of products and services developed in the scientific field; thus, accelerating the creation and growth of high value spin-offs.
- Strengthening the tools which facilitate public-private collaboration and the transfer of knowledge, through the inclusion of research personnel – such as PhD's in Business Administration and Industrial PhD's – into innovative companies. Additionally, Neotec support-packages act as direct support for emerging companies with strong technologically innovative content.



22. Boosting Open Innovation

Open innovation is the process of generating innovation through the combination of knowledge from both inside and outside the company, which, in turn, favours collaboration with innovative ventures.

Some common formulas for open innovation are incubation and acceleration programmes, corporate venturing, intrapreneurship, venture client, vertical challenges, pilot projects and concept tests, amongst others.

In support of these initiatives, public administrations will play the double role of identifying opportunities in strategic sectors and promoting the link between companies and innovative solutions.

Meanwhile, public administrations will encourage the creation of corporate venturing funds, with the dual aim of channelling more capital towards risk investment and generating open innovation in the business fabric.

GOALS	INVESTMENT	SCALABILITY	TALENT	ENTREPRENEURIAL PUBLIC SECTOR
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23. Private Sector R&D+i

The goal is to encourage an increase in R&D+i private investment. This will require the creation of a stable and favourable administrative framework that ensures a multiannual allocation of funds and facilitates the use of tools available to companies. The main aim will be for private investment to account for at least two thirds of the total national investment in R&D+i.

Despite the 2019 R&D Tax Incentive Indicators report claiming that Spain has one of the best tax incentive schemes in the OECD, in actual practice, the breadth of tools aimed at incentivising private R&D+i in Spain is significantly smaller than that of other countries.

In order to truly incentivise private R&D+i through tax deductions in Corporate Income Tax, the procedure planned for their application shall be assessed to identify how to streamline the actions of different agents within the public administration

GOALS	INVESTMENT	ENTREPRENEURIAL PUBLIC SECTOR
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4.3.

Entrepreneurial Public Sector

24. Sandbox: Public Testing Environments

In order to foster innovation, sector-tailored sandboxes will be created. A sandbox facilitates the trial and error of public policies and regulations. To this end, a legal framework is established; one that is compatible with the experimentation of new products and business models in a real environment, for a limited period, and under the strict supervision of the regulator. The sandbox boosts regulatory and dynamic managerial processes, whilst safeguarding user protection.

Highly regulated sectors shall benefit the most from the creation of a sandbox. In Spain's case, and based on the experience developed for the financial sector¹²⁶ and the electricity sector¹²⁷, the creation of this type of environment could be recommended for other priority areas such as: housing and rentals – especially holiday rentals; mobility; energy and energy transition; logistics and goods distribution; insurance; and, taxation, among others.

The United Kingdom, France, Japan, the Netherlands and Singapore are countries with experience in using this mechanism to generate more attractive environments for talent and investment. We must highlight the case of France, where in 2016 a programme was created for innovative projects - said programme proposed temporary regulatory exemptions. Japan is also noteworthy for supporting its testing process through an evaluation committee. Said committee is made up of engineers, legal experts, and consumer representatives, and its core functions are to determine which regulations should be suspended; and, to carry out the selection of certain cities as ideal environments for experimentation.

In line with the French model, Spain could develop a mechanism for companies to request a temporary and limited suspension of legal provisions that hinder the development of their innovations. Said mechanism would require the need for a sandbox in each sector, and guide towards a possible solution adapted to market needs. Companies applying to this method must: justify the added value of the innovative development it intends to carry out; identify with precision the regulations that affect it by proposing a legal alternative; and identify the period of time for which it is requesting the exemption or creation of said test environment. The public administration will, in turn, set up a single point of contact and develop a procedure to collect and analyse the requested regulatory or administrative adaptation, ensuring the highest guarantees. The result of this could be the creation of a new sandbox.



¹²⁶ BOE (November 2020): Ley 7/2020, de 13 de noviembre, para la transformación digital del sistema financiero https://www.boe.es/diario_boe/txt.php?id=BOE-A-2020-14205

¹²⁷ BOE (June 2020): Real Decreto-ley 23/2020, de 23 de June, por el que se aprueban medidas en materia de energía y en otros ámbitos para la reactivación económica <https://www.boe.es/boe/dias/2020/06/24/pdfs/BOE-A-2020-6621.pdf>



25. Smart Regulation

Promoting smart regulation, understood as the adoption of flexible legislation and regulation, is essential. Smart regulation eases the development of highly innovative industries and favours the transformation of driving force sectors such as those seen in this Strategy. For instance, it may be utilized to tackle environmental challenges, to boost the energy transition, and to promote the e-car in both the public and private scope. This type of regulation arranges economic and public agent behaviour, and as a result it accelerates innovative processes and social change.

GOALS	SCALABILITY	ENTREPRENEURIAL PUBLIC SECTOR
GAPS	TERRITORIAL	SOCIOECONOMIC

26. Open Public Data

The COVID-19 pandemic crisis has highlighted the imperative need to use data in order to improve situational assessments, and to carry out planning that is adapted to the reality of citizens and to the evolution of a disease in an ever-changing environment.

In current day life, data is both a tool for public administrations – for the efficient use of resources – and a business opportunity for innovative entrepreneurship. In 2013, this was made clear by all G8 countries, when they recognized the importance of open data for both government improvements, and socio-economic¹²⁸ development. In fact, the Public Administration Digitalization Plan approved in January 2020¹²⁹, includes the development of a data-driven Administration amongst its objectives.

According to the 2020 European Open Data Maturity¹³⁰ report, Spain is listed amongst the countries with the highest performance figures, and a clear strategic approach to open data. According to the Digital Economy and Society Index 2020 (DESI)¹³¹, Spain is best positioned in the field of open data, attaining 2nd place on the list, within the Digital Public Services section.

Promoting the collection, exchange and exploitation of public data is essential. For both public administrations and companies to continue taking full advantage of data-value, the following strategies are brought forward:

- Adding **constant upgrades to the collection and processing of data** – through technologies like artificial intelligence and linguistics – is paramount, as is the need for permanent updating.
- Promoting **collaboration mechanisms** between companies and Public Administrations to design joint data-processing protocols, define priorities, and define objectives aimed at obtaining useful results for both parties.

GOALS	ENTREPRENEURIAL PUBLIC SECTOR
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¹²⁸ Open Data Charter - ODC (2018): *Carta Internacional de Datos Abiertos*. <https://opendatacharter.net/principles-es/>

¹²⁹ Gobierno de España (January 2020): *Plan de Digitalización de las Administraciones Públicas 2021-2025* <https://www.lamoncloa.gob.es/presidente/actividades/Documents/2021/270121-PlanDigitalizacionPYME01Optimizado.pdf>

¹³⁰ Comisión Europea (2020): *Open Data Maturity Report 2020*. https://www.europeandataportal.eu/sites/default/files/edp_landscaping_insight_report_n6_2020.pdf

¹³¹ Comisión Europea (June 2020): *The Digital Economy and Society Index (DESI)* <https://ec.europa.eu/digital-single-market/en/desi>

27. User Experience Designed for Citizens and Businesses

Public Administrations need to improve their relationship with citizens and companies, making it more efficient, direct, and simple, facilitating communication, and designing effective processes where the User is at the heart of the whole experience. Additionally, the public administration must be agile in terms of procedures and formalities. This measure is based on the successful experiences of other countries such as Canada, the United Kingdom, the United States, and Italy have had in the creation of State Digital Agencies.

To this avail, the following actions are brought forward

- **User experience and interface design (UX/UI):** redesigning or improving the design of public administration services and processes, placing the user at the heart of the experience and prioritizing ease of use, efficiency, and accessibility. The aim is to make public administrations more efficient, and for users to gain autonomy and self-sufficiency in managing their relationship with them. This measure will result in greater savings in time and resources for both the taxpayer and the public administration itself.
- **Administrative procedures for citizens and businesses:** this measure is aimed at streamlining administrative procedures for citizens, companies, and self-employed professionals, through the complete digitalization of processes and standardization of procedures such as: applications for grants, subsidies, or business procedures for incorporation and for the termination of business activity. Although the Spanish Administration has already begun its digital transformation, there is still a long way to go to improve communication between companies, self-employed professionals, and citizens, with all the different public entities – all whilst respecting usability and accessibility standards. There are existing tools such as the “Citizen Folder” that could be mirrored for businesses, thus, facilitating transactions with public administrations and the monitoring of their files.
- **Entrepreneurs, citizens and Administration:** to create and promote a communication network and work platform for entrepreneurs and citizens to bring forward innovative solutions to public administrations. The aim is to develop these ideas collaboratively, making use of our collective intelligence. The platform will allow citizens to take part, not only, in the selection process, but also, in the development of those priority proposals to be launched.

GOALS	INVESTMENT	SCALABILITY	ENTREPRENEURIAL PUBLIC SECTOR
GAPS	SOCIOECONOMIC	GENERATIONAL	



28. Enterprising Public Service

Creating a programme for innovation and intrapreneurship within public administration is essential; its core aim will be to foster innovative mindsets and entrepreneurship amongst public administration employees, but also, to focus on the search for opportunities to collaborate with innovative companies, and, to search for change leadership within the Administration itself. Its main guidelines will be to promote continuous training for public employees, the dissemination of good practices, promoting proactive mindsets, citizen orientation, and service vocation.

Innovative public employees who can act as agents for change will be selected, and, amongst other activities, shall organise contests for fresh ideas, the active exchange of knowledge, and public employee “residencies” in other departments of the General State Administration.

GOALS	ENTREPRENEURIAL PUBLIC SECTOR	TALENT
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29. Special Regime for Self-Employed Workers

Reforming the Special Scheme for Self-Employed Workers (RETA) in a comprehensive manner is essential in the pursuit to move forward with modern times, and to fulfil the needs of citizens who want to pursue self-employed careers. Currently, self-employed workers face strong imbalances and cash flow problems caused by the misalignment between their obligations with the Social Security entity, and the reality of their business activity. Moreover, freelance workers are on the rise; a trend that has continued to increase in recent years because of current economic and professional models, and freelancers’ search for freedom and independence from employers.

To this end, it will be essential to review Social Security contribution norms, bringing the contribution base of self-employed workers closer to their real income, as indicated in the fourth recommendation of the Toledo Pact. The aim is to homogenize the contribution and coverage conditions of individuals working for companies as well as for themselves, and to do away with the rigidity of the current system.

GOALS	ENTREPRENEURIAL PUBLIC SECTOR	SCALABILITY	TALENT
GAPS	SOCIOECONOMIC	GENERATIONAL	

30. Visas for Digital & Tech Nomads

Digital nomads are people whose jobs allow them to work remotely and to change their residence on a regular basis. They are not tied to a physical location as their work can be carried out anywhere with a good internet connection and a computer.

Within the category of digital nomads, we find freelancers, self-employed workers, and people employed by third parties, but who work remotely. In 2018 a study estimated that in the United States alone there were almost 5 million digital nomads – and another 17 million people who would like to become a digital nomad – a trend that is set to rise in the next decade¹³².

The attraction of these professional profiles has positive effects on their chosen places of residence. The most obvious effect is economic: these highly qualified professionals use their incomes (from abroad), to live in any location of their choice. They trigger consumption, contributing to a subsequent impact on local economies. What is more, through their connections, they enrich local talent, generating networks and creating value opportunities for other professionals. This is especially valuable in innovation environments and entrepreneurial ecosystems.

Other countries which already offer this kind of work visa, aiming to reinforce their allure for international talent are Germany, Portugal, Estonia, Norway, Costa Rica, Mexico, and the Czech Republic. To attract professionals with this kind of profile, we must analyse the most appropriate mechanism for digital nomads to consider residing in Spain, while working for themselves, or for employers anywhere in the world. This mechanism should provide the necessary safeguards to avoid fraudulent conduct.



31. Innovative SMEs in Public Tenders

The ACT 9/2017, of November 8th, on Public Sector Contracts, already improved the participation of SMEs in public procurement. Nonetheless, we must adapt public tender procedures and bids, in order to favour the presence of small and medium-sized innovative companies. To this end, adapting legal requirements – such as economic and technical solvency – as well as adapting the evaluation criteria for public procurement processes, will be essential.

The objective will be to promote the contracting of small and medium-sized companies, favouring the role of the Public Administration as a promoter of innovation.



¹³² MBO Partners (2018): *Digital Nomads, A Rising Workforce Trend* <https://www.mbopartners.com/state-of-independence/research-trends-digital-nomads/>



32. Assessing Public Initiatives with Social & Environmental Impact as Criteria

Companies wishing to access services, aid packages, or tenders issued by public administrations will need to demonstrate that their projects generate positive social and environmental impact, as part of the assessment criteria.

GOALS	ENTREPRENEURIAL PUBLIC SECTOR			
GAPS	GENDER	TERRITORIAL	SOCIOECONOMIC	GENERATIONAL

33. Equal Gender Representation in Public Administration Events

The main aim is to achieve equal participation of women in events organised or supported by the public sector; to this avail, public administrations shall promote the equal presence of women at official events.

Public events are understood as conferences and congresses, forums, debates and roundtables, seminars, workshops, or fairs and award ceremonies, amongst others. On the other hand, we understand that said participation, with or without financial contributions, could entail logo or brand transfer, and attendance at previously planned activities as well as at event locations.

GOALS	ENTREPRENEURIAL PUBLIC SECTOR
GAPS	GENDER

34. Gender Equality Criteria in Public Procurement

Article 33 of Organic Law 3/2007, of March 22nd, states that for effective equality between women and men: *"Public Administrations, within the scope of their respective competencies, through their contracting bodies and in relation to the execution of the contracts they sign, may establish special conditions with the aim to promote equality between women and men in the labour market, in accordance with the provisions of the legislation on public sector contracts"*. Contracting bodies may establish, in their administrative specifications, their preference for awarding contracts to companies that favour this practice.

In order to advance towards real gender equality, all procedures related to the implementation of this Strategy, will promote the use of the possibility established in said Act.

GOALS	ENTREPRENEURIAL PUBLIC SECTOR
GAPS	GENDER



4.4.

Scalability

35. International Partnership Strategy

Spain needs to consolidate its position as an Entrepreneurial Nation at an international level, generating networks that could strengthen institutional collaboration, and support companies in their expansion process in other countries. To this end, the following lines of work are brought forward:

- **Alliances with European ecosystems:** promoting alliances with other entrepreneurship and innovation ecosystems in the European Union through innovation hubs such as: accelerators, incubators, and venture builders. To this end, entrepreneurs will be able to move freely between these spaces and the participating programmes they join, and in turn, this shall support their internationalisation processes and help explore opportunities in other markets. This boost will be coordinated directly with national innovation and entrepreneurship agencies, business and sectoral associations, and the innovation hubs themselves.
- **Alliances with Latin American ecosystems:** establishing alliances with Latin American entrepreneurship and innovation ecosystems. Spain could cultivate collaboration between European and Latin American ecosystems to articulate an intercontinental network of partnerships and support for the internationalisation of companies. Spain is the best positioned country to lead such an effort. On the one hand, Spain is one of the main destinations for Latin American investment – second only to the United States – and has become the main gateway into the European market for Latin American companies. On the other hand, Latin America is the first region considered by Spanish entrepreneurs when they assess expanding to new markets due to our cultural proximity and the sheer size of Latin American markets. Portugal could join this articulation role through a Spanish-Portuguese alliance.
- **Spanish-Portuguese entrepreneurial pivot point:** based on the agreements reached between Spain and Portugal during the Spanish-Portuguese Summit held in Valladolid in 2018, Spain and Portugal will continue working to generate synergies between their respective national strategies on entrepreneurship. This focal point will encourage collaboration between public administrations, businesses, and entrepreneurs from both countries. The core ambition will be to facilitate entrepreneurs' access to financing, and to their respective markets, but also in Latin America.

GOALS	INVESTMENT	SCALABILITY	TALENT	ENTREPRENEURIAL PUBLIC SECTOR
GAPS	SOCIOECONOMIC	TERRITORIAL		



36. Knowledge Transfer Offices (KTOs)

Promoting the two-way role between the business community and research centres, applying, transferring, and commercialising R&D+i operational results, whilst channelling market opportunities to researchers. Facilitating a direct link with investors, incubators, accelerators, and venture builders for early-stage projects. Establishing specific forums to give initiatives visibility.

GOALS	INVESTMENT	SCALABILITY	TALENT	ENTREPRENEURIAL PUBLIC SECTOR
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37. Flexibility for Teachers and Researchers (T&R)

Considering granting leaves of absence to teaching and research staff (T&R) – with job security guarantees upon their return – to undertake enterprising projects and create spin-offs that favour the specialisation and exploitation of results arising from research.

GOALS	TALENT	ENTREPRENEURIAL PUBLIC SECTOR
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38. Merit Acknowledgement for Researchers

Recognising the merits of researchers for their part in the transfer of knowledge, including the creation and promotion of spin-offs. This recognition should act as an incentive for both individual promotion and institutional evaluation, based on indicators collected through the Integrated Science, *Technology, and Innovation System*.

GOALS	TALENT	ENTREPRENEURIAL PUBLIC SECTOR
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39. Technology Centres & Science and Technology Parks

Promoting the role of technology centres and science and technology parks as tools that, not only, help boost innovation, but also, transform industry in specific territories. They also play a significant role in boosting other intermediate bodies in the ecosystem such as *Digital Innovation Hubs*.

These organisations contribute to improving businesses' competitiveness by generating technological knowledge, R&D+i activities and their implementation. All whilst offering services focused on the growth of companies and their connection to other agents in the ecosystem.

To guide their potential, the creation of public-private incubation and acceleration programmes will be introduced, notably in specialised sectors with deep local roots, and with a footprint within their territory. The aim will be to transform the productive fabric, through the creation of viable innovative ventures based on new sectoral opportunities, thus increasing their international scope.

In lockstep, the Cervera Transfer Projects will be promoted and consolidated. This programme will be given greater structure and visibility, as it favours collaboration between the business fabric and technology centres for the generation of new knowledge in priority technologies.

GOALS	INVESTMENT	SCALABILITY	TALENT	ENTREPRENEURIAL PUBLIC SECTOR
GAPS	TERRITORIAL			



40. National Defence as a Driver for Innovative Entrepreneurship

Innovation is one of the driving forces of the defence industry and, in a context of accelerating technological advances, having advanced R&D+i capabilities is paramount¹³³. Since 2010, the Ministry of Defence has had a Defence Technology and Innovation Strategy, which is structured into a set of technological goals and lines of action that promote activities. The goal behind these activities is to boost the development of our national technological and industrial foundations, and doing so through competitive R&D+i projects with clear-cut market orientation. All this in direct collaboration with the agents of the Spanish science, technology, and innovation sector.

Outside our borders, we find cases such as Israel, where the Ministry of Defence has promoted – in collaboration with the private sector – the creation of a security innovation centre. Through a pilot programme, the projects selected for the technology development, in both the civil and military defence fields, receive public funding and advice throughout the entire process, from “proof of concept” until technological viability is reached.

Our Ministry of Defence has a Technology Observation and Foresight System (SOPT) that allows it to receive first-hand knowledge on the projects and capabilities of research centres, universities, SMEs (including both spin-offs and startups), and the general technological and industrial fabric. This makes it a key element in the task of identifying innovative ideas and projects, which given the right funding, could boost entrepreneurial reach in Spain.

With the objective of boosting collaboration between the defence sector and innovative entrepreneurship in Spain, we suggest the **creation of an incubation or acceleration programme, along with entrepreneurs or startups, to promote innovation in the defence sector**. One way to advance in this line of work is to promote a joint programme between the Ministry of Defence and the Ministry of Science and Innovation; a programme which allows for the financing – through the tools available in the State Research Agency, and the CDTI – of those proposals and ideas with a marked innovative nature, as so identified by the SOPT. These projects shall be considered projects of interest by both Ministerial Departments, with special attention paid to dual-use technologies.

GOALS	INVESTMENT	SCALABILITY	TALENT	ENTREPRENEURIAL PUBLIC SECTOR
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¹³³ Ministry of Defence (May 2019): Defence Industry Outlook (Perspectivas de la Industria de Defensa).

<https://www.defensa.gob.es/Galerias/dgamdocs/Perspectiva-de-la-Industria-de-Defensa.pdf>

The national defence industry has a turnover of more than 6,000 million euros a year – 4.38% of the manufacturing industry's GDP. Of this turnover, 18.7% corresponds to direct sales to the Ministry of Defence and the rest to exports.

La industria de defensa nacional registra una facturación superior a 6.000 millones de euros al año –un 4,38% del PIB de la industria manufacturera–. El 18,7% de esta facturación se corresponden con ventas directas al Ministerio de Defensa y el resto son exportaciones.



41. Innovative Urban Economic Development

Promoting urban and innovative economic development in the so called “empty Spain”. The aim will be to foster innovation-based economic activity that, in turn, will help stop population loss in small and medium-sized inland cities and towns, as well as halt the brain-drain of local talent. This can be achieved by building on known strengths, and by creating well-defined differentiated cities.

A benchmark example for this model is the city of Cuenca. Faced with the growing loss of population as well as loss of its economic fabric, various city agents – local, regional, and autonomous governments such as the University of Castilla-La Mancha and business associations, amongst others – worked together to assess Cuenca’s known competitive strengths. The result was the Urban Forest Innovation Lab, a programme designed to support entrepreneurship in forest bioeconomy, and aimed at generating sustainable impact in Cuenca and its forests, whilst training entrepreneurs and generating innovation.

This programme is open to all those who want to develop their personal project, companies that want a business challenge that revolves around forest bioeconomy; and people, companies, institutions, or other agents that want to be part of Cuenca’s forest bioeconomy ecosystem.

The programme has also been backed by the EU’s Urban Innovative Actions (UIA) initiative, a project that provides European cities with the resources to test new solutions to face urban challenges.

This case serves as an epitome of what other cities and territories can implement by using the local identity, circumstances (strengths, weaknesses, threats, and opportunities), and all regional assets as a starting point.

GOALS	ENTREPRENEURIAL PUBLIC SECTOR	TALENT
GAPS	SOCIOECONOMIC	TERRITORIAL



42. Territorial Development of Innovative Entrepreneurship

If we analyse the reality of entrepreneurship and innovation, we can see that it tends to congregate in places with specific characteristics. These tend to be attractive environments for entrepreneurs because of their proximity to talent and large markets, their communication and transport facilities, and a well-articulated ecosystem. Therefore, event and meeting forums, formal and informal support networks for entrepreneurs, and new training opportunities arise around these hubs.

Given that ensuring the prosperity of the entire national territory is a paramount principle for our government, promoting entrepreneurship and innovation beyond our main cities will be essential.

To this avail, the following lines of work are brought forward:

- **Incentivising regional development funds** destined towards entrepreneurship, investment, or attracting business headquarters, and expanding them to less mature ecosystems, hence ensuring equal opportunities regardless of location. The funds will be guided towards training and talent programmes, as well as supporting local business development.
- **Strengthening territorial development networks** such as the Science and Innovation City Network (Red Innpulso), the Spanish Smart City Network (RECI), and the Spanish Rural Development Network (REDR) all of which are aimed at defining, creating visibility for, and implementing innovative local policies, as well as the exchange of experiences amongst different networks.
- Working alongside major entrepreneurship and innovation events and holding **sessions on entrepreneurship that go beyond the country's major innovation ecosystems**. To this end, regional and local events revolving around innovative entrepreneurship will be promoted, and any event with institutional support will commit to expanding its presence to those less mature local ecosystems.

GOALS	INVESTMENT	SCALABILITY	TALENT	ENTREPRENEURIAL PUBLIC SECTOR
GAPS	SOCIOECONOMIC	TERRITORIAL		



4.5.

Talent

43. Education and Entrepreneurship

According to the *Digital Economy and Society Index 2020 (DESI)*, in terms of human capital, Spain ranks 16th amongst the 28 EU countries, and is below the EU average in terms of basic digital skills. Additionally, the percentage of ICT specialists in the labour force is lower than that of the EU (2.9% compared to 3.7% in the EU). At the European level, the DESI report highlights Finland as the leading country in terms of human capital, where both primary and secondary school syllabuses have included computer programming as a compulsory subject since 2016.

The most direct way to tackle this problem is through digital¹³⁴, entrepreneurial and innovative training skills from an early age. To achieve this objective, the following working points are brought forward:

- **STEAM, entrepreneurship and innovation from an early age:** promoting both STEAM professions (science, technology, engineering, the arts, and mathematics), and the acquisition of skills associated with entrepreneurship and innovation from an early age. These skills include traits such as: critical thinking, creativity, leadership, openness to change, collaboration and communication; in addition to technical and digital skills.

The Ministry of Education could lead this line of work, which may be further developed by schools through extracurricular classes, working groups, challenges and talks with entrepreneurs, innovators, and scientists; whilst simultaneously participating in public, private and public-private initiatives promoted at national, regional, and local levels.

To achieve this goal, the development of teachers' skills and competences will be crucial. Successful models to replicate include CodeWeek, and the School of Computational Thinking, both of which were designed to help teachers integrate and develop new insight and lines of thinking into their practices, and to design activities to promote them.

- **Innovative entrepreneurship in education and job fairs:** Including content that is committed to innovative entrepreneurship, in both education and job fairs; and encouraging the participation of children and adolescents in entrepreneurial events.

¹³⁴ Gobierno de España (January 2020): Plan Nacional de Competencias Digitales <https://www.lamoncloa.gob.es/presidente/actividades/Documentos/2021/270121-PlanCompetenciasDigitales.pdf>



The objective is to introduce students to opportunities that are linked to entrepreneurship, from the initial inspirational stage for entrepreneurship, to the possibility of joining a team within an innovative venture.

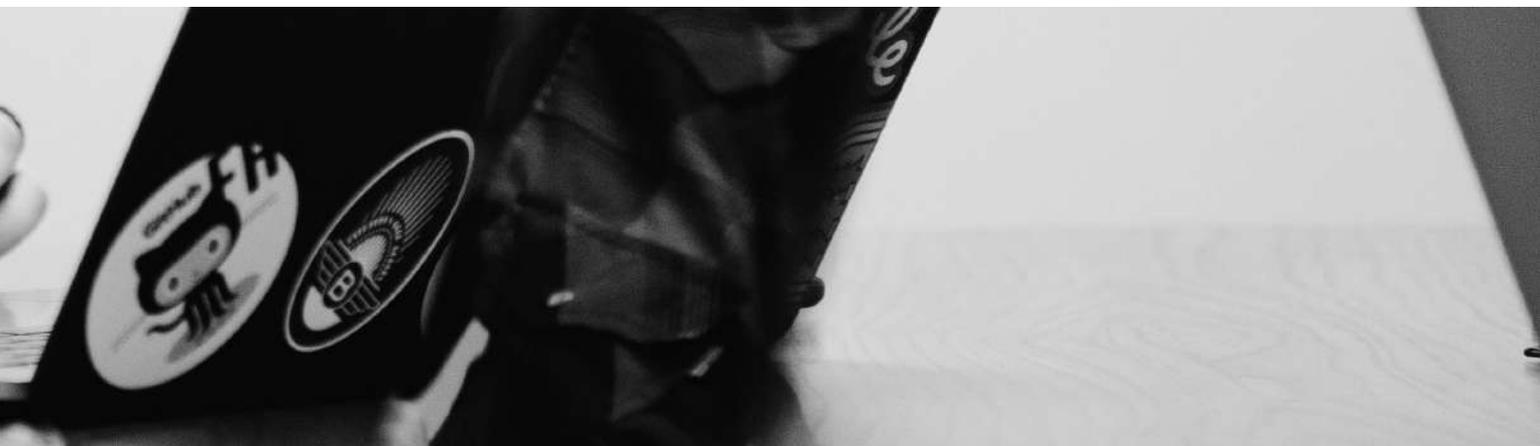
These fairs often include activities and workshops designed to inspire, and help students discover which studies best match their skills and interests. Activities such as conversations with entrepreneurs or training activities related to entrepreneurial and innovative skills, could be organised.

- **Methods of learning through experience:** Promoting alternative university training, based on the “learning by doing” methodology, and thus, acquiring entrepreneurial skills through practice.

Some international models of success for this type of training are the Finnish methodology Tiimi Akatemi, whose model is already present in Spain through the official LEINN degree; the Danish programme Kaos Pilot, the educational model of the Amani Institute; and the French programme Campus 42, brought to Spain by the Telefónica Foundation.

To this end, pedagogical tools such as the mini-company, or the student company, have been designed to enable students to start businesses, carry out economic and monetary transactions, issue invoices, and open bank accounts.

GOALS	TALENT
GAPS	SOCIOECONÓMICO



44. Universities and Entrepreneurship

Education is the cornerstone of knowledge-based societies and economies. As well as being the catalyst for a country's talent, it is the key mechanism for social cohesion and progress.

Therefore, if education is the country's primary economic policy, university education is the spearhead. For this reason, Spanish universities – both public and private – must play a fundamental role in teaching these entrepreneurial skills and promoting innovative entrepreneurship as a true professional alternative.

Assessing syllabus changes at the university level is recommended, particularly changes aimed at:

- Promoting a **compulsory university course on entrepreneurship and business creation**. The subject will be part of all undergraduate degrees and its syllabus will focus on the acquisition of basic entrepreneurial skills such as leadership, creativity, and finance and marketing, amongst others. To this end, it will be crucial to develop the skills of teaching staff.
- Promoting a **master's degree in Innovative Entrepreneurship** as an officially accredited university degree.

Simultaneously, each individual university will implement various initiatives including:

- **Entrepreneurship centres:** these centres will have a coordination and strategy role. They shall be the governing body in every university that designs and manages all lines of work related to entrepreneurship. Some of their responsibilities and services will be training teaching staff; mentoring; giving support in accessing capital; creating contact networks at national and international levels; managing Entrepreneurial Information Points associated to the National Entrepreneurship Office and specialising in direct guidance to students; connecting with the business fabric; and the dissemination of good practices.
- **Promoting a culture of innovative entrepreneurship inside university environments:** this action will be carried out through information sessions, events and communication campaigns aimed at students, professors, and researchers. This effort could be carried out in collaboration with the Conference of Rectors (CRUE) to help create joint lines of action and channels to share best practices.



- **Creating companies at universities:** designing a programme to create companies within the university environment; a programme in which the university would participate in the company’s capital, and therefore have a stake in the success stories of said ventures.
- **University-Business Chairs and classrooms:** promoting collaboration between universities, businesses, and other public or private entities, through the creation of University-Business chairs or classrooms. These will serve to carry out activities such as training, or research and knowledge transfer, and technology, in a field of common interest.
- **Creating university spin-offs:** promoting the creation of companies by researchers (university spin-offs). To this avail, a business support programme will be created for members of the research community. This programme – which should be developed by the OTRIs – will include training in business management, support services in the search for capital and team building; and, mentoring by entrepreneurs from the sectors in which the spin-off wishes to operate.
- **Encouraging participation in spin-off capital:** promoting that both university teachers and research staff (PDI) participate in capital investment for university spin-offs.

Additionally, different universities, business schools, vocational training centres and their entrepreneurship centres, will be able to collaborate in the set-up of superstructures. Structures such as a network that will enhance the work of educational centres in supporting entrepreneurship, and the search for opportunities and synergies.

GOALS	INVESTMENT	SCALABILITY	TALENT	ENTREPRENEURIAL PUBLIC SECTOR
GAPS	SOCIOECONÓMICO			



45. Innovative Vocational Training

Spanish Vocational Training bases its educational model and its training programmes around encouraging entrepreneurial mindsets and occupations, guiding it towards professional practice, and presenting itself as a valuable alternative to university education. However, in Spain only 11.6% of people choose vocational training studies, compared to 47.2% in Germany, a nation which leads in innovation.

For this reason, it is essential to make vocational training careers more attractive, as an excellent form of training with access to the labour market; in addition to the transfer of good business practices related to entrepreneurship and innovation to other areas of education.

Amongst the steps to be taken we find:

- Fostering connection and collaboration between students and professionals with Vocational Training degrees, and universities to combine complementary skills – both theoretical and practical – creating applied development models in line with the market.
- Generating upskilling and reskilling opportunities through vocational training programmes for people – both unemployed and active workers – who need to update their knowledge or acquire new skills.
- Designing an incubation programme for business projects involving university and vocational training students brought together in mixed working teams. The programme will include support services in different areas of specialisation, thus completing students' training and promoting the development of business ideas adapted to market demands.
- Setting up innovative projects in vocational training centres, promoting innovation inside educational centres, while keeping a close connection with businesses and regions.

GOALS	ENTREPRENEURIAL PUBLIC SECTOR	TALENT
GAPS	SOCIOECONOMIC	



46. Lifelong Learning

If we want to bring the vision of Spain as an entrepreneurial nation to life, the promotion of a culture of lifelong learning amongst citizens will be key. This will encourage people to learn new skills and to undertake continuing studies, with a special focus on adapting to rapidly changing work environments.

To this end, the following lines of work are suggested:

- Encouraging retraining through upskilling and reskilling. Learning technical, digital, and entrepreneurial skills – such as innovation, creativity, leadership, collaboration, or communication – which will be encouraged amongst job seekers, especially amongst the long-term unemployed. The State Public Employment Service (SEPE) will provide the training, and thus will manage unemployment benefits and link them to the completion of training programmes. Additionally, efforts should be made to promote courses that teach digital skills, and to encourage micro-accreditations as faster training methods that are better adapted to businesses' needs.
- Encouraging companies to promote continuous training for their workers to learn new skills and become more competitive in a changing environment.
- Encouraging public-private collaboration, to train citizens across the country. Public administrations will cooperate with large technology companies developing training programmes, to broaden their scope and maximise the number of participants.
- Assisting the supply and demand connections between specialised national and international talent, by supporting and promoting specific events in the field of innovative entrepreneurship.

GOALS	SCALABILITY	TALENT	
GAPS	SOCIOECONOMIC	TERRITORIAL	GENERATIONAL

47. Monitoring the Gender Gap in the Field of Innovative Entrepreneurship through the INE (National Institute of Statistics of Spain)

Creating a system that measures and monitors the gender gap's evolution. This system will provide permanent data on the progress made, and the challenges faced by women in the field of innovative entrepreneurship. The aim will be to use this data to propose more initiatives and to reduce inequality.

Some of the indicators to be analysed could be the number of women who are entrepreneurs or are part of the founding teams of innovative ventures; the financing obtained by women entrepreneurs; and the survival rate of companies led by women.

The relevance of this line of work can be seen in the creation of the interministerial body for gender equality known as the Women, Science and Innovation Observatory (OMCI), an entity created within the Spanish Science, Technology and Innovation System, which focuses on qualitative as well as quantitative targets.

GOALS	TALENT	
GAPS	GENDER	SOCIOECONOMIC



48. STEAM Careers amongst Women

Encouraging women's vocation in STEAM careers (Science, Technology, Engineering, the Arts and Mathematics) from primary and secondary education all the way to university. To fulfil this goal, measures will be carried out to increase young women's interest in such degrees, to diversify models of success, and to offer teachers specific training programmes.

This stimulus is aligned with the United Nations Sustainable Development Goal 5B, which calls to improve the use of enabling technology, particularly information and communications technology, to further promote women's empowerment.

In recent years, the number of women choosing to study science careers in Spain has been in decline. According to INE data from the 2016-2017¹³⁵ academic year (and compared to the previous academic year), 5.6% fewer women enrolled in Engineering and Architecture, such that only 25.1% of the total number of students in these degrees were women.

Furthermore, according to UNESCO's data from 2019, women only represent 29.3% of researchers around the world. In Spain, this figure is somewhat higher: around 39% of the total. However, this number has not undergone major variations in over a decade, which implies that there is significant room for improvement. The Ministry of Education and Vocational Training is already making efforts in this direction. A clear example of this is STEMGirls, a project that gives visibility to national and international initiatives aimed at encouraging girls and women to choose studies related to science, technology, engineering, and mathematics, and thus, to gradually reduce the gender gap in technology.

GOALS	TALENT	
GAPS	GENDER	SOCIOECONOMIC

¹³⁵ INE (2018): *España en cifras 2018* https://www.ine.es/prodyser/espa_cifras/2018/16/#zoom=z





49. Sponsorship and Mentoring of Women

Despite all the progress and achievements, there is still a long way to go to achieve equal representation of women in management and leadership positions in companies. According to a 2019 McKinsey & Company study, 87% of companies are highly committed to gender diversity in their teams (up from 56% in 2012). However, the number of women in senior positions remains markedly lower than that of men: for every 100 men who were promoted to leadership positions, only 72 women were promoted¹³⁶.

To continue reversing this trend, it is essential for young women to have role models; to have support in building confidence in their own abilities; to generate connections that help them create professional networks; and to have mentors who have experienced the same situations they now face and can therefore guide them in identifying opportunities and paths towards their personal and professional development. To manage this effort, the Public Administration will launch a programme connecting women who lead in the fields of big business, entrepreneurship, and innovation, with young women possessing high potential and skills, and who are already studying or launching their professional careers in these fields.

This programme will revolve around sponsorship and mentoring activities that women with experience can provide, in order to inspire and support young female talent.

To this avail, identifying female role models will be essential, giving these role models visibility and generating spaces to connect with others, so that successful female professionals can share their knowledge, experiences, and recommendations with other women, and thus, overcome the social and cultural barriers in the working and entrepreneurial environment.

Additionally, Public Administrations will support and promote other private or public-private programmes that develop female entrepreneurial leadership.

GOALS	TALENT	
GAPS	GENDER	SOCIOECONOMIC

¹³⁶ McKinsey & Company (2019): *Women in the Workplace 2019*
<https://www.mckinsey.com/featured-insights/gender-equality/women-in-the-workplace-2019>



50. Senior Talent

Adapting to a changing work environment is often a challenge for individuals, especially for older professionals. Additionally, the increase in longevity brings with it associated cultural and social changes, such as a delay in the retirement age, the desire to remain active for longer, or the opportunity for companies and entrepreneurs alike to learn from highly-talented individuals who possess extremely valuable work experience.

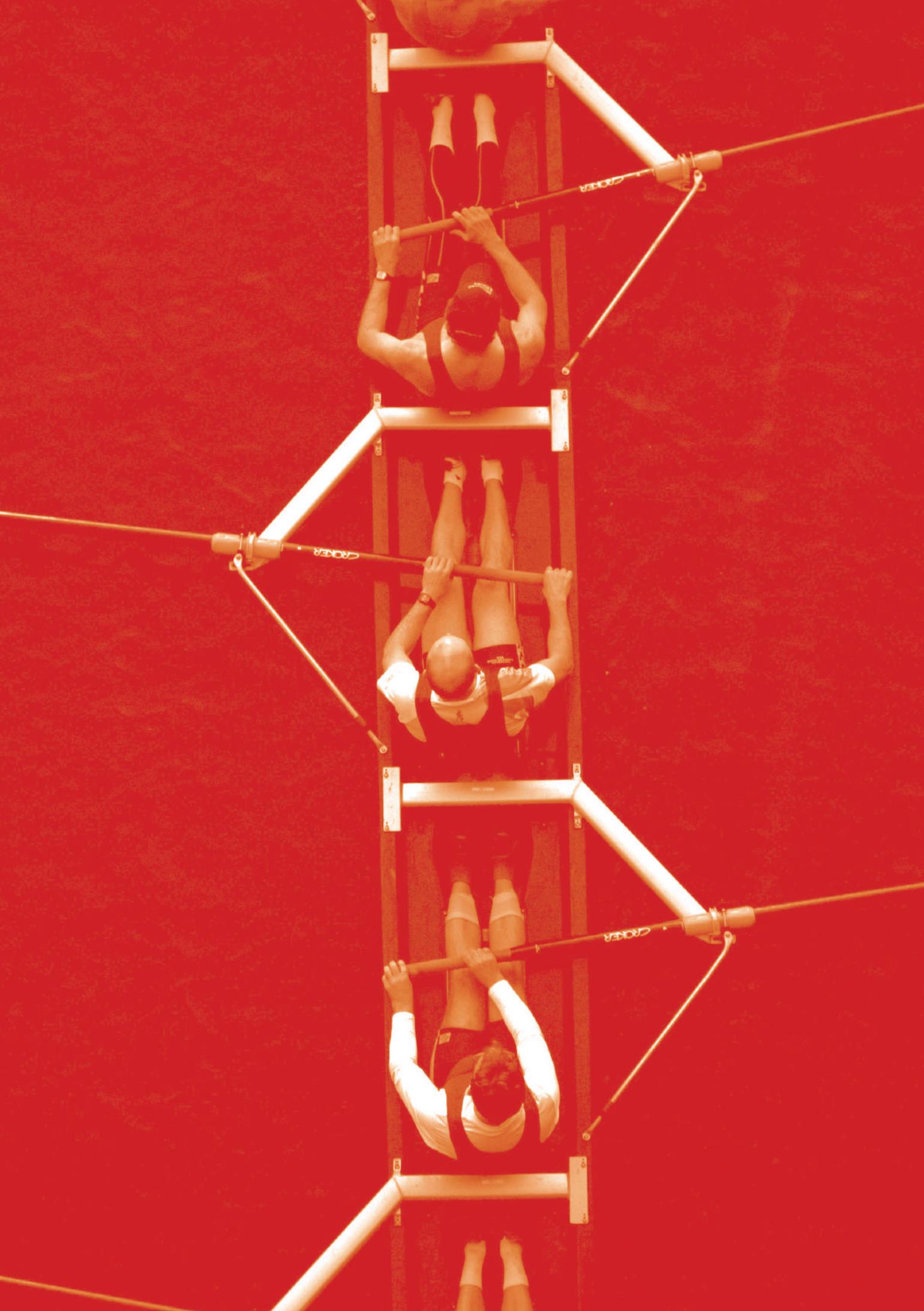
With all this in mind, the following lines of action will be considered:

- **Senior training:** promoting the development of training programmes focused on skill updating, professional retraining, and entrepreneurship, to provide individuals over 50 years of age with continuity in their professional careers.
- **Senior talent recruitment:** studying the implementation of mechanisms that encourage the access or reintegration of this age group into the labour market.
- **Senior success stories:** making success stories and experiences visible – specifically those of entrepreneurs over the age of 50 – through programmes and meeting points focused on inspiring, identifying opportunities and barriers faced by senior entrepreneurs.
- **Intergenerational meeting points:** promoting intergenerational meeting points to facilitate the exchange of knowledge and experiences between senior professionals and younger entrepreneurs who can, in turn, benefit from their knowledge and extensive professional experience.

GOALS	ENTREPRENEURIAL PUBLIC SECTOR	TALENT
GAPS	SOCIOECONOMIC	GENERATIONAL



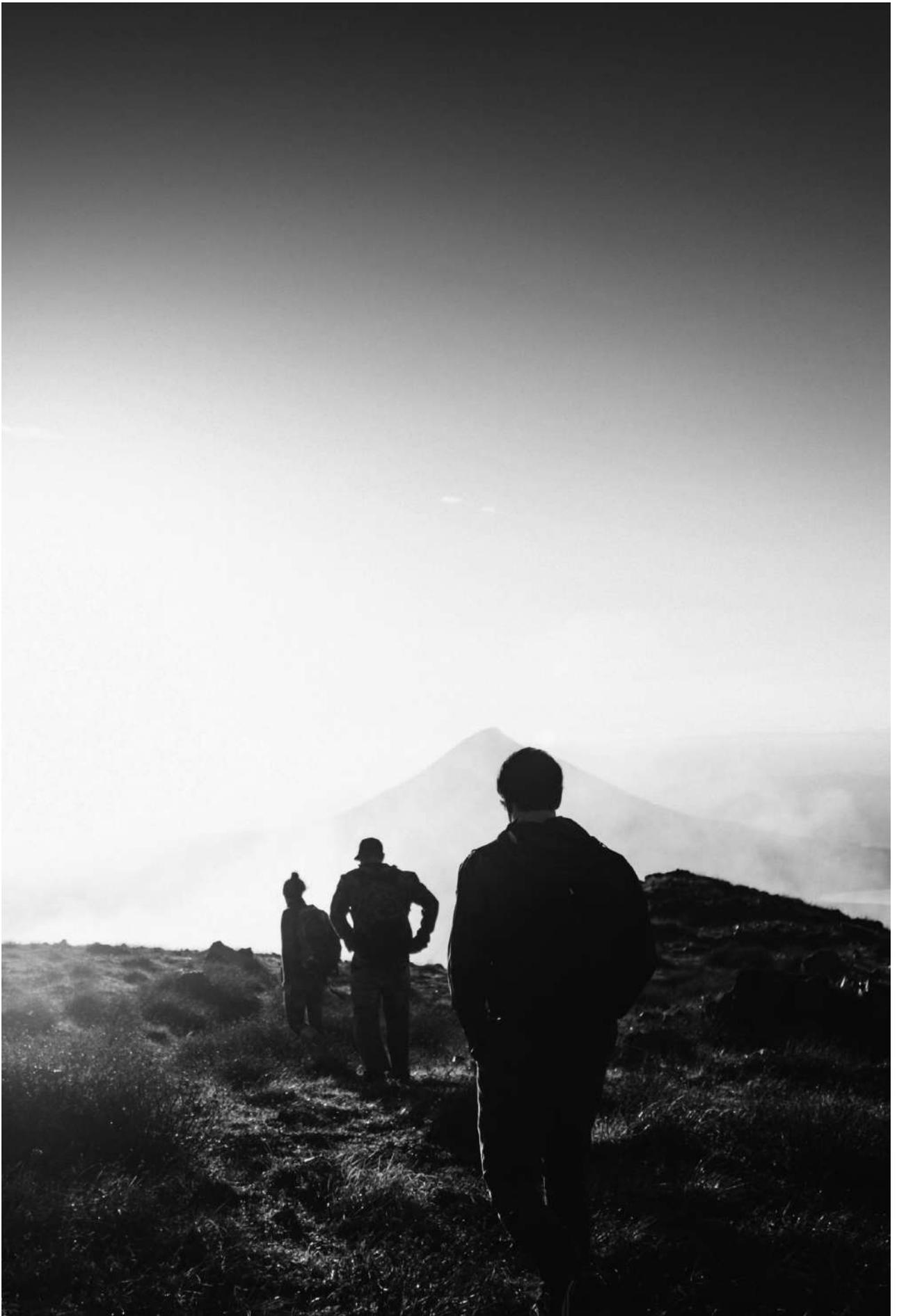




05.

**HOW TO CONTRIBUTE
TO THE MISSION: SPAIN
ENTREPRENEURIAL NATION**





As aforementioned, the mission of making Spain an Entrepreneurial Nation in the next decade has been conceived as **a national mission: a project that everyone can join, as it is a team effort; anyone who feels compelled by our objective**, either individually or through their organisation, or company; or any foreign individual or foreign entity that believes this opportunity could be theirs as well.

“

We present this Strategy as a mission to which everyone can contribute.

”

We, therefore, present this Strategy as an invitation to which everyone can contribute. Our ambition is that together we can build the vision we have defined in this strategy, each one of us contributing what we can. We yearn to create a community where our joint efforts are much greater than the sum of individual efforts. It is a team effort. We're all in the same boat.

And how may you or anyone join this national mission? It's simple. For instance, companies – regardless of their size – can share the main lines of work they already have underway, or share the projects they have decided to launch as inspired by this Strategy. Another example is local, provincial, or regional entities: from Town Halls and City Councils to Autonomous Communities, including Provincial Councils, Chapters, and Island Councils, all of which will give visibility to policies and actions that are aligned both with the final objective of this Strategy, and with the specific lines of work in their own territories. We also wish that every Spanish boy and girl, all pre-university students, and all those about to enter the workforce share their own strategies with us. We want to know how each one of them plans to contribute to the creation of Spain Entrepreneurial Nation, whether it is through the subjects they decide to study at school, the entrepreneurial projects they test with their classmates, or their university degrees and careers.

Any person, company, organisation or institution may design their own strategy based on this Spain Entrepreneurial Nation strategy, and thus define their contribution to our national mission. These individual strategies will follow a common structure, a model that has been



designed by the High Commissioner for Spain Entrepreneurial Nation, to standardise the strategies and to facilitate the monitoring of said strategies. This structure will take the Spain Entrepreneurial Nation strategy as a guiding principle, a starting point, and will thus complete a journey through four stages:

1. Select at least one of the four **goals** set out in this Strategy: investment, talent, scalability or entrepreneurial public sector.
2. Select at least one of the 10 priority **driving sectors**: industry, tourism and culture, mobility, health, construction and materials, energy and ecological transition, banking and finance, digital and telecommunications, agroindustry or biotechnology.
3. Select at least one of the four **gaps** that we will work on to eliminate or to narrow: the gender gap, the territorial gap, the socioeconomic gap or the generational gap.
4. Highlight any **other main lines of work** that are not considered in this Strategy but can contribute to achieving the ultimate objective; in addition to the measures that will definitely be developed, outlining what other projects will be boosted or modified, or which will be discarded in order to align all efforts.

The High Commissioner for Spain Entrepreneurial Nation will be the organising body responsible for receiving, ordering, and monitoring each and every one of the Strategies that citizens, either personally submit or submit on behalf of their organisations. The High Commissioner's team will work with each of its allies – those who have contributed to the effort with their strategies – on an annual basis, and will, thus, draft a progress report detailing the achievements, describing how we are getting closer and closer to achieving our national mission.

Likewise, the **Spain Entrepreneurial Nation Strategy is organised and customised to be a space for continuous advancement and improvement.** The High Commissioner will be a meeting point to which any individual person or organisation may turn to to bring forward development models or implementation of ideas and actions aligned with this mission of transforming Spain into an Entrepreneurial Nation.







ACADEMIA
QUERIA

HOBBY
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06.

THE KEY FIGURES BEHIND AN ENTREPRENEURIAL NATION



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6.2 Autonomous Communities, Provincial County Councils, Regional and Inter-Island Councils, and Local Entities 140

6.3 An Alliance of Key Figures 140



The Spain Entrepreneurial Nation Strategy will require an unprecedented mobilisation of diverse figures at the national, regional, provincial, and local levels in both the public and private sectors. **This national mission will require committed participation from all public administrations** and the involvement of distinct administrative levels throughout the national territory.

6.1.

Ministries and their Autonomous Bodies

In working on this Strategy, the State Administration will be an entrepreneurial, agile, and dynamic public administration that will take on the initiative of championing the national mission and of guiding us toward the Spain we seek to become by 2030, promoting productivity and transforming Spanish innovative entrepreneurship into a benchmark for other nations.

With the Spain Entrepreneurial Nation Strategy, the ministries will not merely integrate the main demands of the ecosystem's key figures into their systems or programmes, but will be one step ahead, guiding all their actions toward consolidation of the innovative entrepreneurial ecosystem, propelling the driving force sectors and a sustainable growth model for Spain. And this will be done under a stable collaborative framework at the national, regional, provincial, and local levels.

The ministries will be responsible for the development and implementation of the measures included in this Strategy, as well as for any other main line of work that will serve to drive entrepreneurship and innovation at the national level. Moreover, the distinct ministerial departments will identify their competences and participation in each of the measures that make up the Spain Entrepreneurial Nation Strategy in order to establish coordinated action and facilitate the monitoring of the development and progress of the Strategy.

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The ministries will be responsible for the development and implementation of the measures included in this Strategy, as well as for any other main line of work that will serve to drive entrepreneurship and innovation at the national level.

”

The High Commissioner for Spain Entrepreneurial Nation will accompany and guide the ministries throughout the process, supporting them in whatever they need. It will also continuously monitor the initiatives in order to provide information and continually report on how the plan is advancing. An annual report on adoption of the measures for the Strategy will be carried out, and the main lines of action will be updated for continual progress. This Strategy is devised as an open document that will be adapted to the needs and priorities arising in this ever-changing environment. Depending on what is accomplished and through its continuous evolution, new challenges and opportunities for further improvement of the Strategy can be addressed. In addition, the Ministries will prepare an annual economic report to inform on the level of implementation of the proposed main lines of work.



6.2.

Autonomous Communities, Provincial County Councils, Regional and Inter-Island Councils, and Local Entities

The Spain Entrepreneurial Nation Strategy will recognise initiatives from all over the national territory, supporting ecosystems in all their varied contexts and dynamics. The High Commissioner for Spain Entrepreneurial Nation will support the autonomous communities, provincial county councils, regional and inter-island councils, and local entities in carrying out actions involving key figures in their respective ecosystems and in civil society for this national mission.

In particular, the High Commissioner will closely oversee the effectiveness of the Spain Entrepreneurial Nation Strategy, counting on the approval, contributions, and active participation of:

- The **autonomous communities**, who will develop initiatives with direct impact on the territory, ensuring coordination and cooperation among all key figures in the ecosystem.
- The **provincial county councils**, and regional and inter-island councils will facilitate the creation of alliances and development of tools that are accessible throughout the provincial territory.
- The **local entities**, who will promote diverse territorial development adapted to their realities and idiosyncrasies. Their collaboration will be organised through the Spanish Federation of Municipalities and Provinces (FEMP), Spain's well-established national association for local governments.

The autonomous communities, provincial county councils, regional and inter-island councils,

and the local entities will identify the main lines of work to be developed and their contribution to each of the measures that form part of the Spain Entrepreneurial Nation Strategy. The High Commissioner for Spain Entrepreneurial Nation will support them, guide implementation of the measures, and draft an in-depth follow-up report. Moreover, agile and close collaboration between all the public figures will make it possible to identify and evaluate good practices in the territories, which can then be implemented in other areas to advance the development of the Strategy.

6.3.

An Alliance of Key Figures

The role of the High Commissioner for Spain Entrepreneurial Nation will be to inspire and coordinate all the key figures, both public and private, to work towards the national mission we are looking to achieve.

Since all key figures will be necessary for the success of this plan, as well as their vital contributions to building Spain Entrepreneurial Nation, we invite them to participate and develop their own Strategy.

The collaboration and interaction among all the players, the pursuit of a common goal, and exploitation of all the competencies within in the ecosystem will lead to the creation of a virtuous circle for innovative entrepreneurship in the upcoming 10 years. Without question, the joint effort of this community will be far greater than the sum of individual efforts.



Our plan will consist of an alliance in which every citizen can participate, contributing what they do best.

- **Primary and secondary schools**

Education plays a crucial role in promoting an entrepreneurial mindset, as well as the culture and dynamic of entrepreneurship, starting in childhood. It will contribute to the human development of each individual through its discourse, structures and curricular offerings from either the public or private sphere.

- **Academies, professional training institutions, universities, and business schools**

Academies, professional training institutions, universities, and business schools are the main sources of knowledge and human capital, two essential contributions to the development of innovative entrepreneurship. Additionally, business schools are a hub of foreign talent.

- **R&D+i centres, knowledge transfer offices, science and technology parks, and business centres**

These centres of knowledge creation carry out R&D+i activities and develop application models to improve companies' competitiveness. They generally provide support services for innovation and are the main link between knowledge development and the market.

- **Female and male entrepreneurs**

They emanate courage, attitude, and vision; and through their experiences they have the power to inspire others. They possess the aptitude and competences that enable us to transform today's society and to create impact. They are the key building blocks in the development of a nation's innovation.

- **Business sector**

Companies are the economic engine of the country, and their interaction with entrepreneurship ventures is growing more and more. The process of open innovation is showing a positive impact on the activities of these organizations and their transformation, developing, adapting, and complementing business opportunities as well as the capabilities of their teams.

- **Financiers and investors**

These individuals provide the resources needed to develop a business project at any stage. They diversify sources of financing or investment, creating alternatives and adapting traditional mechanisms to the capital requirements for innovative entrepreneurship.

- **Accelerators, incubators, and venture builders**

They drive the growth of business ideas or projects by providing the services necessary for their development and transition to the next growth phase. In some cases, they specialize in specific strategic sectors or areas of opportunity.

- **Facilitators**

They support the development of business projects by facilitating the creation of the necessary infrastructure or specialised services: coworking spaces, innovation hubs, labs, expert networks, professional services, or support or mentoring services.

- **Foundations**

Foundations develop initiatives in areas connected with the transformational capacity of innovative entrepreneurship such as education, knowledge, talent, investment, industry, impact, etc., with the aim of spreading knowledge or involving a greater number of individuals in their activities.

- **Federations, associations, and other agencies**

They bring together common interests through federations, associations or in representing voices, collectives or business, labour and social spheres, ensuring there is both representation and representativeness.

- **Citizens and civil society**

Citizens and society as a whole, all those who want to form part of the alliance, becoming involved and supporting the execution of the Spain Entrepreneurial Nation mission.



07.

GOVERNANCE FOR THE SPAIN ENTREPRENEURIAL NATION STRATEGY



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The national mission involved in the Spain Entrepreneurial Nation Strategy requires designing governance that reliably reflects the need to move forward on multiple fronts and with the contribution of key figures at distinct levels, in both the public and private spheres, and at the national, regional, and local levels.

To achieve the objectives of this national mission, it is necessary, as Mariana Mazzucato proposes in the *Governing Missions in the European Union* report, to respond to the following questions:

- ¿How do we engage citizens to come together to design, create, implement and assess the national mission?
- What are the public sector capabilities and tools needed to reach objectives and to encourage cooperation, break out of silos and foster innovation?
- How can we find different forms of financing for the mission, and how do we ensure financing can be galvanized across the broad spectrum of players involved (public, private, and third sectors)?

The call for governance for this Strategy will answer these questions and put forward a model that allows the following:

- Achieving the mission's **objective**.
- Promoting **cooperation** amongst the key players.
- Ensuring control of the mission's **progress** and the evaluation of results.
- **Involving** all levels of the public sector in its execution.
- Creating spaces for private sector **participation** that promotes its involvement and motivates the sector to adopt the Strategy as its own.
- Creating synergies for public-private sector **collaboration**.

Inspired by **Sustainable Development Goal 17**, which underscores the need to weave alliances among different administrative levels, between the private and public sectors, and with collaboration from the third sector in order to achieve the SDGs, we propose a governance model that also reflects the need to form alliances between diffe-

rent levels and sectors, with a common impetus to give our country an economic model that is resilient and future facing.

The main objective of this Strategy's governance system is **to support reaching the goals and actions it proposes**. To achieve this, three tactics are proposed at three different levels, with the maximum inclusion and participation of key figures in mind, and also ensuring the necessary agility in implementation so that the national mission can move forward.



The main objective of this Strategy's governance system is to support reaching the goals and actions it proposes.



The governance system of this Strategy proposes the following model:

- **At distinct administrative levels**, which includes not only the State Administration, but also, other administrative levels of our constitutional model. The entire Nation is called upon to participate in reaching the goals laid out in this Strategy, and the necessary channels must be created to move forward together in a coordinated manner.
- The depiction of the **plurality of the players involved**. All relevant figures in this ecosystem are called upon to participate as their contribution is necessary to advance towards an Entrepreneurial Nation. The governance model reflects this importance and establishes the appropriate channels to guide their participation.
- An **all-encompassing vision**. This Strategy proposes an integrated and comprehensive vision of all the actions that must be undertaken in order to bring the Spain Entrepreneurial Nation Strategy to life. This all-encompassing vision must also be reflected in the governance model, seeking the greatest consensus, the largest sectors for participation, and a vital impetus toward reaching the objectives, the design and implementation of policies, and collaboration among all agents.
- **Everyone counts**. The vision of this governance model is all-encompassing. Only through the involvement of all relevant players, ensuring the participation of all administrative levels, and the promotion of a sense of belonging to an ambitious national mission will it be possible to achieve these goals. This is an invitation to all citizens, and this is how it should be reflected in the governance model.

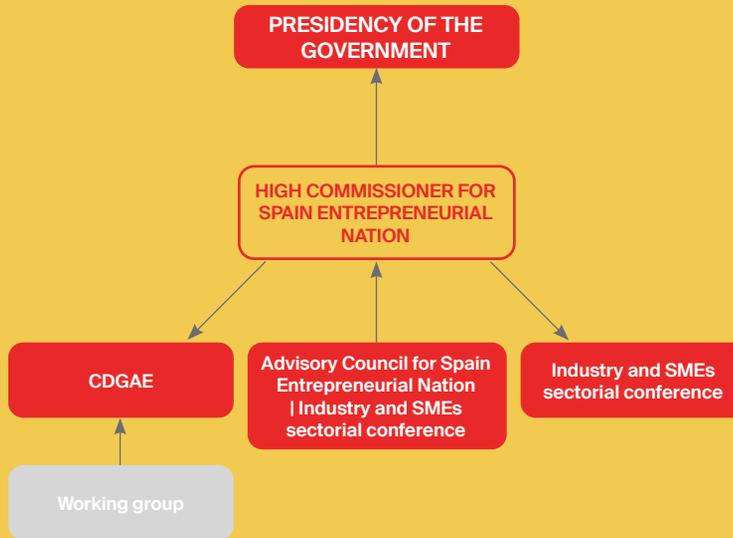
This governance highlights the need to incite joint action, not only within Government, but also, among all the key figures involved in innovative entrepreneurship. Moreover, a coordinated and concerted effort is required to advance with determined steps towards the Entrepreneurial Nation we aspire to become.

The progress of this Strategy will be coordinated by the High Commissioner for Spain Entrepreneurial Nation through the following governing bodies:

- **Government Delegate Commission for Economic Affairs (CDGAE)**
- **Working Group for Spain Entrepreneurial Nation**
- **Industry and SMEs sectorial conference**
- **Advisory Council for Spain Entrepreneurial Nation**



 **Spain Entrepreneurial Nation Strategy**
Governance



7.1.

Government Delegate Commission for Economic Affairs

The Government Delegate Commission for Economic Affairs (CDGAE) is the governing body responsible for studying the Government's general economic policy guidelines. Chaired by the Third Vice President and Minister for Economic Affairs and Digital Transformation, it ensures full coordination and coherence of ministerial department policies with the Government's economic policy criteria.

In line with the competences set out in Royal Decree 399/2020, of February 25th, establishing Government Delegate Commissions, the measures in this Strategy will be submitted to this commission for study and coordination.

The proposals for measures included in this document must be analysed and evaluated by the relevant Ministries, and submitted to the CDGAE prior to their approval.

The High Commissioner for Spain Entrepreneurial Nation will present an annual report to the CDGAE on the measures taken as well as a Strategy follow-up.

7.2.

Working Group for Spain Entrepreneurial Nation

The Working Group for Spain Entrepreneurial Nation will be the interministerial technical forum that will ensure the Strategy's proper development and progress. This group will be chaired by the High Commissioner for Spain Entrepreneurial Nation and will submit reports showing how the Strategy is evolving to the Government Delegate Commission for Economic Affairs (CDGAE).

In launching the governance model, it will be the responsibility of the Working Group to study and create the necessary indicators to measure the demonstrable progress in the policies developed by the Spain Entrepreneurial Nation Strategy. To this end, the Group will collaborate with the National Statistics Institute (INE), which will evaluate the indicators that can and should be analysed.

At the same time, the Group, at the proposal of the High Commissioner for Spain Entrepreneurial Nation, will prepare a Strategy follow-up with the oversight roadmap it establishes, which, in turn, will be regularly completed by Working Group representatives.





7.3.

Industry and SMEs Sectorial Conference

The main objective of the Industry and SMEs sectorial conference, first established in 1993, is to ensure the necessary coherence, coordination, and collaboration between the State Administration, the autonomous communities, and the autonomous cities of Ceuta and Melilla in terms of industry and SMEs.

The coordination of the Spain Entrepreneurial Nation Strategy with the autonomous communities and cities will be executed through this Sectorial Conference, chaired by the Minister of Industry, Trade and Tourism.

7.4.

Advisory Council for Spain Entrepreneurial Nation

The Spain Entrepreneurial Nation Strategy is an invitation to the entire country to become involved in this mission. We will not be able to transform Spain into an Entrepreneurial Nation if the private sector and all of civil society do not also take this on as their own mission and truly help in its implementation. It is, therefore, necessary to guide this involvement through formal channels of participation. An Advisory Council will be created for this reason.

The Advisory Council for Spain Entrepreneurial Nation is the advisory and collaborative body for the entrepreneurial ecosystem and civil society. It will be the channel that enables the participation of all the players involved to ensure the Strategy advances amongst Spanish citizens, and that all Spaniards are indeed involved in this national mission.

The presidency of this Council will be held by the High Commissioner for Spain Entrepreneurial Nation, and a ministerial order will establish the vice presidencies as well as the distribution of representatives, to reflect the reality and diversity of the entrepreneurial ecosystem.

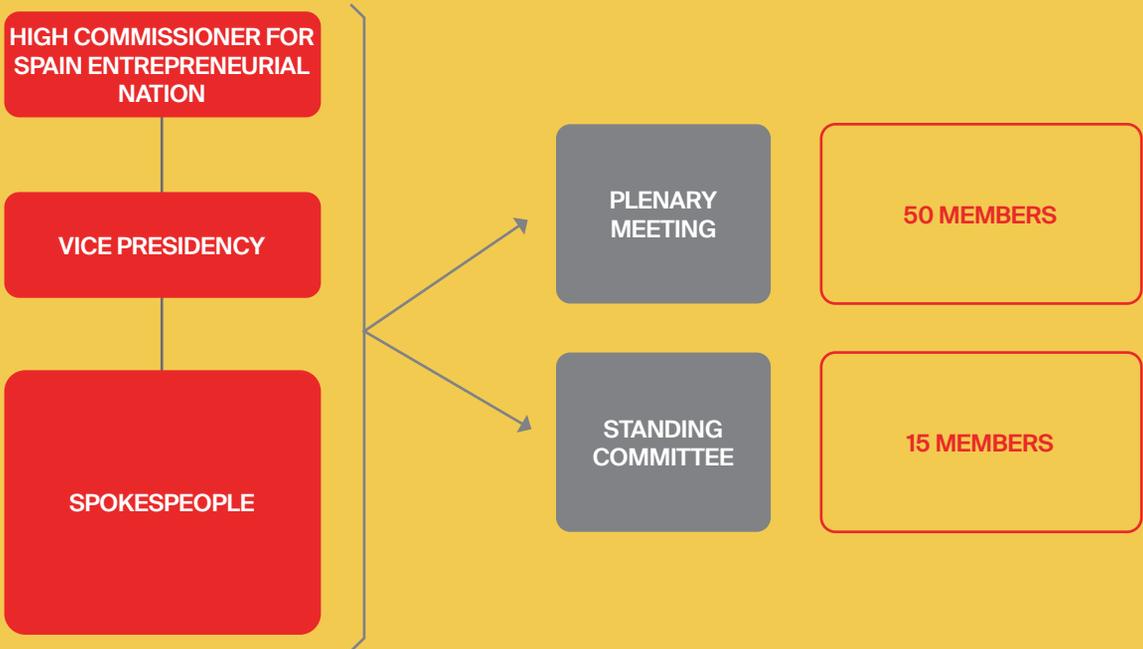


The Advisory Council will have an Annual Plenary Meeting and a Standing Committee. The plenary will be made up of 50 people involved in innovative entrepreneurship and will reflect the diversity of the ecosystem and civil society. The Standing Committee will be composed of 15 spokespeople, elected proportionally from the different plenary groups.

The functions of this Council shall be as follows:

- To advise the High Commissioner for Spain Entrepreneurial Nation on the development and implementation of the Strategy.
- To create documents and analyses on aspects related to the implementation of the Strategy, as well as on the state of innovative entrepreneurship in our country.
- To contribute to the dissemination, communication, and adoption of the national mission by all Spanish citizens.
- To promote dialogue between all social and economic players to contribute to the execution of Strategy objectives and of the national mission in order to transform Spain into an Entrepreneurial Nation.

 **Spain Entrepreneurial Nation**
Advisory Council for Spain Entrepreneurial Nation





08.

FINANCIAL REPORT





The Spain Entrepreneurial Nation Strategy represents a vision of the future and depicts a clear proposal for the Spain we want to become by 2030.

The National Recovery, Transformation and Resilience Plan (PRTR)¹³⁷ presented by the President of the Government in October 2020, backed by the European Union's Resilience and Recovery Facility, represents the response to the consequences of the COVID-19 crisis. Along with the economic, social, and labour measures implemented by the Government since the start of the pandemic, the Plan entails an unprecedented volume of public and private financial investment and will concentrate a large mobilisation of resources over the next three years. The PRTR is structured into 14 country objectives, 10 policy levers, and 30 projects or lines of action that reflect the reforms and investments to be developed between 2021-2023. This investment push needed to relaunch the Spanish economy and to accelerate a transformation of the production model toward sustainable and inclusive growth will be financed by funds from the NextGenerationEU Plan, the European Recovery Fund.

In this context, **Spain Entrepreneurial Nation is a key element in the design and construction of a series of projects included in the programme of structural reforms and investments in the Recovery, Transformation and Resilience Plan.** This is the case, not only because the push toward Spain as an Entrepreneurial Nation forms the PRTR's 5th policy lever and the Spain Entrepreneurial Nation Strategy will guide the projects specifically dedicated to supporting entrepreneurship and SMEs¹³⁸, but also, because this is a transversal axis to which other policy levers and their projects contribute, having a transformational force with a long-term vision capable of impacting all spheres of the economy and society.

¹³⁷ Presidencia del Gobierno (October 2020): Plan de Recuperación, Transformación y Resiliencia. https://www.lamoncloa.gob.es/presidente/actividades/Documents/2020/07102020_PlanRecuperacion.pdf

¹³⁸ The 5th policy lever is entitled "Modernisation and digitisation of the industrial fabric and SMEs, recovery of the tourism sector and promotion of Spain as an Entrepreneurial Nation". Within this, project 13 refers to the growth of SMEs through: a plan for the digitalisation of SMEs; reform of instruments to finance their internationalisation; Spain Entrepreneurial Nation Strategy and the Plan to support the startup ecosystem.



The Spain Entrepreneurial Nation Strategy proposes a set of measures to position Spain as a leading country in innovation and entrepreneurship over a period of 10 years. Some of the measures proposed in this Strategy are regulatory measures, which do not have an associated budget; others fall within the funds specifically allocated by the PRTR; and others will be financed from each Ministry's annual budget within the framework of its activities.

The construction of Spain Entrepreneurial Nation is based on maximising the impact of public investment and its ability to attract and mobilise private resources. To begin its roll out, a three-year budget forecast is proposed: The 2021 budget includes actions that contribute to Spain Entrepreneurial Nation that require investment. The three-year projected budget estimates are understood as a forecast that can be revised according to the priorities assigned to the development of Spain Entrepreneurial Nation, the availability of funds from the PRTR, the general State budgets or the funds from the EU Multiannual Financial Framework for the 2021-2027 period.

A follow-up report on implementation of the Strategy's measures will be completed annually, and the main lines of action will be updated as required to continue progressing. The Office of the High Commissioner will prepare the annual follow-up report on the Spain Entrepreneurial Nation Strategy and will include financial information reported by the different Ministries on the implementation of the main lines of work proposed with the aim of presenting new challenges and opportunities that may arise in this constantly changing environment, and to allocate resources to work areas that may be prioritised depending on results.



	PRIORITY MEASURES	2021	FORECAST 2021 - 23
1	A Brand for Spain Entrepreneurial Nation	1.000.000 €	10.000.000 €
2	Establishment of the National Office for Entrepreneurship (ONE)	24.000.000 €	60.000.000 €
3	Promotion of the Startup Ecosystem Act	0 €	0 €
4	RENACE. National Network of Entrepreneurship Centres	64.500.000 €	234.000.000 €
5	Scaleup Spain: Support for Scalability	18.000.000 €	116.000.000 €
6	International Programme to Attract Female Talent	2.000.000 €	10.000.000 €
7	Visa Permit Programme	0 €	0 €
8	Flagship Programme	1.500.000 €	14.000.000 €
9	Public Procurement as a Driver of Innovation	0 €	190.000.000 €
	PRIORITY MEASURES	111.000.000 €	634.000.000 €

	PRIORITY MEASURES GROUPED BY GOALS	2021	FORECAST 2021 - 23
10-23	INVESTMENT	280.075.000 €	620.475.000 €
24-34	ENTREPRENEURIAL PUBLIC SECTOR	188.000.000 €	1.262.682.000 €
35-42	SCALABILITY	293.110.000 €	512.830.000 €
43-50	TALENT	689.900.000 €	1.192.650.000 €
	MEASURES BY GOALS	1.451.085.000 €	3.588.637.000 €

		2021	FORECAST 2021 - 23
1-50	TOTAL	1.562.085.000 €	4.222.637.000 €

* The estimate of resources may be adjusted in annual reviews. These tables only include the amounts from the Recovery and Resilience Facility. 2021 does not include ordinary items from general State budgets.





STRATEGIC MEASURE INDEX FOR: SPAIN ENTREPRENEURIAL NATION



Priority Measures

- 1 A Brand for Spain Entrepreneurial Nation
- 2 Establishment of the National Office for Entrepreneurship (ONE)
- 3 Promotion of the Startup Ecosystem Act
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- 5 Scaleup Spain: Support for Scalability
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- 7 Visa Permit Programme
- 8 Flagship Programme
- 9 Public Procurement as a Driver of Innovation

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- 10 National Plan for Social Entrepreneurship
- 11 Streamlined Processing of the NIE (ID card) for Foreign Investors
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- 14 Private Seed-Stage Investment
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- 16 Pension Plans
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- 18 Family Offices Investment
- 19 Alternative Markets
- 20 Boosting the Transfer and Sharing of Knowledge
- 21 Enisa & CDTI Resources
- 22 Boosting Open Innovation
- 23 Private Sector R&D+i

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- 24 Sandbox: Public Testing Environments
- 25 Smart Regulation
- 26 Open Public Data
- 27 User Experience Design for Citizens and Businesses
- 28 Enterprising Public Service
- 29 Special Regime for Self-Employed Workers
- 30 Visa for Digital & Tech Nomads
- 31 Innovative SMEs in Public Tenders
- 32 Assessing Public Initiatives with Social and Environmental Impact as Criteria
- 33 Equal Gender Representation in Public Administration Events
- 34 Gender Equality Criteria in Public Procurement



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- 35 International Partnership Strategy
- 36 Knowledge Transfer Offices (KTOs)
- 37 Flexibility for Teachers and Researchers (T&R)
- 38 Merit Acknowledgement for Researchers
- 39 Technology Centres & Science and Technology Parks
- 40 National Defence as a Driver for Innovative Entrepreneurship
- 41 Innovative Urban Economic Development
- 42 Territorial Development of Innovative Entrepreneurship

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- 43 Education and Entrepreneurship
- 44 Universities and Entrepreneurship
- 45 Innovative Vocational Training
- 46 Lifelong Learning
- 47 Monitoring the Gender Gap in the Field of Innovative Entrepreneurship through the INE (National Institute of Statistics of Spain)
- 48 STEAM Careers Amongst Women
- 49 Sponsorship and Mentoring of Women
- 50 Senior Talent

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**Translated by: inés Herrera Mier
Revised by: Nathalie V. Obregón**

