



Opening lecture of the 2014 academic year of the Royal Academy of Medicine

## **“Patronage will be indispensable for biomedical research funding”**

**In the words of ESTEVE’s honorary chairman Dr. Josep Esteve, investment cannot be further reduced if scientific and technological grounds for growth are to be available at the end of this crisis**

**The contribution of patronage will be key to economic recovery and also to the recruitment and retention of scientific talent**

**A new Patronage Act, as well as bringing science even closer to society, will promote new philanthropic initiatives**

**Barcelona, January 2014.-** At the opening of the new academic year of the Royal Academy of Medicine, ESTEVE’s honorary chairman Dr. Josep Esteve stated that R&D&I investment efforts should be channeled through public-private funds, and that patronage will be critical for economic recovery. In his lecture *“About philanthropy in biomedical research and innovation in Catalonia”*, **Dr. Esteve** stressed the need to reform the current law and take steps in favor of philanthropic investment and micropatronage as funding strategies for biomedical research and talent attraction in our country.

*“The current lack of support to research from the State is strangling the country’s technical and scientific development”*, **Dr. Josep Esteve** claimed. *“Because the crisis is a setback to development, new funding sources to start new projects sustained over time should be found. Indeed, decades of efforts can be ruined by just a few years of hardship”*. This *“must be taken into careful consideration, mainly because the final beneficiary is society itself”*.

R&D&I has taken the brunt of the big economic adjustment. In Catalonia —with large research and scientific centers and proven biomedical research gained in recent years— cutbacks in science, technological development and innovation have been twofold. The adjustments made by the Spanish Government have decreased the 2009 figures by 40%, while those made by the Generalitat since the beginning of cutbacks in 2010 until the 2014 budget have amounted to 27% (from 608 million Euros down to 442 million Euros).

The present situation *“is unbecoming of a country that seeks economic and industrial recovery and that should foster its human potential for research. Also, not only do we block talent recruitment, we also encourage our top skilled research scientists to go abroad”*.



Against this backdrop, it would seem quite logical to *“strengthen private funding in ways likely to result in new funding strategies. With contributions from public administrations still falling, private funding through philanthropy-driven risky investments, patronage or crowdfunding will be critical to turn the situation around”*. To achieve this goal, however, cultural changes and new steps likely to boost these activities are required.

## **A patronage act for a new philanthropy**

Basically, two critical issues are at stake. Firstly, private investments and public-private collaborations in R&D&I in Spain do not have the tradition and the influence they have in the rest of Europe and in the United States. *“Generally speaking, the civil society believes that only the State is responsible for contributing to R&D&I. There is not enough involvement—or awareness—to ensure participation.”* According to **Dr. Josep Esteve**, *“this is inconsistent with the fact that Catalonia has internationally acknowledged researchers such as Josep Baselga, Valentí Fuster, Joan Massagué and Manel Esteller, among many others”*.

To reverse this trend and foster philanthropy, it is key to *“create a positive mindset by bringing science and technology even closer to civil society with the complicity of highly valued scientists and institutions of academic excellence, such as the Royal Academy of Medicine. The media should also be involved in this purpose, and channels to publicly acknowledge the role of patrons should be sought”*.

Secondly, *“insufficient legal support and limited tax credits for donations are a serious obstacle and generate major difficulties to increase these activities”*, **Dr. Esteve** explained. *“The unusual delay in issuing a new Patronage Act in Spain represents a legal and institutional anomaly that cannot be justified”*. Indeed, this act should significantly contribute to encourage these initiatives while attracting (currently abroad) talent.

Currently, donations in Spain benefit from income tax deductions of 25% or corporation tax deductions of 35%. In France, however, this percentage is increased to 65%. According to **Dr. Esteve**, *“such a percentage should be achieved in Spain, and income tax deductions of up to 70% should be granted to individuals. Philanthropy-driven risky investments (modestly profitable but designed primarily to address a social objective) should also be considered.*

**Dr. Esteve** also emphasized the private fundraising activities undertaken by the Generalitat de Catalunya through the Catalan Foundation for Research and Innovation. These activities aim at fostering connectedness between public research and the private sector while strengthening the development of patronage related to scientific knowledge. To this end, several initiatives to modify the fiscal framework of philanthropy and improve its social perception are to be started.

According to **Dr. Josep Esteve**, the role of foundations and other nonprofit organizations will be critical. At the opening lecture of the new year of the Royal Academy of Medicine, **Dr. Esteve** mentioned the Ramón Areces Foundation and the Juan March Foundation as *“some of the most outstanding examples of scientific philanthropy in Spain, with many points in common with great North-American patrons”*. At the Catalan level, **Dr. Esteve** emphasized the extraordinary support to biomedical research projects provided by the Cellex Foundation, the “la Caixa” charitable foundation, and many others.



## About ESTEVE

ESTEVE ([www.esteve.com](http://www.esteve.com)) is a leading chemical-pharmaceutical group in Spain and has a strong international presence. Ever since its foundation in 1929, ESTEVE has been firmly committed to excellence in the healthcare setting and has used its best efforts to promote health and improve people's quality of life.

Research being ESTEVE's hallmark, a portfolio of highly innovating projects aims to provide responses to unmet medical needs.

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