

IDOIA ZENARRUTZABEITIA BELDARRAIN comes from Usansolo, Bizkaia, in 1999 she was named Basque Vice-President and Treasury and Public Administration Minister. She was also a Member of Parliament during previous legislations in 1986-90 and 1990-94. In January 1995 she was given the position of Secretary General for Co-ordination and Administrative Modernization of the Basque Government.



«We are forging a path and there is no turning back»

Basque Member of Parliament, Minister and Vice-Lehendakari. How have you felt since you joined the Basque Parliament?

The emotions it stirs up are enthusiasm and hope. Enthusiasm and hope because I know that despite all the setbacks we are forging a path and, as the Lehendakari says, there is no turning back. Enthusiasm and hope that sooner rather than later we will achieve peace in Euskadi and also set the basis for political standardization founded on recognizing the Basque People's right to decide.

What does it mean to you to be the Basque woman with possibly the most political responsibility?

I think that you are giving me more credit than I am actually due and surely more than I deserve. But I would say, in any case, that you always try to live up to your

circumstances or at least what is expected of you. Whether I actually achieve that or not is not my place to say.

You are Treasury Minister, doubtlessly one of the pillars of self-government, but at the same time one of the most questioned ...

That's right and I don't really understand why. I imagine that this is referring to the Economic Agreement between Euskadi and the Spain. Its main problem is that it has not been really, truly been politically assumed to its fullest consequences by numerous State authorities, from State Administration to the Autonomous regions adjacent to Euskadi, including, for example, different levels of the Spanish Judiciary. And I would like to emphasize that I do not understand why this is happening if we are talking about a political pact derived from the very core of



constitutionalism (Constitution and Statute). What is the problem? Well the problem, as I said, is that people who are supposedly supporters and firm defenders of the Agreement, nominally at least, have not really assumed it. I am, of course, talking about the two major Spanish political parties, the PSOE and PP, who say that they are defending it whilst all the time lodging appeals, questioning it and retrench it because, at the end of the day, they cannot accept it for it is, a political pact between Euskadi and Spain.

How does the Basque Economic Agreement translate into wellbeing for society?

I think that the evolution of our economy over the last few years speaks for itself. Thirteen years of sustained, balanced, stable growth with an annual average greater than 3%. An unemployment rate which, in less than fifteen years, has gone from affecting 25% of our active population, expressed as a technical breakdown, to a situation where our latest information puts unemployment at 3.5% of the active population.

Recovering our self-government institutions, including the Economic Agreement of course, has doubtlessly had a decisive influence in all that. And this is also the result of the collective effort made by all Basque society, hardworking and entrepreneurial people, creating a lively, dynamic society. I also think that our management from these public institutions has had something to do with this,

at least helping to bring together this collective effort made by the country as a whole.

Numerous studies put Euskadi at the forefront of wellbeing, economic growth, and so on. How much of this data is due to self-government and management over the last 30 years?

That is just what I was pointing out. Now this might also be a good time to clear up one matter. Regarding our tax and financial relations with the State, the Agreement System is a unilateral risk system. This means that we collect and manage our taxes and from there, we finance our public policies and we defray a quota to the State. This is essentially the Economic Agreement. What I mean is that, independently of our tax collection, whether it is higher or lower, and independently of the higher or lower level of spending which we incur in our actions, the State Quota always has to be paid. So our own financial capacity, which we use to design and develop our own policies, depends exclusively on us, on how we manage it, because we do not have the State behind us to compensate us if "we can't make ends meet."

Now it seems that there is a deceleration in the world economy. What measures are being adopted by the Basque Government?

Along with the mid- and long-term measures envisaged in core actions which have already been planned, in



*«Ekonomia globalizatuan
konpetitiboak jarraitzen
izateko ikerkuntza eta
garapenean inbertitu
behar dugu»*

integration policies, etc., in other words, without affecting social spending.

Some analysts say that we are at the gates of a new economic reconversion and it seems that the Basque Government has this straight, looking at its commitment to research and development. Would you explain these policies to us?

government action, focused on increasing competitiveness and productivity in our economy, we are already adopting more immediate measures in order to minimize the effects of deceleration and as far as we can, bring forward the forecast recovery of activity rhythm.

So, in Euskadi we have also applied taxation initiatives that have been approved for the whole State – deflation of the income tax rate, returning 400 euros – or in anticipation of the predicted effects on tax income we have already estimated the possible need for a greater volume of debt than in previous fiscal years, as long as this is compatible with our goal of budgetary stability and balance.

We have recently agreed an inter-institutional plan with the three Provincial Governments to energize public investment to activate the economy and guarantee employment, which involves bringing forward the most significant actions that have already been planned, and undertaking new projects of special interest that had not been specified initially. An agreement for the 2008-2012 period with an overall budget topping 12.8 billion euros.

And all this, obviously, without neglecting basic universal services such as health, education, social

Presented very succinctly and simply, our reflection is as follows: in the EU-27, in the global economy with its boost for emerging economies such as China or India, in the era of this third technological revolution, in the digital era, our products can no longer compete in terms of costs, nor our workforce in terms of salaries. In other words, we have to compete in terms of quality, in added value, and nowadays improving quality and added value involves offering the market products with a high technological component, products which nobody else knows how to make, or that nobody can make better than you. And for this to happen, meaning to continue being competitive in the globalised economy, we must focus on research and development, on innovation.

From here on in, the reflection has been made, the bases for our actions have been stabilized and now all of us, institutions, production fabric, education and training systems, we all have to be very aware of this and get to work. As I said before, we have already started doing this and I am absolutely convinced that Basque society will once again be able to meet the challenge set before us and pass the test with flying colors.