# Roadmap for reviving the Spanish economy after the pandemic

## Trust, collaboration and an international perspective are three key concepts for the recovery, according to a report prepared by IESE and the Institute of Family Business that analyzes how to maintain employment, preserve the productive framework and support viable companies.

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A rigorous diagnosis of the situation and a plan to relaunch the economy and revive business activity in Spain, designed to address the unique needs of each sector. This is the basic premise from which IESE and the Institute of Family Business prepared their report on boosting employment and relaunching business. The aim is to lay out the best strategies for steering Spain to recovery following the economic damage caused by the COVID-19 pandemic.

The document, which has already been sent to Spain's prime minister and economy minister, states three benchmark objectives: maintaining employment, preserving the productive framework and supporting viable companies.

### Five core policies

The report argues that, given the current circumstances, government should convey five fundamental policies as soon as possible:

**1. Adapt jobs to our new reality**. The temporary layoff scheme known as ERTEs need a more functional framework in order to meet the needs of each sector and company with agile and flexible solutions.

**2. Promote job training** that's geared toward improved productivity and digitalization. Such training programs have been an essential instrument in developing future employability in EU nations with more experience regulating temporary employment.

**3. Provide liquidity** and a financial structuring for companies. A lack of liquidity can lead to solvency issues and threaten the survival of many companies. New government aid measures must be enacted for companies that are committed to maintaining long-term employment.

**4. Encourage entrepreneurship**. Guarantee temporary capital infusions, bound by certain requirements, for entrepreneurial projects so that Spain does not lose its entrepreneurial momentum.

**5. Use fiscal policy**. Adjust the tax burden on businesses and families and make it more flexible over time. Fight fraud and improve public spending management. Greater efficiency, transparency and accountability are needed.

## A shared responsibility

The study also emphasizes that the work being done to eradicate the virus must continue without rest. The authors make clear that there will be no economic recovery if companies and their employees cannot work safely. In this respect, fluid public-private collaboration is necessary. The researchers also highlight three key concepts on which to support economic recovery strategies:

- **Trust**. A clear, reliable plan supported by all social actors will allow citizens to regain lost trust.
- **Collaboration**. In order for diverse social interest issues and needs to be met in such a complex situation, the creation of an agency composed of government representatives, leading business executives, economists and social agents is proposed. This group must prepare a rigorous diagnosis and design a plan to relaunch the economy and business activity within 5 or 6 weeks of its creation.
- **International perspective**. To align Spanish economic interests with those of the EU's recovery plans, it is necessary to enter European negotiations with a solid and mutually agreed-upon framework.

## Methodology, very briefly

The study is the result of an analysis performed by IESE professors Antonio Argandoña, Jordi Canals, Javier Díaz Giménez, Franz Heukamp, Núria Mas, Pedro Nueno, Alfredo Pastor, Juan José Toribio, Pedro Videla and Xavier Vives in collaboration with the IEF's Simón Pedro Barceló, Juan Corona, Marc Puig and Francisco Riberas.

The conclusions are based on data gathered from a survey completed by more than 550 companies across Spain, in virtual meetings with 56 senior managers and a panoramic view of the specific problems facing 16 sectors relevant to the Spanish economy.