
The divide between retro-capitalism and turbo-capitalism

**Collection
Social Divides**

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This issue forms part of the Collection “Social Divides”, which is made up of the following publications:

- **An Introduction**
- **The Divide between Rich and Poor**
- **The Divide between Men and Women**
- **The Divide between the Young and the Elderly**
- **The Divide between the Rural World and the Urban World**
- **The Divide between Turbocapitalism and Retrocapitalism**
- **The Divide between Analogical and Digital**

Key points

- 1 For several decades, the Spanish economy has been experiencing the advance and widening of a divide that reflects two coexisting economic models: turbo-capitalism and retro-capitalism. Largely, this divide is the consequence of structural transformation processes such as globalisation, and the technological and digital revolution in which society finds itself immersed, but it is also a result of the structural problems that have been inherited from the past.

- 2 The turbo-capitalism model is subject to parameters such as internationalisation, digitalisation, training and innovation. However, retro-capitalism is characterised by presenting greater protectionism with regard to foreign relations and less intensity in terms of technology and innovation. Furthermore, it contributes less added value to the economy and has to resort to public support to survive in the face of economic crises.

- 3 The processes of structural transformation in which society is immersed, specifically globalisation and the digital revolution, have brought with them evident gains in both the economic and social spheres, but they also pose threats and substantial challenges. In general, these are related with questions such as increased inequalities or the polarisation of employment, with highly differentiated working conditions, but they also directly influence the duality of the production structure.

- 4 Phenomena such as digitalisation and globalisation intensify business segmentation, to the extent that technological advances are concentrated into groups of companies that are capable of internationalising their services and competing globally. Found at the opposite pole are mainly smaller companies without the capacity to tackle these transformations, for which reason, in relation to the first, they end up falling behind.

- 5 The divide is manifested, above all, in a very evident dichotomy. In Spain, an important group of companies that could be termed nomadic function with international logic and are perfectly competitive on a worldwide scale. However, the large part of the business fabric is formed by companies that could be called sedentary, closer to the old logic of protectionist capitalism. Their differences, above all of an economic type, are due largely to the greater weight of this character, to a certain extent retrograde, of the country's production fabric. However, this characteristic cannot be identified strictly with any specific size or sector, since it is to be found disseminated throughout all of them.

- 6 Overcoming the divide between retro-capitalism and turbo-capitalism requires policies of structural reforms such as those that are proposed at the end of this report. However, it is worth knowing where the underlying problem lies, to avoid continuing to insist on seeking solutions in places where it does not make sense.

- 7 The information collected in this report that is based on the Bank of Spain Survey on Business Activity (2020) enables confirmation that the impact of the covid-19 crisis has not been evenly spread, but rather it has affected certain sectors with greater intensity. The smallest-sized companies have recorded substantially sharper falls in terms of both invoicing and employment.

Key figures

9.5%

Only 9.5% of companies with fewer than ten employees have conducted online sales.

22.3%

The export tendency of larger-sized companies (43.4%) is nearly double that of smaller-sized companies (22.3%).

64-72

The density of SMEs has remained more or less stable over the last two decades: for every one thousand inhabitants, around 64-72 SMEs are registered.

20%

Only 20% of companies with fewer than 250 employees are innovative, while this percentage reaches nearly 50% among companies with over 250 employees.

13%

Barely 13% of industrial companies with 200 workers or fewer carry out or contract some kind of R&D activity, against 45.9% of those with over 200 employees.

2.5

The productivity of Spanish micro-businesses is over 2.5 times lower than that of the United Kingdom and nearly 1.9 times lower than France and Germany.

38%

Micro-companies generate around 38% of employment in Spain, while in France or the United Kingdom the percentages are reduced to 25.5% and 19.5%, respectively.

3x

As for the percentage of big data analysis, it triples for large-sized companies in comparison to companies of fewer than 50 employees.

60%

Some 60% of Spanish companies were working, in the year 2020, with a single bank, some 21.24% with two, and some 8.91% were operating with three.

4

Spanish companies have, on average, little more than four employees, while the European average is situated at around six employees.

Nota: datos del 2020.

1

An approach to the production fabric of Spain: small companies predominate

With the aim of disseminating the structural characteristics of the Spanish production fabric in comparison with the main European countries, a short diagnosis should be made of the variables of Spanish business demographics, and it is necessary to analyse their evolution over the last few decades.

Predominance of small-sized companies
and the underrepresentation of medium-
and large-sized companies

In Spain, the density of SMEs has remained more or less stable during the period 2000-2020, at around 64-72 SMEs per thousand inhabitants. The predominance of small-sized companies and the underrepresentation of medium- and large-sized companies is a characteristic, in general, shared with other European countries. However, substantial differences are observed with respect to countries such as Germany or the United Kingdom, which have a more highly diversified business structure and where micro-businesses represent a less substantial part of the business fabric.

If looking at the average size of company workforce, the smaller size, in comparative terms, of the Spanish business fabric is again confirmed. The companies of the European Union have, on average, close to six employees, whereas in Spain this figure is reduced to a little over four. In contrast, it is striking that medium- and large-sized companies tend to be larger in Spain than in Germany, although they are much smaller than in France or the United Kingdom.

The companies of the European Union have,
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Finally, if the distribution of companies is analysed according to the sector in which they operate, it is noticeable that most microbusinesses are very evidently concentrated in the services sector, especially in commercial activities. In contrast, small-, medium- and large-sized companies specialise in industry. In other words, as the size of the business increases, then the greater the proportion of companies operating in the industrial sector.

Table 1. **Greater weight of large-sized companies in the industrial sector**

Sectoral distribution of businesses according to size (%)

Companies by size	Industry	Construction	Services		Total
			Commerce	Rest of services	
SME (0-249 employees)	5.9%	12.6%	22.1%	59.5%	100%
SME without employees (0 employees)	3.9%	13.7%	19.5%	62.9%	100%
SME with employees (1-249 employees)	8.5%	11.1%	25.3%	55.1%	100%
Microbusinesses (1-9 employees)	7.2%	11.0%	26.2%	55.6%	100%
Small enterprises (10-49 employees)	20.1%	12.5%	17.3%	50.1%	100%
Medium enterprises (50-249 employees)	22.6%	7.0%	15.3%	55.1%	100%
Large enterprises (250 employees or more)	21.7%	2.9%	14.6%	60.7%	100%
Total companies	5.9%	12.6%	22.0%	59.5%	100%

Source: [Retrato de la PYME. DIRCE, 1 January 2019](#), Ministry of Industry, Commerce and Tourism, 2020.

2

Large-sized companies are the main generators of quality employment

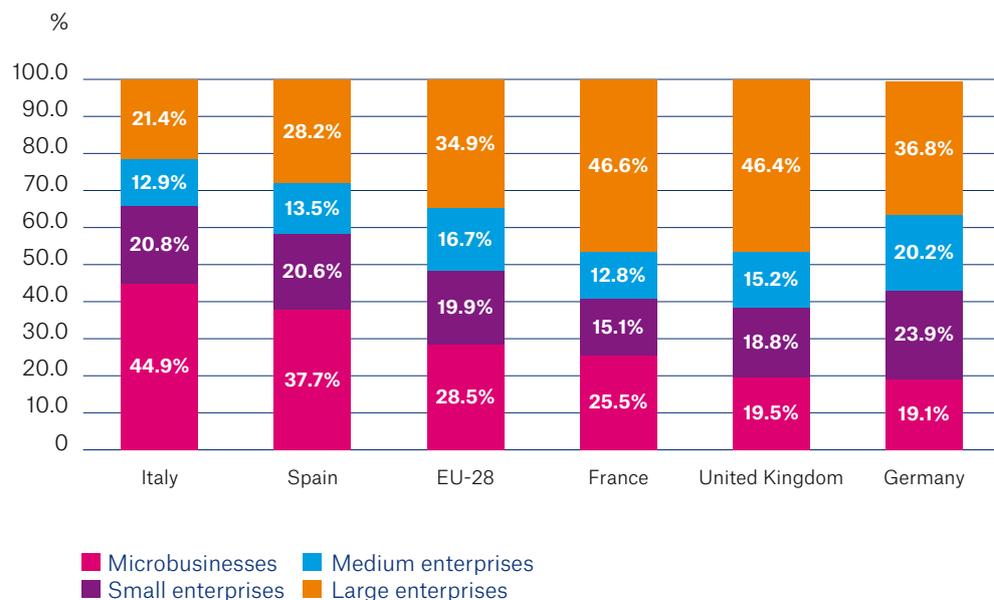
The divide between large- and small-sized companies is also very evident if the distribution is compared in terms of employment. As shown in figure 1, microbusinesses generate close to 38% of employment in Spain, while in France and the United Kingdom the percentage is reduced to 25.5% and 19.5%, respectively. In Germany, microenterprises barely generate 19% of total employment.

For their part, large-sized enterprises represent around 47% of employment in the United Kingdom and in France, and close to 37% in Germany. These figures contrast clearly with the figure registered in Spain, of 28.2%, second only to the figure for Italy (21.4%).

Finally, it is clearly observed that medium-sized companies in Germany generate more employment (20.2%) than those in the other countries compared. At the opposite extreme are Italy (12.9%) and Spain (13.5%).

Figure 1. **Microbusinesses are the main generators of employment in Spain**

Distribution of employment according to company size in the main European economies (%), 2017



Note: figures 1 to 3 have been obtained based on the latest data available.

Source: compiled by the authors based on [Structural Business Statistics – Overview](#), Eurostat, 2017.

In terms of the business sector in which the companies operate, large and medium-sized manufacturing companies are those that employ the largest number of workers. This is a behaviour that is observed in Spain and in other European countries alike. In the other two sectors analysed, that of construction and that of services, it is microenterprises and small enterprises that concentrate the highest levels of employment, although differences between countries are appreciated. Thus, while microenterprises in Spain generate 57.09% of employment in the construction sector and 45.10% in the services sector, in France and the United Kingdom the figures barely reach 43% and 40% in construction and 34% and 16% in services, respectively. Again, the pattern of distribution observed in Spain is very similar to that of Italy.

It is worth indicating, to complete this section, that a large majority of studies and statistics appear to exist that confirm the idea that SMEs habitually generated poorer quality employment than larger-sized enterprises.

SMEs habitually generated
poorer quality employment
than larger-sized enterprises

3

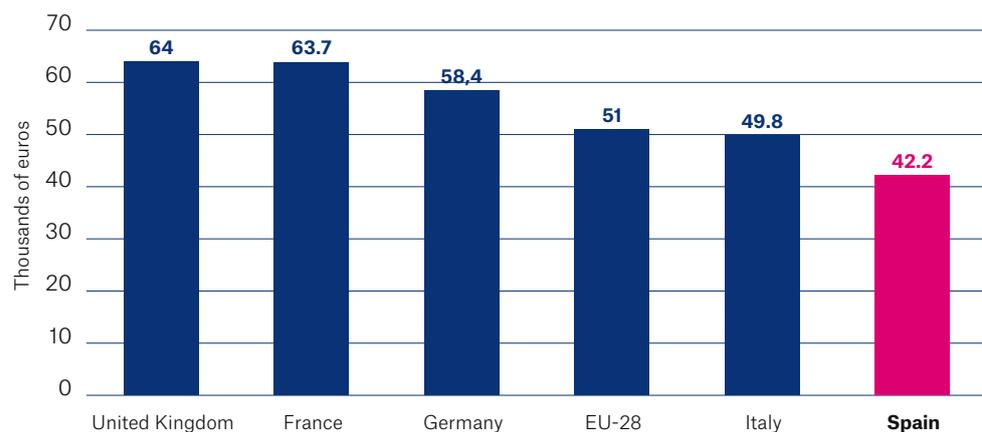
The productivity of companies increases proportionally to their size

The largest-sized companies tend to present better levels of productivity. An article by Moral-Benito from the year 2016 ([“Growing by learning: firm-level evidence on the size-productivity nexus”](#), *Documentos de Trabajo*, 1613, Banco de España) confirmed that companies with over 250 workers were six times more productive than those that had fewer than nine workers. This pattern, furthermore, was maintained for all activity sectors.

According to the data analysed for this report, it is deduced that productivity levels of Spanish companies are clearly situated below the European average and also, far behind the main European countries, with the exception of Italy. If productivity per hour worked is analysed, the data is similar: Spanish companies are found, once more, trailing behind in terms of productivity, although they shorten distances with respect to their competitors and stand above the average of countries in the European Union, as reflected in figure 2.

Figure 2. **Spanish companies are positioned at the tail in productivity in relation with the European average**

Apparent work productivity. Gross added value per worker (thousands of euros), 2018



Source: compiled by the authors, based on data on apparent work productivity, Eurostat, 2018.

The largest-sized companies tend to present better levels of productivity

If productivity levels are analysed according to company size, it is confirmed that they increase in line with the size of the enterprise. Furthermore, Spanish companies are, independently of their size, clearly less productive than their European competitors (or, equally, Spanish SMEs and large-sized Spanish companies alike are less productive than their European counterparts of a similar size). Therefore, for example, the productivity of Spanish micro-companies is less than 2.5 times below that of the United Kingdom and nearly 1.9 times lower than that of France and Germany. In comparison with Italy, major differences are also confirmed, particularly in the medium- and large-sized enterprises, which are substantially more productive than their Spanish counterparts.

Productivity levels increase in line with the size of the enterprise

Figure 3. **The productivity of companies in Spain is lower than the European average, independently of their size**

Apparent work productivity in the main European economies. Gross added value per worker (thousands of euros), 2018



Source: compiled by the authors based on data on apparent work productivity, Eurostat, 2018.

4

SMEs largely depend on bank finance, which makes their growth more difficult

The size of companies is a key determining factor in terms of their access to credit, as made clear by the lower volume of funding that small Spanish companies have traditionally received, in comparison with medium- and large-sized companies.

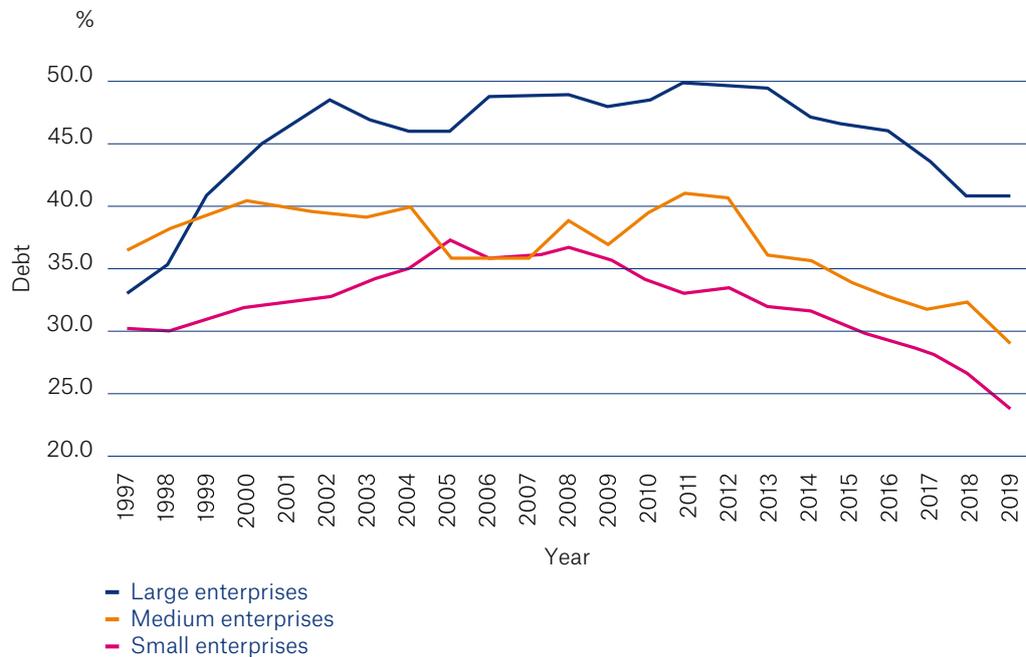
This leads to SMEs depending more on bank finance than large-sized companies, which present a greater capacity for accessing financing from the markets

Furthermore, small business size can be accompanied by lower levels of quality of accounting information and asymmetries in that information (or less transparency in the information provided). This leads to SMEs depending more on bank finance than large-sized companies, which present a greater capacity for accessing financing from the markets. Generally, this capacity goes hand in hand with greater costs of generation of financial information and the imposition of greater discipline on the management of the business.

Thus, European companies have historically been more dependent on bank financing than those from other economically advanced countries, such as the United States, due to the high proportion of SMEs in their production fabric (CaixaBank Research, 2015: [Capital markets union: a first step](#)). This is even more evident in the case of Spain, where the dimensions of the SMEs are particularly reduced.

Figure 4. **Large-sized companies have a greater capacity for access to financing from the markets**

Debt ratios of companies according to their size. Outside resources with costs on interest-bearing liabilities (%)



Source: compiled by the authors based on [quarterly reports from the Central Balance Sheet Data Office](#) of the Bank of Spain, 2020.

In Spain, the usual situation is that companies use a single banking organisation

The lack of capacity among SMEs to diversify their liabilities is not only reflected in their greater resorting to a single type of financing, from banks, but also in the number of financiers with whom they work. In this sense, in Spain, the usual situation is that companies use a single banking organisation. Maudos and Fernández (2020) point out, in *Condiciones financieras de las empresas españolas: efectos sobre la inversión y la productividad* (BBVA Foundation), that in the period 2001-2015, some 55.1% of Spanish companies worked with a single banking organisation, while 28% of companies worked with two. The percentage fell to 12.9% in the case of working with three organisations, and to 3.3% when the number of organisations was four. During the period analysed, Spanish businesses worked on average with 1.7 banking organisations.

This dependency on a lesser number of sources of financing or even on a single banking organisation becomes an evident obstacle to business growth

In times of crisis, if banks close their offering of funding, this dependency on a lesser number of sources of financing or even on a single banking organisation becomes an evident obstacle to business growth, as manifested by the financial crisis of 2008 (Mielgo, 2015: “[Una reflexión sobre el tamaño empresarial en España](#)”, *ICE, Revista de Economía*, 885).

5

The profitability of companies grows in line with their size

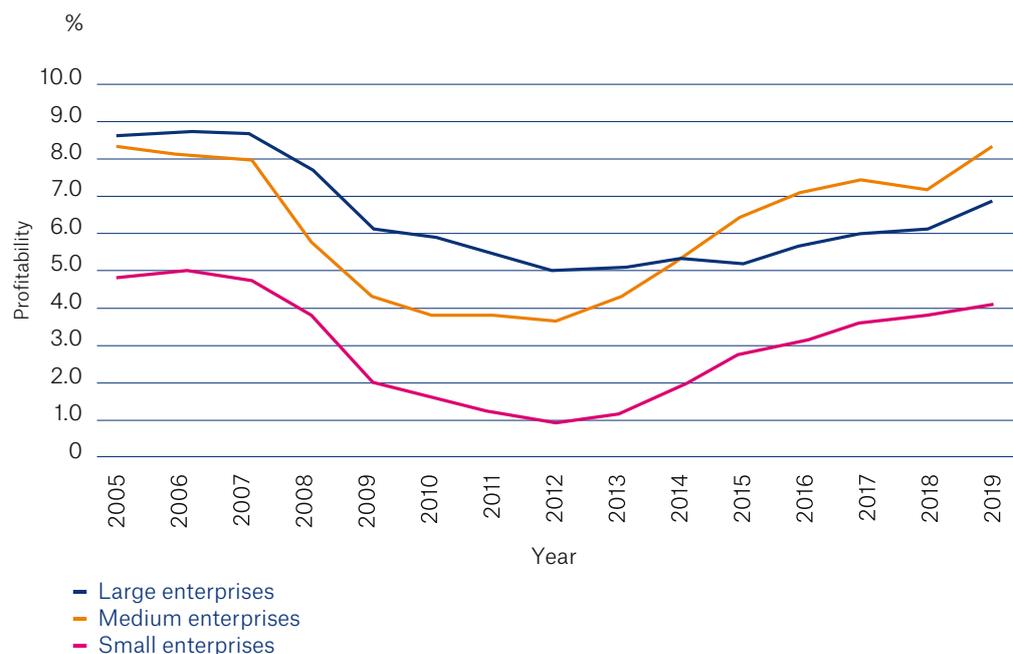
A direct causal relationship exists between business size and profitability, as the latter grows alongside the former. Insofar as smaller-sized companies face greater difficulties to access external financing, their costs are higher, and therefore their economic profitability is lower.

A direct causal relationship exists between business size and profitability, as the latter grows alongside the former

Figure 5, produced based on data from the Central Balance Sheet Data Office of the Bank of Spain (2020), shows how small-sized companies are clearly more profitable than those of a larger size.

Figure 5. **Medium- and large-sized companies are more profitable than those of a smaller size**

Profitability of companies according to their size (%), 2005-2019



Source: compiled by the authors based on [quarterly reports from the Central Balance Sheet Data Office](#) of the Bank of Spain, 2020.

6

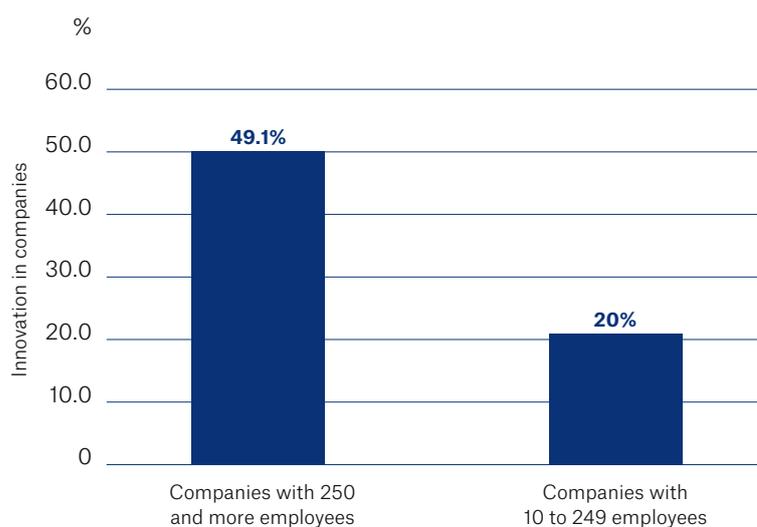
Innovation and a strong export profile are characteristics of large-sized enterprises

Company size is a key determining factor in their capacity for innovation and internationalisation. In figure 6, compiled based on data from the Survey on Innovation in Enterprises from the year 2019, published by Spain's National Statistics Institute (INE), the positive relation that exists between business size and innovation capacity can be observed. As can be inferred from the graph, the percentage of companies that innovate is clearly higher in those of a larger size. This is a difference, furthermore, that is maintained independently of the activity sector to which the companies belong.

The above is confirmed, moreover, if another source is used as a reference, such as the Survey on Company Strategies (ESEE) by the SEPI Foundation for Industrial Companies. In accordance with the results of the latest edition of the ESEE, from the year 2016, barely 13% of industrial companies with 200 workers or fewer conduct or contract out some type of R&D activity, against 45.9% of companies with over 200 employees.

Figure 6. **The larger the company, the greater the innovation**

Percentage of innovative companies in Spain according to their size, 2019



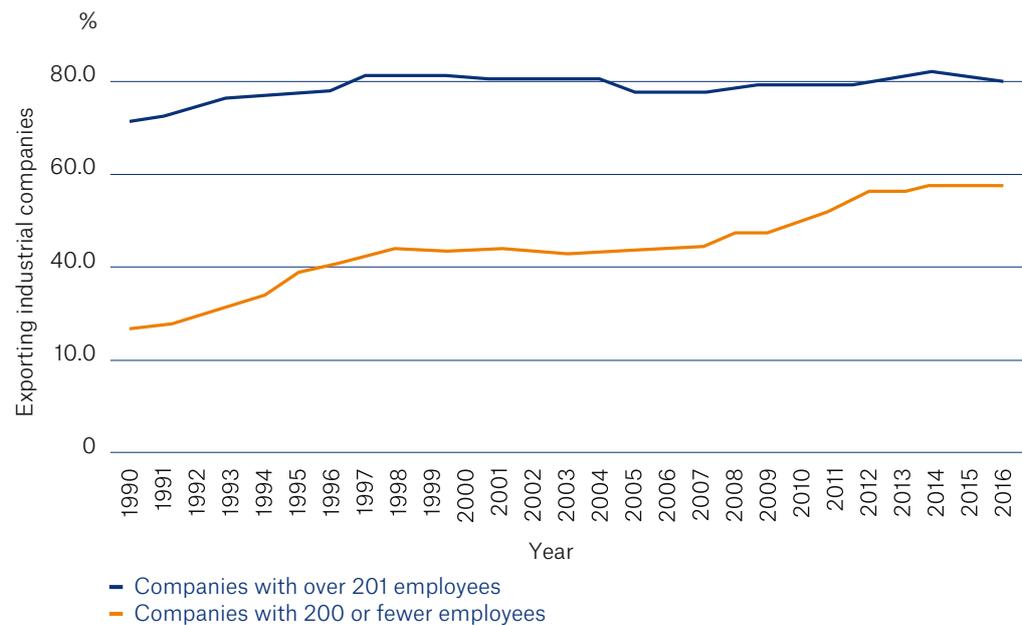
Source: compiled by the authors based on the [Survey on Innovation in Companies](#), INE, 2019.

Furthermore, the exporting facet of companies is associated in a positive way with their size, so as company size grows, so does its likelihood of exporting. Figure 7 shows how the percentage of large export companies is clearly superior to that of companies of a smaller dimension, although the difference has tended to reduce in recent years. If the propensity to export is observed, the conclusion is the same: larger-sized enterprises tend to export almost double (43.4%) the proportion of their output as those of a smaller size (22.3%). This circumstance occurs in all activity sectors.

As company size grows, so does its
likelihood of exporting

Figure 7. **Large-sized companies are clearly more likely to export than those of a smaller size**

Percentage of industrial companies that export according to their size, 2016



Source: compiled based on the ESEE, SEPI Foundation, 2016.

Comparatively, SMEs in Spain are less innovative and have a weaker export profile than that corresponding to the European average, which could again be explained by the high proportion of small-sized companies in the Spanish production fabric.

7

Size, internationalisation, digitalisation and innovation, at the base of turbo-capitalism

From the analysis carried out up to this point, two conclusions are drawn: the first, that Spanish companies are segmented into two differentiated groups and, between the two, there exists an important divide in terms of size, contribution to employment, productivity, profitability, diversification of liabilities, and capacity for innovation and internationalisation; the second, that these divergences arise independently of the sectors in which the companies act, which means that it is not a problem of sectors, but of different factors. These determine the turbo-capitalism to which it wants to aspire and, ultimately, they must encourage a leap in terms of productivity in the Spanish economy.

Spanish companies are segmented into two differentiated groups and, between the two, there exists an important divide in terms of size, contribution to employment, productivity, profitability, diversification of liabilities, and capacity for innovation and internationalisation

The first of these factors, and to a certain extent the envelope or container of all the others, is the size of the companies. The debate around the need for the growth of Spanish companies is still far from concluding. However, a broad consensus exists in both the academic sphere and in political reflection regarding the need to increase the size of Spanish companies. This would be fundamental for reinforcing the economy's productivity and competitiveness. The conclusions that are proposed in this report point in the same direction and suggest that the largest-sized companies are more productive, more profitable, more innovative and more internationalised: traits, all of them, that are key for business competitiveness.

Another of the keys to the competitiveness of companies lies in their international presence. The potential market for large-sized companies tends to be greater than that for those of a smaller dimension. Large-sized companies operate more frequently on an international scale than smaller-sized companies, which are more oriented towards the local market. Internationalising is a route for growth and increasing business competitiveness and, ultimately, a further element for promoting the potential growth of the economy.

Digitalisation is another of the great challenges that must be tackled and that appears to be imperative in a world marked by technologies. Tackling digital transformation and making a decided commitment to innovation would mean gains in productivity that must not be underestimated and would enable new employment opportunities to be created along with business niches with greater added value, among other aspects.

Internationalising is a route for growth and increasing business competitiveness

Spain cannot overlook another of the major challenges that it is tackling, and which has to do with the shortfalls of its education system. These have generated a dual pattern of results, in which the population is concentrated into the two extremes of the education chain – university and basic – leaving the vocational training space empty. The most evident result of all this is levels of early school leaving and youth unemployment that amply exceed those of other European countries, and that constitute an increasingly acute problem of skills imbalance. Tackling this challenge appears to be even more urgent in a global, digitalised and increasingly competitive world, in which talent and excellence are acquiring growing relevance, as they are essential elements of the turbo-capitalism to which people aspire.

Levels of early school leaving and youth unemployment that amply exceed those of other European countries

8

The divide under debate: the public sector and the crisis resulting from the covid-19 pandemic

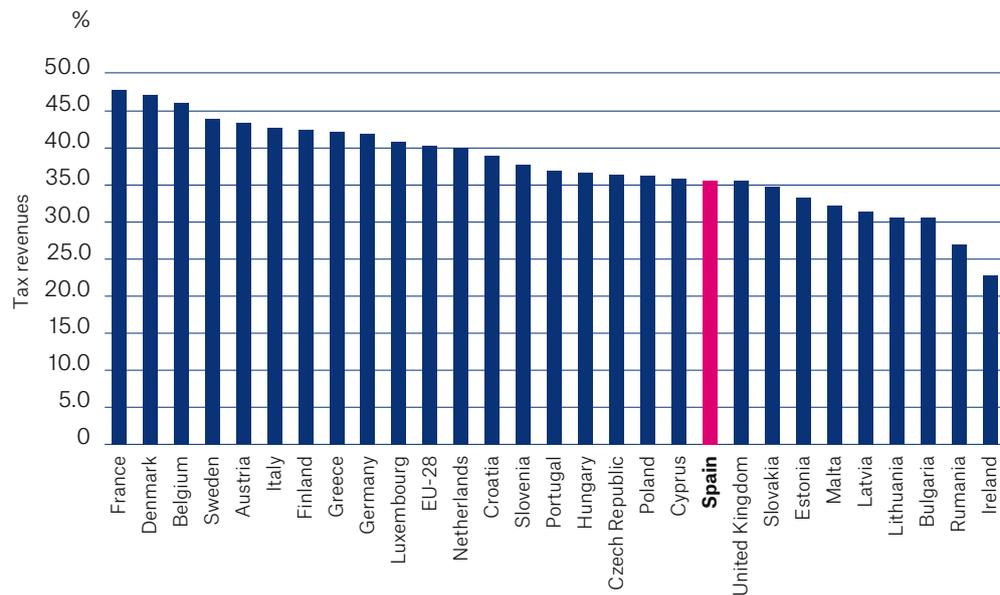
The public sector in Spain is facing different difficulties in many aspects, especially in giving a response to the growing and changing demands of society; on occasions, furthermore, it turns out to be inefficient in its provisions. This is not a problem of spending (in fact, Spain is one of the OECD countries with the highest volume of social spending) but of efficiency. This is backed by studies on the efficiency of public spending produced by the Independent Fiscal Responsibility Authority (AIReF), which conclude that broad pockets of inefficiency exist in public spending in Spain. As a consequence of this, the country is dogged by a structural budgetary deficit that amply exceeds that of its European partners and which in 2019 reached 4% of GDP (European Commission, [Autumn 2020 Economic Forecast](#)).

The public sector in Spain is facing different difficulties in many aspects, especially in giving a response to the growing and changing demands of society

This inefficiency is also manifested in relation with revenues, in such a way that these are situated nearly five percentage points below the average of the European Union (figure 8). This is thus for two basic reasons: firstly, because the effective rates in the major taxes – income tax (IRPF) and VAT (IVA) – in Spain are lower than in Europe, given the high level of deductions and exemptions; secondly, because tax fraud has a heavier weight in Spain.

Figure 8. **Spain presents lower tax revenues in relation with the European average**

Total revenue from taxes and social contributions in countries of the EU (as a % of GDP) 2019



Source: compiled by the authors based on data from the [European statistics on tax revenues](#), Eurostat, 2019.

The state administration is, in general, marked by an antiquated institutional and organisational culture, therefore it is necessary to make an effort of adaptation in the face of the technological revolution, the innovative spirit, or any of the other challenges being faced by the world today. The ageing of the civil service explains, largely, the antiquated nature of the public sector. Spain was, in 2017, the OECD country with the third highest percentage of public employees aged over 55 years, and fewer than 10% of employees in the central Administration were aged between 18 and 34 years old.

This situation of disadvantage has been made evident during the coronavirus crisis. The problems that had to be faced during lockdown, in the months of March to May 2020, by civil servants in order to be able to work remotely from their homes, as well as the bottlenecks that were generated by trying to deal with the processing of the thousands of temporary redundancy plans which have had to be used by a large number of companies, are just a couple of examples that are illustrative of this.

In short, the administrative structure in Spain presents a high risk of missing the train to the future. A public sector with this situation of backwardness hinders, in turn, the very competitiveness of companies.

Within the administration itself,
divergences exist that reflect the divide
between turbo-capitalism and retro-capitalism.

Within the administration itself, divergences exist that reflect the divide between turbo-capitalism and retro-capitalism. Spain is equipped with modern, speedy and efficient administrations, that are fully incorporated into digitalisation, such as the Tax Agency or the General Directorate of Traffic. However, in other administrations, the absence of these attributes is evident. The existence of what could be called islands of modernity, in this sphere, shows that it is possible to have an advanced, efficient administration capable of responding to the needs and problems of citizens and businesses alike. An administration that is capable of promoting modernisation and a leap forward in terms of productivity and added value in the country's production model.

The covid-19 pandemic, despite its serious impacts,
will promote in-depth changes in
the country's economic and social model

It is worth pointing out, furthermore, that the covid-19 pandemic, despite its serious impacts, will promote in-depth changes in the country's economic and social model. The NextGenerationEU recovery funds and the structural reforms committed to within the framework of the National Plan for Recovery, Transformation and Resilience, represent a unique opportunity to modernise the production model of Spain and homologate it to the standard of the rest of the advanced economies on the basis of two basic backbone pillars: digitalisation and sustainability.

9

Proposals for the future. Conclusions

The Spanish economy has been dogged for decades by structural weaknesses that undermine its capacity for development and growth. One of the most important, if not the most important, is that related with the production fabric.

Spain presents a dual production fabric, with a composition that is far removed from that of advanced countries. It is a fabric which is evidently dominated by companies that are not very efficient, nor very productive, nor very innovative, that have not yet embraced digitalisation and that in their majority have not taken the leap into the global markets. All of this contrasts with what is happening with the main leading partners in Europe, where companies score higher in all of these parameters, with the exception of Italy, which registers values similar to those of Spain.

This becomes a problem in the measure that these characteristics are typical of 99% of the production fabric in Spain, therefore they rise up as a defining feature of the country's economic model, which has been growing in line with a dual segmentation for decades. In other words, around turbo-capitalism, marked by parameters such as digitalisation and internationalisation, and around retro-capitalism, where companies coexist that are less efficient and less intensive in technology and innovation.

It is not, therefore, a problem of sectors, but of different elements. In other words, the current situation has nothing to do with the sectorial specialisation of the Spanish economy, but with the fact that a large part of the production fabric has not incorporated into its functioning the factors and tendencies by which advanced societies are governed. Namely, digitalisation, innovation, internationalisation and company size.

Furthermore, Spain must tackle other pending challenges that are also constituted as a necessary condition for promoting the leap to turbo-capitalism, and the leap in production, to which it aspires. In this sense, the reform of the education system is a priority. This report has briefly documented the inefficiencies of the Spanish education system, a model which is different to that habitually found in countries in the European environment, and which has difficulties in providing young people with the knowledge and skills necessary. Furthermore, the system fuels the inefficiencies and the duality of the employment market which, although it is not the subject of study in this report, also requires in-depth reforms.

Having confirmed the need to promote a change in the production model and make the leap to turbo-capitalism, the European NextGenerationEU recovery funds and the structural reforms committed within the framework of the National Plan for Recovery, Transformation and Resilience, constitute an opportunity that Spain cannot allow to escape.

To conclude this report, some guidelines are provided below, including but not limited to, recommendations for actions or measures with the aim of contributing towards promoting a leap in quality and in value of the production model:

- ▶ **Promote realistic measures that enable the average size of companies to be increased.**

Among other measures, the fiscal, labour and bureaucratic thresholds that disincentivise business growth should be eliminated. It is necessary to pursue a more balanced distribution between banking and market financing.

- ▶ **Improve the training of young people and provide them with the knowledge and skills necessary to compete in a globalised and digital world, marked by growing and increasingly fierce competition.**

It is necessary to introduce reforms that promote the quality of the education and training system, and that homologate it to that of the most advanced European societies. The aim is to put an end to the gap between workers' skills and those demanded by businesses.

- ▶ **Interiorise the conclusions of the studies on public spending efficiency by the AIReF.**

Ambitious programmes should be promoted for the evaluation of public spending that enable better spending.

- ▶ **Increase the resources assigned to RD+i.**

It is necessary to improve and adjust to the needs of companies, particularly of SMEs, the model of business incentives for innovation and development.

- ▶ **Pay attention to accredited opinions in the economic sphere and recover the path of fiscal consolidation once the pandemic and the crisis are overcome.**

Before the outbreak of the pandemic crisis, there were six years of intense growth that could have been taken advantage of to put the own accounts in order. Avoiding falling into this error again is of priority importance.

- ▶ **Doubling up on efforts to promote the emergence of companies into the international markets and guaranteeing their regular presence in them, with special attention paid to microbusinesses.**

Digitalisation and training are two key aspects for achieving this aim.

- ▶ **Promoting a reform of the public administration that makes it more flexible and efficient.**

The administration must be capable of promoting modernisation and the leap in productivity and added value that the production model requires.



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