



# STRATEGY FOR EXTERNAL ACTION



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DE ESPAÑA

MINISTERIO  
DE ASUNTOS EXTERIORES  
Y DE COOPERACIÓN

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FOR EXTERNAL  
ACTION



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# A necessary reflection

During the past four decades, since the adoption of the 1978 Constitution, Spain has projected itself towards the world with self-confidence and a clear purpose: to form part of an integrated Europe and to regain its place in the international community. This was a comprehensive strategy approach, one that permeated all our external action, among public bodies, private entities and social and economic organisations. In short, it was a commitment by Spanish society as a whole to recover a place in Europe and in the world that was theirs by right, but for which they would have to work and persevere.

This strategy was unwritten, but ever-present and alive in hopes and expectations. Few collective ideals have so unanimously mobilised Spanish society. Few inquired what the problem was, but there was overwhelming assent that Spain's reincorporation into the international community was the solution. Ortega (author of *The Revolt of the Masses*) would have gazed in fascination at the spectacle of a self-assured Spain, its population advancing in unison towards a common goal.

The goal was achieved. Spain re-joined the international community and soon became a country of reference in itself. It returned to Europe, and just fifteen years later, the idea of the European Union without Spain was inconceivable. It was reunited with Latin America, to create an Ibero-American community which has since flourished without stopping. The country looked out over the Atlantic and the Mediterranean, with new and fruitful plans. It began to look towards Asia and the Pacific, the world's region destined to grow faster than any

other. External action, in short, reflected the ambitions and sweeping outlook of Spain's transition to democracy.

The strategy of reincorporation and of integration then came to a halt, having run out of goals, all targets having been met. If we seek a landmark moment, one that marked both resounding success and the exhaustion of momentum, this may be when the euro arrived, and entered European and Spanish pockets simultaneously. Spain's status as a founding member of the Economic and Monetary Union, the most important project since the Treaty of Rome, symbolised just how far the country had come. Mission accomplished. So now what?

A strategy is a universe of ideas and convictions, a general reference framework to guide decision making. When there is no strategy, there is a conspicuous absence of a common thread, there is no unifying criterion of behaviour, no balanced logic to the decisions taken on all kinds of issues.

Thus, the exhaustion of a model of external projection is in itself a compelling motive for considering how it should be replaced. But in the present case, there is another powerful argument in favour of defining a new strategy: the global financial crisis hit Spain harder than other countries. Overcoming the crisis obliged it to lay the foundations for a different economic model; from one based on a swollen, force-fed domestic demand, we have begun to shift towards a model driven by foreign trade. This new paradigm calls for a stronger presence abroad, and for a broader range of actions to be undertaken by

## FOREIGN POLICY AND STRATEGY FOR EXTERNAL ACTION

The Spanish External Action and Service Act defines external action as the ordered set of actions that constitutional bodies, public administrations, and their dependent agencies, organisations and institutions conduct abroad, in the exercise of their respective competencies, in accordance with the principles laid down in this Act and observing and complying with the guidelines, goals and objectives established by the Government in the exercise of its competence to direct external policy.

The present document, with its annexed specific actions, is an External Action Strategy in this sense. But as is inevitable in a text that is the first of its kind and hence programmatic, this Strategy presents Spain's external policy, its priorities, convictions and objectives. To determine external policy, we must analyse reality, identify options and, in accordance with Spain's principles and interests, decide which are best for the country in a complex, always uncertain international environment. We present this process in the Strategy document. Moreover, to determine external policy, we must define which bilateral relations are of priority concern and which are not, and which alliances are in Spain's interest. It is only then that actions can be taken by diverse actors, both public and especially and increasingly, private, within the framework designed for this purpose.

Hence, the above Act defines external policy as the set of decisions and actions taken by the Government in its relations with other actors on the international scene, aimed at defining, promoting, developing and defending the values and interests of Spain abroad.

This Strategy for External Action, therefore, incorporates the foreign policy that inspired it.

all Spanish citizens – and there are many – who are active beyond our borders.

If domestic circumstances warrant the redefinition of external action, there are also external reasons for doing so as a matter of urgency. The strategy of integration and of re-joining the outside world has achieved its objectives at the very moment when the world is beginning to change, rapidly and profoundly. All kinds of international actors – States, multinational corporations, international organisations and pressure groups, both global and regional – are being forced to conduct a major review of their roles, their ambitions and their possibilities in this newly emerging world. And Spain is doing so too.

Trends such as globalisation, changes in the balance of power, the growing international influence of social groups and of the individual, a multilateral system that must be reformed to provide the global governance demanded by new times, unprecedented interdependence... all highlight the need for a new model of international community. It is a world as yet lacking clear shape, still only vaguely defined. We are in a time of transition, from a system with two superpowers, followed by a brief interlude of single-State hegemony, to a multipolar world that may adopt one of many possible configurations, each with different consequences, and which has yet to materialise.

But as is always the case in transitions, the newly-emerging world coexists, and will long continue to do so, where the traditional model of international relations in which the State was the predominant, indeed almost the sole, protagonist. Many disputes and conflicts cannot be properly understood without this understanding; others, as well as most of the present-day developments in international affairs, would be meaningless if not interpreted in the light of new trends. Transitions are always complex, risky periods, and should be approached with a clear view of the values and interests at stake, within a general frame of reference, and conducting a strategic reflection.

Is the transition speeding up? Has it been temporarily interrupted? Or diverted? We still do not know, due to an economic crisis without precedent since the Second World War. The Great Recession, the first major crisis of globalisation, has questioned the model of global governance constructed after the Second World War, and has raised major doubts about the viability of the current international mo-

netary order. It has had a profound impact on Spain and it is now more necessary and urgent than ever to reshape our external positioning, to address a problem that the recession has made painfully clear: the need for a new economic model.

These internal and external circumstances are accompanied by a factor of enormous significance for Spain: the drawing up of the European Union. Spain is definitively part of a Union that in the next five years will be radically overhauled. This process has already begun, with developments such as the banking union, fiscal union, economic union and ultimately political union, and it cannot be ignored.

The need for a new strategy for external action, therefore, is self evident. However, it is no simple matter to define the starting point for such an ambitious project. In fact, the strategic redefinition of Spanish external policy has been under preparation for several years. What our external policy is trying to do, however, is formulate ideas on the subject in a single document, making Spain's external action clearer in order to define it better and open it up to criticism, debate and review. That is the purpose of this paper.

The following pages describe, first, the history of the strategy implemented during and after the democratic transition. It analyses the main trends, both global and regional, that are shaping a new strategic environment, and considers the effects of the recession in Spain and throughout the world. As a result of these reflections, we recommend a thorough review of our strategic thinking. Our proposals and principles in this respect introduce the second part of the paper.

# 1. Spain, from the Constitution to the present day

## 1.1. Spain's return to world society

It is almost commonplace to say that the 1978 Constitution marked a historic change in our internal institutions. But this was also the case, and perhaps more markedly so, in our foreign relations.

For nearly forty years, Spain had been a political outsider in Europe. And this uniqueness, with respect to foreign affairs, was devastating. It brought isolation and irrelevance. Proof of this can be obtained by seeking a reference to Spain in the monumental *Memoirs*, by Jean Monnet. The effort will be in vain, for Spain does not warrant a single mention.

In February 1962, the Foreign Minister, Fernando-María Castiella, in an attempt to reverse this situation, wrote to Brussels requesting “an association that in due course would lead to full integration”. That same year, in the capital of Bavaria and on the initiative of the European Movement, a number of opponents to the Franco regime (some living in Spain and others in exile) met to proclaim the incompatibility of the political nature of the regime with European ideals. This episode, termed the “Munich conspiracy” by Madrid, showed that Europe’s doors would remain closed to Spain until it became a democratic country.

The Munich Congress concluded with the beautiful and prophetic words of Salvador de Madariaga: “Those of us who once chose freedom at the price of our homeland, and those who chose homeland and lost their freedom, have come together to seek out the path that will lead us all to homeland and to freedom”.

Madariaga's dream of homeland and freedom came to pass in 1975, after the death of Franco and an exemplary transition to democracy, under the stewardship of King Juan Carlos I. By an overwhelming majority, the Spanish people ratified a Constitution that created a framework of coexistence within which all Spaniards could find their place.

Thanks to this Constitution, Spain ceased to be a bystander and became a major player on the world political scene. Thanks to this Constitution, Spain re-joined the world.

The return to normality began rapidly. The Government led by Adolfo Suárez negotiated Spain's entry to the Council of Europe five months before the first democratic elections were held, and just over a year later, in early 1979, negotiations began for Spain's accession to the European Economic Community. In December 1981, Suárez's successor, Leopoldo Calvo-Sotelo, presented Spain's application to join the North Atlantic Treaty Organization.

In the general election of October 1982, the Spanish Socialist Workers Party (PSOE) won a historic victory. Prime Minister Felipe González concluded the negotiations that would produce Spain's return to the European community on 1 January 1986, and in the same year, the Government called a referendum to ratify the permanence of Spain in NATO. Thus, Spain was now part of European politics, the Europe of human rights, economic prosperity and security, on an equal standing with her European partners.

The normalisation of Spanish foreign policy did not end with the admission to international organisations that took place during this period. Other landmark developments included the new outlook towards Ibero-America, the Euro-Mediterranean



***His Majesty the King Juan Carlos, in the presence of Antonio Hernández Gil, President of the Cortes, signing the Spanish Constitution on the 27 December 1978.***

Partnership, or Barcelona Process, the new relationship with the USA, Spanish participation in UN peacekeeping missions, development cooperation, the expansion of our multinational corporations and the departure of students and executives to study or work abroad. These, and many more milestones, illustrate the success of Spanish foreign policy since the restoration of democracy.

This process of internationalisation, moreover, took place jointly with the development and establishment of the new territorial structure of the State, embodied in the constitutional model of the Autonomous Communities. These, too, have participated in the normalisation of our foreign policy, transmitting to the international stage one of the assets that defines us, namely our diversity. In transmitting this reality, the Autonomous Communities have also had the chance to exercise their Constitutionally-sanctioned powers, carrying out foreign policy activities within the framework established for this.

Under the Government led by Prime Minister José-María Aznar, Spain joined the Economic and Mone-

tary Union at its outset. For the first time in many years, Spain arrived punctually for its appointment with history. In 1815, our presence at the Congress of Vienna was irrelevant. We were not among the 49 founding states of the United Nations. We were left out of the Marshall Plan and of the European Organization for Economic Co-operation. We had no voice in the creation of the Atlantic Alliance or of the Council of Europe. We were unable to enter the European Coal and Steel Community, the embryo of what is now the European Union. Neither were we present at the launch of the European Economic Community. Our status as a founding member country of the euro breaks that long-standing curse of absence and isolation.

In an apparent paradox, just when Spain came into step with its peers, and was considered an inseparable element of the European scene, there occurred what the Elcano Royal Institute, a Spanish think tank, has described as “the relative exhaustion, from its own success, of the Spanish foreign policy that had been developed since the Transition. This strategy (one that was never codified but was nonetheless relatively clear and implicitly agreed upon) sought Spain’s full integration into Europe and the world. But once these goals had been achieved – and this had unarguably taken place by the turn of the century – the policy direction was left with no clear strategic points of reference”.

The consequence of this story is clear: we need a strategy, to be defined and agreed upon by all our political forces. Only thus will Spain be able to defend the principles and values that we share with the other Western nations: respect for human dignity, freedom, democracy and the rule of law. As Rousseau said in *The Social Contract*, "... the more grave and important the questions discussed, the nearer should the opinion that is to prevail approach unanimity". Foreign policy discussions almost always meet these two conditions – they are almost always "grave and important" – because it is our security, and our interests which are at stake.

Thus, in defining the strategy to be applied, we must involve all the stakeholders with a significant role to play in the defence and international projection of Spain's values and interests. This includes, primarily, the Government – which is responsible for directing the country's foreign policy – but also Parliament, the Autonomous Communities (self-governing regions), local government, diverse organisations within civil society and, of course, the population as a whole. A discussion is necessary and party positions, in all sectors of the political spectrum, must sometimes be sacrificed. The effort will be worth it if the outcome is strategic coherence in Spain's external action.

A consensus regarding the broad lines of action to be taken in the medium and long term will generate the other two basic qualities of an external policy: it should be both stable and predictable. Spain is a major player in the international community. It has numerous partners and allies. This status can only be reinforced and enhanced if our policy incorporates these three elements: consensus, stability and predictability.

## 1.2. Spain and the Great Recession

The economic crisis that has swept the world in recent years – and which we discuss in greater detail below – has affected Spain more severely than other countries, due to the impact of three singular problems: massive borrowing by households and non-financial businesses, an enormous real estate bubble and a significant loss of competitiveness, caused by unit labour costs that were higher than those of our competitors.

The crisis hit virtually every country in the world, but the additional effect of these three singularities meant that in Spain GDP and employment fell harder, public finances deteriorated faster and the Spanish financial system ran into serious trouble.

To address the situation, a programme was launched based on three lines of action: fiscal consolidation, reorganisation of the financial system and the implementation of structural reforms to regain lost competitiveness. Three years later, the Spanish economy is recovering, productivity and competitiveness are rising and the balance of public accounts is improving.

In the external sector – the area of the economy that is most relevant to our study – it can be seen that exports of goods and services in 2013 accounted for 34.1% of GDP – 10 points higher than in 2003 – a figure exceeding that reported by benchmark countries such as Italy (30.4%), the UK (29%) and France (27.2%). Spanish companies are now in a much stronger position in global markets than in the pre-crisis years.

One result of the reorganisation of the Spanish economy, and a very important one, is the returning confidence among analysts, investors and international markets. The foreign capital that fled during the worst moments of the crisis is now returning, the rates of interest we must pay in public and private debt markets are now much lower, which is a sign of our renewed solvency and wealth-generating capacity. In short, first the danger of collapse was averted, and now we are emerging from the recession.

Much remains to be done, of course, and the country is slowly recovering. The main economic indicator, unemployment, remains extremely high, and the scars left by the crisis are still deep and visible in our social fabric.

The most important aspect of this account, the fact spurring us to consider a new strategy for external action, is that the crisis has highlighted the fragility of a model relying excessively on the property sector and on borrowing as a driver of consumption and investment. Spain is changing its economic model, but this model will only become solidly established with a greater internationalisation of the Spanish economy and its society.

And to change our economic model, we must bring

into effect a strategic renewal of our foreign policy, because only thus can we stand on the international stage and present a country with an image and a project that are attractive and solid and inspire confidence. It is rightly said that a good foreign policy must be based on sound domestic management; but in our case, in Spain's current situation, a domestic management that creates jobs, welfare and social trust can only be consolidated by resolutely looking abroad, beyond our frontiers.

### **1.3. Spain today, a well-defined international identity: strengths and weaknesses**

To define an external policy strategy, we must be aware of our own history and be coherent with our national project and Spain's real weight in the world. The starting point of this endeavour is to define our international identity, that of a country as ancient as international society itself. On that basis, we can determine our real possibilities, opt for the scenarios that are most favourable to our interests and avoid those which are less favourable.

Undeniably, Spain is experiencing difficulties, due to an economic crisis that originated a long time ago. However, contemporary Spain is also the result of a collective process that has enabled us to enjoy the longest period of political stability and economic prosperity in our history. To further consolidate this process, we must pause and identify our strengths and weaknesses. Awareness of these strengths and weaknesses will determine how we may define a realistic, consistent strategy for external action.

#### **Weaknesses**

##### **Demographic weakness**

Spain ranks at number 28, in terms of population, among the 193 countries that compose the United Nations. The problem, and one that is very serious, is that we are one of the oldest countries in Europe, resulting from the combination of two factors: one is an undeniable sign of progress that is namely a life expectancy rate that is among the highest in the world, but which has no straightforward

solution. The second is the fact that we have one of the lowest fertility rates in the world.

If current rates continue, Spain will lose around 2.6 million inhabitants within the next ten years, the number of deaths will outnumber births by 2017 and, more significantly, people aged over 65 years will account for 30% of the total population by 2050 (compared to 11.8% in the EU).

These figures show quite clearly that, regardless of the active policies that should be implemented to raise the birth rate, Spain must open itself to the outside world and manage migration flows more effectively. This new approach should take into account factors such as the needs of the labour market and the country's ability to integrate newcomers with dignity and respect. In the long run, immigration will play a key role in maintaining the welfare state. Therefore, it must be planned, thought through and be consistent with our needs, not only in numbers but also in skills. This is the way in which we shall achieve the best possible outcome for Spain, as the host country, and for the persons who legitimately seek a new life.

Immigration policy should be structured in accordance with four principles: (1) organise legal immigration more efficiently and effectively and promote well-managed mobility; (2) at the same time, take action to prevent irregular immigration, resolutely combating the mafias who trade in human beings; (3) cooperate with the economies of emigrants' countries of origin, to raise living standards and thus make it more attractive for migrants to remain in their countries of origin; (4) integrate migrants in such a way that they retain their dignity, thus facilitating social cohesion.

One of the few certainties regarding immigration is that the management of migration flows is something that exceeds the capacities of the nation state and requires a Europe-wide response, addressing the countries of origin, transit and destination. Only through international collaboration can immigration be managed coherently and consistently in the era of globalisation.

##### **Natural resources**

Spain has few natural resources, especially with regards to water and energy. Water resources are irregularly distributed in space and time and are highly vulnerable to climate change, which may produce the desertification of much of the terri-

tory. To address this weakness, Spain has developed an ambitious water management policy and has strengthened cooperation in this respect with Portugal.

The geographic position and peninsular nature of the country, with almost 8,000 km of coastline bathed by the waters of various seas and oceans, is both a comparative advantage and a weakness, due to the fragility of these resources and the threat posed by climate change (for example, through rising sea levels or acidification) to a coastal and marine environment of priceless strategic value.

On the other hand, Spain has a wealth of natural resources linked to biodiversity, especially in comparison with other European countries.

Spain has insufficient energy resources, and 70.8% of the energy consumed is obtained from abroad, a level of energy dependence well above the EU average.

If Europe wishes to adopt a comprehensive energy policy, Spain, which is connected to Algeria by two under-used gas pipelines and which has seven gasification plants – more than the rest of Europe combined –, could in the near future become a platform from which gas could be exported to the rest of the EU.

If electricity generated by solar, thermal and wind power stations in North Africa were transported across Spain, this would also help assure Europe's energy needs, and at the same time contribute to the economic development of the supplier countries, thus protecting their political stability. The existing electricity interconnections with Europe, and a new one with North Africa, are essential for such a project to be successful.

### **External presence**

Spain has a very significant economic presence abroad and this has grown exponentially in the last two decades. Spanish exports have risen sharply, accounting for nearly 35% of GDP in 2013, and the number of exporting firms has also grown considerably.

However, this strong internationalisation of the Spanish economy has some weaknesses, such as the concentration of exports among a relatively small number of companies. Very few SMEs are

exporters, although their numbers are rising. The geographic diversification of exports is improving, but still insufficiently, and their technological content remains unacceptably low, despite evident progress in this respect.

Direct investment abroad has also increased dramatically, and Spain is now among the 15 leading countries in this field.

From another standpoint, Spanish investments – especially in Latin America – are concentrated in key strategic sectors, such as energy or in sectors that provide essential services to consumers, such as financial services or the supply of water and energy.

### **Strengths**

Having taken note of our weaknesses, let us not forget Spain's strengths, which are many and solid.

### **Strategic position**

Spain occupies a strategic position, between two oceans and facing two continents. This, together with its history, makes it a natural gateway to Europe and to Africa and Latin America. This characteristic has contributed substantially to the fact that the European Union has signed agreements with a number of countries of particular importance to Spain. Thus, Association Agreements have been concluded with various Latin American countries, including Chile, Mexico, and Ecuador, trade agreements have been signed with Peru and Colombia, and other Association Agreements have been entered into with the countries of the Southern Neighbourhood – Morocco, Algeria, Tunisia, Egypt, Jordan, Lebanon and Israel – and all of these open up new possibilities for Spain.

Future agreements of this nature with the United States and the Mercosur countries will further strengthen these possibilities. Spanish policy should be aimed at enhancing our relations with these countries and at eliminating the obstacles and barriers that impede access by our multinational companies.

### **Advanced democracy**

One of our greatest assets is our political system, based on respect for the dignity of human beings, their basic rights and the rule of law. In short, we have an advanced democracy, in which these prin-





***An image of the port of Valencia, the first in the Mediterranean in terms of volume of merchandise.***

principles and values inspire our external action and in which our citizens actively participate in creating the expression of Spanish intentions abroad. This ability to fashion a foreign policy resting upon a broad social consensus is another asset provided by our constitutional system.

Moreover, Spain is a diverse country, being composed of various communities with their own very distinct identities. All have their place within a constitutional framework that is very mindful of these differences and guarantees the rights and obligations of citizens without discrimination. The Spanish experience shows that coexistence is always possible when there is a collective will to make it happen, within the legal and political system that we have jointly created.

#### **Open and diversified economy**

Spain is the fourth largest economy in the Eurozone, the fifth in the European Union and the thir-

teenth in the world. Spain is the world's seventh largest exporter of services, the eleventh largest investor and the eleventh largest recipient of foreign investment. Spain is the second largest country as regards tourism revenue and the first destination for tourists in Europe. We are, therefore, one of the most open economies in the world and huge efforts are being made to improve this position still further. The Unity of Market Guarantee Act, the identification of rules and regulations that are an obstacle to business, and administrative simplification are all important steps in this direction.

The Spanish market is composed of 46 million domestic consumers, and 61 million foreign visitors (with middle-high income levels) are welcomed every year.

#### **Infrastructure**

Spain is among the ten countries with the highest quality infrastructure, according to the Global Competitiveness Report of the World Economic Forum, and has the second largest high-speed rail network, with a large fleet of technologically-advanced trains; it has an extensive network of



## CUTTING-EDGE MULTINATIONALS

Spanish companies compete in mature markets and in technologically advanced sectors such as infrastructure, high speed trains and renewable energy.

The largest construction company in the West is Spanish, as are the two leading companies in transport infrastructure management. Five Spanish companies control about 40% of the world's major transport concessions.

A third of the world air traffic is managed with Spanish technology.

In renewable energy, the market leader is Spanish; this is also the case in water treatment, where Spain is at the forefront of desalination.

The “best bank in the world” (according to Euromoney) is Spanish. In telecommunications, we are number one in Europe. In biotechnology, the leading producer of plasma is a Spanish company, and another was the first to develop marine-based drugs for cancer treatment. And similar examples can be found in many other sectors.

***Spain demonstrates world leadership in the area of renewable energies. In the image, the thermoelectric plant in Solana (United States), the largest solar plant in the world which was installed by the multinational Spanish company Abengoa.***

highways, and its ports are among the most highly rated in Europe. The hydraulic infrastructure is high quality and well maintained. Spain is the third country in the continent in terms of air passenger traffic and sixth in the world. Spain, moreover, is a world leader in renewable energies.

### **Spanish culture, language and linguistic diversity**

Spain's culture is one of its most widely-recognized strengths worldwide. This culture is manifest not only through quantifiable data, such as the fact that Spain is the second country in the world in terms of the number of world heritage sites within its borders, or the importance of cultural output in its GDP, especially in the field of publishing, but also through its powerful, unique identity. Furthermore, Spanish is the second most widely spoken language in the world, the world of business and in social networks. Today, Spanish is spoken as a first language by 37 million citizens in the United States.

Together with Castilian Spanish, our other languages enrich us with a rich linguistic and cultural

potential, a multiple identity that defines us and is part of our strength and capacity to present ourselves to others.

The aforementioned strengths and weaknesses define an actor with a very distinct personality and identity. As has been the case for centuries, we have the potential to occupy our rightful place in the emerging international community: that of a great, ancient nation, which will adapt, as it has done so often before, to the challenges of the future.

## 2. The globalised world

The traditional pillars of Spanish foreign policy have stood for centuries, but they must now face a radically-changing world, in which globalisation, changes in the balance of power and the crisis of multilateralism call for adequate responses to be made.

Changes are occurring at a dizzying speed, partly due to rapid advances in technologies. Fidel Castro needed three years to take his revolution from the Sierra Maestra to Havana, but when a street seller in Sidi Bou Said (Tunisia) set himself alight in a dramatic act of protest and despair about the future, it took just two days for the flame of revolt to race across North Africa and the Middle East.

The speed of change is clearly perceptible: in nineteenth century Britain, per capita income doubled in 155 years; in the twentieth century, this was achieved by Germany and the United States in 60 years. In the twenty-first century, it will be achieved by China and India in only ten years.

### 2.1. The consequences of globalisation

#### Economic consequences

The world began to change when the economies devastated by the Second World War began to rise from the ashes in a process of internationalisation that marked a new era. The globalisation we are experiencing is a revolutionary phenomenon, and one that is very different from the two earlier processes of internationalisation, namely the discovery of America and the Industrial Revolution.

The first globalisation was driven by the compass, by caravels and galleons and by the printing press, and gave rise to a system of exchanges between continents that hitherto had been unaware of each other. This historic feat was concluded in about seventy years, from the discovery of America (1492), via the arrival in India of Vasco da Gama (1498), the discovery of the “Southern Sea” by Nuñez de Balboa (1513), the circumnavigation of the world by Magellanes and Elcano (1522) and the first Manila Galleon (1565) connecting the Philippines to New Spain.

The exchanges that took place in this first internationalisation were human ones, involving the transfer of large numbers of people from Europe to America, Africa and Asia, from Africa to America and from America to Asia. Many of them were forced removals, in the course of the barbaric slave trade from Africa to Asia or America. In addition, there were economic exchanges, with the multiplication of transcontinental trade routes, such as the routes to the Indies, the triangular trade between Europe, Africa and America, and the Acapulco route (or Manila Galleon, or Nao de China, route). And finally, there were cultural (in a broad sense) exchanges between the continents, of food, medicinal remedies, raw materials, languages, techniques, beliefs and artistic expressions.

Midway through the nineteenth century, the second technological revolution took place, provoking another wave of economic internationalisation. The steam engine, the railroad, the telegraph, and new navigation techniques brought about greatly increased wealth among European countries, which enabled them to conquer markets abroad and thus profit from sharply rising levels of production. Capitalist societies expanded and

## NEW FINANCIAL INSTITUTIONS

In July 2014, following several years of preparation, the Sixth BRICS Summit, attended by Brazil, China, India, Russia and South Africa, issued the Fortaleza Declaration, which announced the creation of two financial institutions: the New Development Bank and the Contingency Reserve Agreement. The first of these would be dedicated to funding sustainable development projects and infrastructure in emerging and developing countries. The second would assist countries with liquidity and short-term financing problems. The parallel with the Bretton Woods institutions is quite clear. The Declaration stated that the aim of both institutions was to complement the instruments available in the existing international framework.

The reasons for creating these two financial institutions were related to dissatisfaction with the absence of substantive reforms in international financial institutions to properly reflect the weight of the BRICS countries in international relations. This is a legitimate concern, to which an appropriate response would be to initiate negotiations and to consider a reform of the multilateral framework. However, it is a principle of all multilateral negotiation that none of the participants can achieve all of their goals in full.

Spain's position is that the existing multilateral framework, with the United Nations at its head, has been of enormous service to humanity since its inception following World War II. It is undeniable, however, that this framework no longer reflects the realities of the emerging world, in terms of the relative influences of States or of the UN's capacity to address certain global issues that were not even imagined in 1945. The right path to take, therefore, is to reform the existing framework and to establish within it legitimate and effective mechanisms of global governance. This will be the aim of our external policy.

became more powerful. The liberal states took it as their fundamental mission to protect property, ensure economic stability and conquer foreign markets. The gold standard promoted international trade by eliminating exchange rate risks and reducing speculative activity that was not justified by the real economy. However, Spain did not take part in this revolution. Some industries were established and transport systems improved, but the country remained largely agrarian.

Today's globalisation, driven by new information and communication technologies, should not be confused with the above processes. Globalisation in the twenty-first century is not simply an exponential increase in the trade of goods and services, nor is it merely a sharp increase in capital flows. In fact, both of these phenomena had already been observed, to a considerable extent, in the years immediately preceding the First World War.

What characterises the current episode of globalisation, above all else, is the role being played by multinational groups, which are able to relocate their production of goods and services, and to fragment the value chain, by just a click of the computer mouse. A single mouse click has the potential to raise up or to bring down countries. Some multinational corporations are more powerful than many nominally-sovereign nation-states: of the 150 largest economic entities in the world, 87 are multinational companies, and only 63 are countries. Giant corporations can negotiate, often as equals, with countries that want to attract or retain them – and their enormous investments and labour requirements.

Globalisation has also revealed the ability of emerging countries to occupy ever-larger areas of the international economy, and to rapidly climb the value added chain. Until very recently, production was limited to the bottom of that chain. Today, countries like China and India are leaders in high-tech industries and they are increasingly competitive in the services sector. This is a radical change of scenario.

One reason for the success of emerging countries is their ability to attract the foreign direct investment that has traditionally been directed towards the developed countries. The emerging world has much higher levels of growth than is the case in Europe, and capital, by its very nature, flows to where profitability is greatest.

Clearly, the competitive advantages that have attracted capital are disappearing little by little, in accordance with market logic; inevitably, the heat of rising profits causes wage bills to swell. The emerging middle classes call for the State to provide services, and so taxes must rise. Newly-present environmental concerns also contribute to rising costs in the emerging countries. In consequence, the competitive advantages that made an initial difference will probably begin to decline. However, this does not mean that geopolitical consequences will take place at the same rate. The emerging world has arrived, and is here to stay. Its influence in international relations will grow, unstopably.

We see, in short, that globalisation has led to a scenario in which the financial economy is playing a very prominent role. In 2010, the value of transactions in foreign exchange markets was sixty-two times greater than that of international trade. The assets and mechanisms of the financial economy obey very different rules and incentives from those of the real economy. By their very nature, asset prices change much more quickly; they rise and fall, swiftly and forcefully. The value of housing fluctuates in accordance with factors that vary slowly over time: demographics, the prevailing economic situation, social perceptions of the location, etc. A stock-exchange listed product, composed of securities representing mortgages on such housing, which are traded in real time, depends on instantaneous supply and demand, which are determined by criteria such as interest rates or the value of alternative assets (stocks, public debt, commercial bonds, etc.) and have little relation, apparently, with the actual value of the housing (the real economy) that generated the securities in question (financial economics). And if we contemplate the derivatives based on this listed product, options and futures, we enter a new dimension that is increasingly removed from the real economy. Volatility – to put it simply, the price variation of an asset over time – becomes established and hence risk and uncertainty are increased.

In defining a foreign policy, the most significant aspect is that perceptions are much more important in financial economics than in the real economy. In the first case, the situation can change in a matter of hours, for better or for worse, depending on the capability to inspire confidence. And the latter will only be present when policies and behaviour are predictable and reliable; when the economy is integrated into the international community resolutely and effectively; when we participate in

international decisions. These factors all generate confidence and establish a reputation. Any strategy that seeks to provide answers to the complex world in which we live must take into account the importance of generating confidence.

### **Social and cultural consequences**

Although the globalised economy is a game-changing factor, the most far-reaching impact of globalisation will arise from its social, cultural and ultimately, political aspects.

For example, globalisation has transformed global migration patterns. In the nineteenth and early twentieth centuries, migratory flows took place from Europe towards countries whose economic development was beginning to take off (Canada, United States, Argentina, Australia, etc.), where there were great expanses and limitless natural resources. Countries, in short, where almost everything was yet to be done. Questions such as immigration control or the integration of newcomers simply did not arise at that time.

In the years following World War II, people emigrated in search of better lives for themselves and their families, and brought their human dramas with them. Immigration contributes diversity and dynamism to aging populations, but at the same time it presents a huge challenge of integration. The fight against people smuggling, the proper channelling of legal migration and, above all, the integration of immigrants within the host community are the challenges we must now resolve. But these challenges cannot be overcome by any country acting alone.

A second important consideration is that globalisation has made terrorism a worldwide threat. Until 11 September 2001, terrorism was a predominantly local phenomenon, one that in Spain we knew very well, one that threatened specific countries and societies. In a world where borders are increasingly diaphanous, international terrorism, from many directions, has become an acute threat to international security. Global terrorism can only be fought by the combined action of the entire international community. Similar considerations apply to issues such as organised crime, drug trafficking and, more recently, cyber crime. These phenomena can no longer be addressed within an exclusively national framework and international cooperation is essential.

Third, let us consider climate change, which is probably the paradigm of a global problem that can only be tackled by means of global solutions. The emission of greenhouse gases may have a very specific territorial origin, but they subsequently extend throughout the atmosphere. And the global warming these gases bring about affects all regions of the globe, although some will be hit harder, or at least faster. There are cases in game theory in which the only possible solution is one achieved through cooperation, and this is a prime example of such a case. Here, we all win or we all lose. The same is true regarding the management of shared assets such as air, water, fish stocks and many, many others.

Fourth, the panic unleashed worldwide by global pandemics such as swine flu or AIDS shows that disease, too, is a globalising force. Obviously, we must seek to prevent the further extension of Ebola, but even more obviously, it must be fought where it has emerged. Here, too, either we are all winners or we are all losers.

Finally, a particularly complex outcome of globalisation is the perception that a uniform cultural context is expanding, bringing about impositions from abroad regarding criteria ranging from the seemingly innocuous, such as what is acceptable dress, to crucial issues such as the model of family we wish for our society or the relationship between individual and group interests.

Sometimes, a contrary reaction to what is considered a foreign imposition is sincere and represents a defence of what is claimed to be one's own identity. On other occasions, the reaction is a mere excuse to perpetuate models of domination by a caste, a social class or a sector of society that considers its secular power to be threatened by "modern times". The exclusion of girls from education, or the continuing existence of forced marriages, is not "a sign of ancestral and traditional identity". This claim is as absurd as the invocation of "the natural right of the master over the slave" in the southern United States in the nineteenth century.

It is precisely in this respect that we find one of the most fascinating and paradoxical phenomena of globalisation. It provides every human being with the opportunity, unprecedented in history, to relate directly with his or her peers, wherever they may be in the world. Never before has mankind had the opportunity to be "one", in the most

radical sense of the word. Anthropology studies have shown that communication among humans can only take place within the framework of a certain shared cultural arrangement. Globalisation is providing such arrangements to billions of people, faster than ever before. And in the face of what would seem a clear situation of mankind rediscovering itself, a cause for celebration and satisfaction, contrary reactions arise, invoking an alleged fear of the dissolution of national cultures, and becoming ever more strident and, indeed, virulent. The most disturbing part of this situation, which is the object of observation and concern in our foreign policy, is that these invocations of special identity are encouraging the violent extremist movements that are proliferating in many parts of the world.

For many, the future of globalisation rests upon an intelligent regulation of the markets, aimed at preventing another Great Recession, a calamity that could deal a lethal blow to the ideal of a globalised society. But perhaps the real contest is being waged in the field of culture, in a broad sense, to determine whether mankind's potential to join together, "irrespective of race, creed or boundaries" will prosper or be truncated. And this time the outcome must be a tangible reality, and not the rhetorical meaning usually given to this invocation.

### **Institutional consequences**

Globalisation has provoked changes in the global scenario that require a complete remodelling of the institutions created when the Second World War came to an end, and which are now obsolete. Changes in the economic structure, as a result of globalisation, will require substantive changes in our monetary order, in our system of global trade and in the concept of development itself.

**The new monetary order:** The Jamaica Agreement (1973) replaced the fixed exchange system with a floating system supervised by the International Monetary Fund. The instability of exchange rates and the volatility of capital flows in certain historical periods represent important challenges for the future. The G20 and the IMF are expected to monitor exchange rates more closely and to promote greater international cooperation in the management of the International Monetary System.

**The new trade system:** The expansion of world trade in recent years is largely the outcome of the liberalisation of economies and the opening up of borders. Free trade has long been advocated by theoreticians, according to whom exchanges should be determined by costs and relative prices.

When protectionist practices such as dumping (social, fiscal or environmental) are adopted, when discriminatory policies are urged – “Buy what is made in your own country” – or when the rights of industrial property are ignored, then free trade ceases to function.

Recent news has aroused mixed feelings. On the one hand, the World Trade Organization was unable to conclude the Doha round, and we are witnessing a fragmentation of the world into trading blocs. But in contrast, there has been a proliferation of free trade agreements, and it is quite possible that the EU and the United States will soon conclude the Transatlantic Trade and Investment Partnership agreement. This is of enormous importance for Spain, not only because of the importance of the USA in our trade relations, but also because it may advance negotiations on the EU-MERCOSUR agreement.

Only a return to good practices will assure the expansion of trade, which is one of the most important levers for growth and the welfare of nations.

Socially and environmentally sustainable economic development: Currently, few will dispute that when inequality increases, within and between countries, their long-term stability is threatened.

And few will dispute, either, that global warming is to a very significant extent the result of human activity and therefore may be reversed if appropriate policies are adopted.

Reducing emissions of greenhouse gases, combating biodiversity loss, reviewing systems of energy supply and use, agreeing the joint management of shared water resources or fishing stocks, and achieving a global pact among industrialised and emerging countries are fundamental obligations that we owe to the world to come.

### Spain and globalisation

Spain is an open society, which places it in an excellent position to deal with the momentous impact of globalisation, the full potential of which could

take generations to take effect, especially as regards its social and cultural repercussions.

Spain is an active member of the European Union, and can act as a gateway to Africa and a bridge to Latin America. Spain enjoys good relations with some countries that have substantial differences with certain key Western countries, and therefore might play a bridging role, enabling parties to approach and meet. This could greatly help to reduce the international tension that is often produced by these differences.

A strategic reflection of our external projection should incorporate these considerations – Spain's open society, her strategic position and ability to facilitate understandings – and examine their potential.

## 2.2. From a unipolar world to a multipolar one

Economic phenomena, especially if they are as large and far-reaching as those discussed above, will sooner or later bring about political change. The globalisation we are experiencing has enhanced the political power, both regional and global, of a number of countries that are large both in size and in population. Beyond a doubt, the former unipolar world has become a multipolar one.

The disappearance of the Soviet bloc led some to believe that the fall of the Berlin Wall was the prelude to a new order, composed of a single hegemonic superpower. There was talk of the end of history. It was believed that “Pax Americana” would open a new era in international relations. International conferences were held on a variety of topics, including the Rio Summit on Climate Change (1992), the Copenhagen Summit for Social Development (1995), the Beijing Conference on Women (1995) and the New York Summit on the Millennium Development Goals (2000). We were thought to be on the verge of creating a new League of Nations, capable of generating the acceptance of human rights among all mankind.

The attack on the World Trade Centre (2001) and subsequent events such as the intervention in Afghanistan (2001) and then the invasion of Iraq (2003) swept away these illusions. A single



power, however powerful, cannot by itself shape the destiny of the world. The proliferation of nuclear weapons, terrorist threats, and the turbulent processes of transition convulsing many countries, among many other challenges to peace and security, proved once and for all that the poles of instability are not static, or limited to any given geographic location. They have direct consequences for the safety of us all, however distant we may be.

Global changes have continued unceasingly during the transition to multipolarity. The second phenomenon underlying the remodelling of our world is derived from another singular fact: that power and influence are changing hands, and with every day that passes, non-State actors acquire a greater capacity to influence the international situation. This phenomenon, which has been called the diffusion of power, is completely new, and unlike

the emergence of new powers – and the parallel relative decline of the old ones – it is historically unprecedented.

At the origin of this new status of individuals and diverse social groups are technological advances and the dramatic fall in the economic cost of sending and receiving information. Today, a person can influence the political process and social perceptions simply by posting an image on global networks. What until just two decades ago required huge, complex and costly advertising campaigns, which only large States and a few transnational corporations could afford, can now be done with a device connected to the Internet. This ability to influence, and to change perceptions, is multiplied in social networking sites, creating a form of organisation that lies beyond traditional structures such as borders and States.

## THINKING IN TIMES OF CRISIS

When a crisis occurs, one that is profound and painfully long-lasting, it makes us reconsider beliefs that had previously been held as unshakable truths, and reassess prospects that had previously been taken for granted. In other words, a crisis makes us think, it invites reflection. Nothing disquiets us so much as absolute uncertainty about our future.

The outcome of effective reflection is a call to action, to reform, to change whatever it is that the crisis is telling us, loud and clear, that which is no longer valid or no longer works. In other words, “Never let a good crisis go to waste”. Spain seems to have followed this advice; the crisis that began in 2007 spurred us to engage in high-quality reflection, and the conclusions reached should be considered and discussed. As the fruit of these debates and discussions, let us highlight two Spanish projects and a European initiative.

The Elcano Royal Institute report “Towards a strategic renewal of Spanish external policy” was published in December 2013. Commissioned by the Foreign Ministry, this Report contained much profound thinking, offered by contributors of intellectual renown, and its ideas underlie many of those set out in the present document.

The PwC Spain report, “Spain in the world of 2033. Four scenarios calling for immediate action”, which appeared in April 2014, was prepared by the ESADE Business School under the direction of Javier Solana. This text provides an excellent introduction to global strategic thinking, describing how it may impact on reality in our country and offering recommendations for the future. It hypothesises four possible scenarios for the world of 2033, identifies the one it considers most likely and on this basis makes recommendations to the Government, to business and to Spanish society.

vESPAS (European Strategy and Policy Analysis System) is a gigantic project by the European Union, to which over 1,500 people have contributed. Its purpose is to reflect on what kind of world we will live in in 2030, and on the position of the European Union in particular. Its recommendations were presented to the new President of the European Council, to the new Commission and to the new Parliament. The Spanish think tank FRIDE participated significantly in this project, which has given rise to three main reports (geopolitical, economic and social trends), each providing invaluable insights.

Finally, another consequence of globalisation is the existence of higher levels of interdependence. Firstly, among States. This is not just an economic issue, but is primarily a political phenomenon. It has resulted in a profound change in relationships between the States themselves, who are now obliged to work together in order to resolve global problems, in a world in which real sovereignty is increasingly limited,

But together with this classical interdependence, there is a new form of interconnection and mutual dependence, among devices and processes, and this is a completely new phenomenon, which has been termed the “internet of things”. Its consequence is that the interconnection of many systems, which previously functioned in isolation, which increasingly operate automatically, has led to a dramatic and global dissemination of events, positive or negative, that had previously remained at the local level. This interdependence, as regards future developments and their implications, is changing the strategic environment in a way that is hard to predict.

### 2.3. The crisis of multilateralism

The third radical change, after globalisation and multipolarity, is the crisis of multilateralism. The institutions that have been operating since the end of World War II are increasingly powerless to respond in a satisfactory way to the major challenges of the present; this has been the case, for example, of the Security Council in relation to conflict resolution, and of the IMF and the World Bank in their reactions to recurrent financial crises or to world poverty.

The crisis of multilateralism involves a fundamental dilemma: legitimacy versus effectiveness; inclusive bodies, representing the international community as a whole, versus more functional, but restricted instances. The G-20 provides greater representativity and a more appropriate size; these advances may help it overcome the shortcomings suffered by the above-mentioned agencies, especially as a forum for cooperation, mainly concerning economic matters, but only time will show whether it is capable of addressing the challenges facing the world today.

The outcome is that although the world is becoming increasingly multipolar, it has not yet obtained multilateral governance mechanisms capable of managing this new reality, that might transform zero-sum policies seeking power and influence into win-win systems based on collaboration and joint satisfaction.

Geopolitical changes have been accompanied by social ones, with global repercussions, which also contribute to shaping the new international community. Of these, demographic trends are the most significant, but we should also consider processes such as the rising middle class presence in Asia, Africa and Latin America, and increasing urbanisation. These are positive developments that improve the lives of millions of human beings, but at the same time they exert great pressure on scarce basic resources such as water. Trends such as the exacerbation of social inequalities or the appearance of pockets of structural unemployment, due to mismatches between new technologies and the renewal of the productive fabric, are also disturbing elements in the world that is emerging.

### 2.4. The global financial crisis

Another element to be kept in mind when defining a strategy for external action is that of the profound changes, worldwide, that have followed the financial crisis.

The present crisis, from which we are only now emerging, bears some similarities with that of 1929, but it is important to emphasise the differences between the two in order to diagnose the situation correctly. The 1929 crisis arose in the United States and took two years to reach Europe; in 2008, only a few weeks passed from the bankruptcy of Lehman Brothers until the collapse of Iceland. The 1929 crisis affected only the developed countries, but the present one has shaken the entire planet. It can safely be said that we have witnessed the first crisis of globalisation.

#### Genesis and evolution of the crisis

The Great Recession began in a sub-sector of the US financial market, that of the subrogation of mortgage loans previously granted to customers

with no credit rating. In other words, this was a mortgage crisis, and one that affected some, but not all, US States. The crisis would have remained a local one if we were not living in a highly interconnected world. But we are, and the mortgage loans were securitised into bonds or complex financial instruments and sold on to investors around the world.

When interest rates began to rise, and real estate values fell, the crisis emerged. Nobody seemed to know for sure what percentage of toxic assets had infected the financial system. Credit stopped flowing, global trade stalled and unemployment soared.

Central banks around the world came to the aid of struggling financial institutions, lowering interest rates, injecting massive liquidity and even adopting unconventional measures such as relaxing rules on collaterals or purchasing bonds – in other words, they adopted the hitherto taboo policy of monetising the debt.

When the central banks' intervention proved insufficient, governments, too, were obliged to come to the rescue of the systemic financial institutions, which were famously “too big to fail”, with massive monetary injections that provoked substantial imbalances in public finances.

Thus the crisis, which began as a localised problem in the housing sector, mutated into a global banking crisis, and finally became a sovereign debt crisis, the effects of which are still being felt.

### **The causes of the crisis**

Looking back at the start of the crisis, it would be a mistake to think that it was all due to malfunctioning financial markets. In fact, the bursting of the housing bubble was only the symptom of a disease that had been affecting asset markets in general and that had long been incubating, due to the simultaneous influence of the following factors, among others:

- Excess liquidity. Many exporting countries with current account surpluses – mainly the oil producing countries – had accumulated large sums, resulting in excessive liquidity, which they deposited in Western markets.
- Low interest rates. The Federal Reserve embarked on a policy of very low interest rates to

## FOUR SCENARIOS, ACCORDING TO THE REPORT "SPAIN IN THE WORLD OF 2033"

### **Scenario One: Global governance.**

The world evolves towards a multilateral governance where different organisations, including political institutions, govern in a coordinated and constructive way. Meanwhile Europe progresses towards the construction of a United States of Europe. This is the scenario which leads to the greatest economic growth, at both world level and for Spain, but in this scenario inequality within and between nations may rise.

### **Scenario Two: Regional blocks.**

Regional blocks compete against each other, increasing protectionist tendencies in the world economy. An economically cohesive Europe, with Germany in the driving seat, is one of them. Global growth is limited by protectionist measures, but the European social model is under less pressure and the redistribution of wealth is safeguarded. Spain grows in parallel with Europe.

### **Scenario Three: National protectionism.**

A clear backwards shift in the process of globalisation and the strengthening of national political power, in line with a smaller “a la carte” Europe. This is the most redistributive scenario, but with the weakest global economic growth. For Spain it is without doubt the worst scenario as, with no employment creation, it would only lead to the redistribution of poverty.

### **Scenario Four: Economic interests take the lead.**

National and global political institutions are increasingly powerless against the forces of economic globalisation. Global economic growth is somewhat slower than in the best scenario and the growing inequality is exacerbated. A two-speed Europe takes shape.

overcome the crisis that followed the attack on the World Trade Centre. This was the stage that Alan Greenspan, one of those responsible for the policy, later termed “irrational exuberance”.

- **Leverage.** Money was so plentiful and so cheap that nobody put up a cent of their own. Everything was done on credit – as leveraged investment – which multiplied the effects: greater profit if things went well, but greater losses if they didn’t. And things began to go very wrong.
- **Lax regulation.** The regulation of certain areas of the financial market was very deficient, especially as regards hedge funds – which were not subject to legal limits to their exposure, and thus constituted extremely high-risk instruments – and venture capital, or private equity funds. The virtual absence of market supervision poured gasoline on the speculative fire.
- **Failures of the credit rating agencies.** Risk rating agencies failed to meet their responsibilities. Highly complex financial products, the profitability of which depended on speculative sectors of the market, obtained investment ratings reflecting maximum security and confidence and were marketed without any difficulty.

It is a golden rule in economics that when the availability of investment capital outweighs the needs of well-founded investment projects and wealth creators, the money ends up inflating asset prices far beyond their real value, whether they are homes, listed shares, debt securities or commodities. A combination of excess liquidity, low interest rates and the absence of productive investment opportunities led to a gigantic misdistribution of resources. When that happens, sooner or later, the situation must explode. And when the problem swells up to the dimensions that were visible in the 1990s and the first years of the new century, the eventual, inevitable outcome is collapse into a profound crisis, one from which there is no easy escape or recovery.

### **Lessons from the financial crisis**

Globalisation portends the reform of many institutions that have been prominent in global economic relations. Changes are imminent in the financial order, in the trade order and in the very concept of development.

The financial crisis, the first major crisis of globalisation, which is still afflicting us, is provoking changes in the global financial system, in institutions and in the rules governing global finance. Globalised problems call for equally global solutions.

The global presence of financial institutions is now so great that rules to the same scale must be designed. In recent years, the countries hit by the crisis and EU institutions have taken urgent and extraordinary measures to prevent the situation from becoming even worse. But evidently the cooperation of all concerned is a vital factor.

To prevent further financial crises such as the present, the following measures are needed: a monetary policy to prevent excesses; new regulatory frameworks; global financial supervision to oversee organisations operating in various countries; the reform of international financial institutions; and the strengthening or, in their absence, creation of appropriate multilateral organisations that truly represent all economies and can take effective action.

What the European Union must now do is to reshape its regulatory framework so that financial activities benefit growth and to ensure that the financial economy is based on the real one. Specifically, four major proposals have been put forward.

- **Achieve further integration of European financial markets** in order to attain a critical size that allows us to compete successfully with the United States. The wholesale markets are now quite well integrated but much remains to be done in the retail markets.
- **Implement a real euro diplomacy.** By not expressing themselves as one, the Europeans are renouncing all the advantages that could be gained from controlling the world’s second most important currency.
- **Reform the regulatory framework** to restore the transparency of products, institutions and financial markets. Reaffirm the responsibility of managers in order to avoid the blunders of recent years. Strengthen the supervisory powers of regulators.
- **Establish early warning mechanisms and crisis committees** composed of the key international players so that timely and urgent measures can be taken when a crisis arises.

## THE (UNFINISHED) REVOLUTION IN THE REALM OF IDEAS

In the years that followed the fall of the Berlin Wall, it became generally believed that the free market economy was the most civilised form of competition, ultimately making it possible for the most able to reach the top. These ideas were put into practice through the “Washington Consensus”, based on the reduction of public expenditure, tax reform to broaden the tax base, the liberalisation of finance, competitive exchange rates, import liberalisation, the promotion of foreign investment, the privatisation of state enterprises, the deregulation of the economy and the protection of property rights.

Subsequent events have weakened the initial optimism that globalisation based solely on this model had generated. As empirical evidence shows, there is no real alternative to globalisation, but the application of globalisation as described above has produced “collateral damage” and, quite clearly, has not benefited everyone equally.

Movements contesting the globalisation of the economy are appearing; their proponents advocate a different world order, but do not clearly define the shape it must take. These are expressions of protest but they do not present realistic alternatives.

On the other hand, such alternatives are posed by those who wish to make economic

competitiveness compatible with social inclusion and environmental protection. They argue, firstly, for an economic model based on two pillars; the proper functioning of markets and the principle of social compensation. The first aspect means, on the one hand, combating monopolies and abusive practices and, the second, promoting small and medium enterprises to ensure fair competition. Furthermore, economic development should be harmonised with environmental protection, restraining the extreme liberal individualism that conceives man as king of creation, and nature as a mere object to be transformed by his labour.

Alternatives are also offered to ultra-liberal globalisation by those who believe that the market economy should be subject to order – an order that would include the rules applicable to companies, i.e., corporate governance, national rules to restrain those who act within a country’s borders, rules regulating the European market and also the rules adopted by the WTO to organise international trade.

The crisis has emphasised the difficulties that will be encountered in applying the same principles to the real economy as to the financial economy. The factors that motivate one and the other are quite different. This may be the only certainty to be drawn from the present crisis, with all else remaining to be determined.

## 2.5. Geopolitical changes arising from globalisation

The phenomena discussed above have radically changed the world stage. And, as with any change, there are winners and losers.

The situations and standpoints of the different countries are discussed in the chapter on geographical areas. At this stage, however, it will be useful to take note of certain aspects that will help guide Spanish foreign policy in the coming years, particularly as regards the redeployment of our foreign service.

The situations of the European Union and of Latin America are addressed in detail in discussing the objectives of Spanish external action. In consequence, the description given in the following paragraphs is merely a brief overview.

In comparison to Europe, the **United States** has a younger population. Unemployment is lower and productivity is higher, due to more investment, more technological innovation and higher spending on education and training.

In the coming years, the United States will achieve energy self-sufficiency, and soon after this could become a net exporter of energy. Then, US inter-

est in oil-producing areas such as the Middle East would probably be less acute than it is now.

Its privileged geostrategic position, facing both the Atlantic Ocean and the Pacific Ocean, will enable the USA to remain the world's leading power for many years. However, after a decade of major involvement and of military and economic efforts in Iraq and Afghanistan, the American public appears reluctant to embark on further adventures abroad. This should not be interpreted as a return to isolationism but rather as a reorientation of priorities. The USA must face the challenge of maintaining its traditional influence in Asia. Its interest in Europe and in the transatlantic relationship could be strengthened in this context and in that of the ever-complex dialogue with Russia.

The **European Union** has not grown enough in recent years to reduce unemployment, which remains unacceptably high, or to catch up with its competitors. Demographic tensions will be greater than in North America or Australasia. Europe is also energy dependent. The design flaws of the Economic and Monetary Union, highlighted by the global economic crisis, constitute another key weakness, one that is a key factor in explaining the EU's poorer performance.

Nevertheless, Europe remains one of the most prosperous areas of the world with a large, well-integrated market of over 500 million consumers and high purchasing power (mean GDP per capita is about \$25,000). Moreover, it has very good infrastructure and a diversified productive structure.

These factors provide institutional stability and the ability to compete relatively effectively, as reflected by the fact that Europe's share of world trade has remained at around 33% over the past decade.

In political and geostrategic terms, Europe must continue to exercise its historic role as a point of connection between regions. Its influence will continue to be linked to the concept of "soft power", in areas such as setting agendas, its influence in technological, cultural and academic fields, and the robustness and credibility of its think tanks. Neither should we underestimate Europe's situation as the natural centre of networks such as the Commonwealth (54 countries), La Francophonie (31 countries in Africa), or the 400 million Spanish speakers in the world, 37 million of them in the United States.

**Latin America** has enjoyed sustained growth since the 1990s, having controlled the inflation that had marked previous decades (in several years between 1986 and 1994, inflation in Brazil exceeded 40%), and having maintained debt at low levels and increased exports of raw materials (which, according to the OECD, rose from representing 40% of exports of goods in 2000 to 60% in 2011). The demographic factor may be another strength, with a significant percentage of the population being of working age in all these countries.

At present, economic growth in Latin America has slowed, although this is probably only temporary, with GDP for the continent as a whole expected to grow at 2% in 2014 and 2.6% in 2015. This slowdown is the result of five main factors: raw material prices, which have moderated; the decline in world trade; the global financial climate, which is beset by uncertainties (the slowdown in the Chinese economy, doubts about US monetary policy, the situation in the Eurozone); fragile structural reforms; and insufficient investment in infrastructure.

In political terms, Latin America, which for historical and linguistic reasons is the most unified region from a cultural standpoint, has taken enormous strides towards democracy in the last thirty years. Its status as a natural boundary between the Pacific and Atlantic Oceans makes it an obvious platform for interactions between Asia Pacific, Western Europe and Africa.

Growth in the **Middle East** and **North Africa** is hobbled by political instability, which has dragged down private investment and the production and exploitation of energy resources, especially in Arab countries undergoing political and social transition.

In non-oil-exporting countries, unresolved structural problems, social tensions (high unemployment, particularly) and governance issues are blocking access to potential benefits from tourism, foreign direct investment and exports.

In the oil-exporting countries of the region, the challenge is to reduce their excessive dependence on revenues from hydrocarbons. Factors such as the emergence of unconventional sources of oil and increased energy efficiency are reducing the upward pressure on oil prices. Accordingly, these countries need to implement structural reforms, diversify their economies and contribute to job creation in the private sector.

The Middle East and North Africa is perhaps the region that is most directly affected by the challenge of globalisation, which is provoking a clash between the modernity of the twenty-first century – for example, via the diffusion of new technologies in one of the youngest populations of the planet – and the lost opportunity for political and economic development in the twentieth century. This conflict between modernity and backwardness, between urban youths, anxious for change, and rural masses subject to the influence of radicalism is at the heart of much tension and many disputes.

**Sub-Saharan Africa** has enjoyed one of the world's highest rates of GDP growth in recent years, second only to Asia. According to IMF forecasts (World Economic Outlook, July 2014), growth in the region will be 5.4% in 2014 and 5.8% in 2015.

This rise can be explained by a combination of five factors: strong demand for raw materials in emerging countries (China's presence in this sector is particularly striking), a population boom, a rising middle class presence, an internal market that is increasingly dynamic, and growing foreign investment. The population structure makes this the youngest continent in the world, with 200 million people aged between 15 and 24 years.

Africa was the last continent to join the global geopolitical map. But it has done so robustly: despite conflicts, tensions and threats, most African countries have adopted democratic systems, and authoritarian regimes are in retreat. The continent's wealth of natural resources and its growth rate have made it the object of interests, ambitions and expectations for many stakeholders, particularly the emerging powers. In 2000, a headline in *The Economist* read "Africa, the Hopeless Continent", but in 2013, this judgment was reversed in a special report headed "Africa Rising: A Hopeful Continent".

The **Asia-Pacific** region is growing at a very rapid pace, driven by China and India, which have almost tripled their share of the global economy in the past two decades. By 2025, this region will account for half of the world's economic output. In consequence, Asian economies will require more energy, more drinking water and more food, which will make a serious impact on global supply and demand.

Uncertainties about the "new world order" are rife in Asia-Pacific, a region that has enjoyed over six-

ty years of peace and stability, which have enabled the economic development first of Japan, then of South Korea, followed by China and India and many other countries in Southeast Asia. The absence of a well developed structure for regional security, together with difficulties in the negotiation (multilateral or bilateral) of territorial aspirations, is a potential source of conflict.

The Asia-Pacific region is largely responsible for what has been called "the rise of the South", a turning point in world history.

According to the 2013 UNDP Human Development Report, for the first time in 150 years the combined economic output of the three main economies in the South – Brazil, India and China – is approaching that of the six largest economies in the North, in terms of purchasing power parity.

By 2020, according to the Report, "the combined economic output of three leading developing countries alone—Brazil, China and India—will surpass the aggregate production of Canada, France, Germany, Italy, the United Kingdom and the United States".

A significant proportion of this dynamism is due to international trade, foreign direct investment and South/South technology alliances in the context of globalisation: the proportion of South/South exchanges in the world trade of goods increased from less than 8% in 1980 to over 25% in 2011, with significant growth in the last decade.

This changing situation will bring about a substantial increase in living standards among these populations: in 2030, more than 80% of the world's middle class will be living in developing countries.

This brief sketch of the economic changes arising from globalisation would be incomplete without a mention of Australia, a country which due to its geographic position, regional leadership and solid economy – which has enjoyed over two decades of sustained growth – is very well placed to take advantage of the opportunities present in the Asia-Pacific region, especially as regards dialogue with China, a country it supplies with raw materials and energy resources.

# 3. The European Union, past and present

In addition to the three reasons discussed above for developing a new strategy for external action – the exhaustion of the strategy applied during and after the Transition, the need to transform the economic model through a greater internationalisation of Spanish society, and the profound changes taking place in the world – there is a fourth one. Europe must recreate itself, politically and institutionally. It must do so because a poorly designed euro currency system, the greatest error to come out of Maastricht, has led the Union into a political crisis without precedent. No regional trend as directly and significantly affects the interests of Spain and its strategic situation as the evolution of the European Union.

The entry into force of the Lisbon Treaty was the institutional response to the new strategic environment. The euro crisis, which was essentially a political one, has shaken this response to the core and has presented the process of European integration with its greatest challenge. The coming years will be crucial and Spain must have a clear idea of where the Union should aim to be in the future. Much is at stake. Quite simply, it is impossible to conceive of Spain without Europe or of Europe without Spain.

A brief reflection on the history of the European Union will reveal the key aspects of the problem and highlight the fissures currently present in European integration, which will require far-reaching political and institutional remodelling.

## 3.1. The roots of the European Union

The construction of Europe was the response to the three issues that were starkly apparent at the end of World War II:

- How to end the cycle of civil conflicts that had ravaged the continent. The Great War (1914-18) annihilated a generation. And World War II was even more murderous.
- How to regain a front-ranking position on the world stage. The countries of Europe, which in 1884 had gathered in Berlin to divide Africa amongst themselves, now attended the division of the world between the United States and the Soviet Union as mere spectators.
- How to achieve the economic growth needed to ensure the survival of a stable democracy. As an indication of the scale of the disaster, we need only observe that in 1945 the GDP of most European countries was less than half what it had been in 1938.

## 3.2. From federalism to functionalism

To address these issues, it was decided to create a genuinely federal union. If the causes that had led to the two European wars were political in nature, it seemed logical that the solutions should also be political. Accordingly, it was held that “only a strong Federal Union can ensure the protection





***Prime Ministers and Ministers of Foreign Affairs of France, Luxembourg, Belgium, the Netherlands, Italy and the Federal Republic of Germany signed in 1957 the founding Treaties of the European Economic Community and the Euratom in Rome. This was the beginning of our European Union as it is today.***

of freedom and civilization in Europe and achieve economic reconstruction, enabling the political participation of the German people in the construction of Europe". (Declaration of the European Resistance Movements, Geneva, 1944).

However, the federalist option collapsed in the 1950s, when Gaullists and Communists in the French Assembly joined forces to oppose the European Defence Community (EDC). Moreover, the fallout from the rejection of the EDC was not limited to the military context; its disappearance from the scene led to the parallel abandonment of a political initiative: the European Political Community project. These failures reflected the existence of a nationalism that was basically incompatible with integration. Nevertheless, nations, their existence, their development, and their very identity, are not obstacles to the construction of Europe; on the contrary, they provide its raw material.

The problem arises when nationalist sentiments seek to erect an ideological barricade, asserting that the only possible national definition is based

on difference from others, if not outright opposition to them. When that occurs, nationalism represents the greatest obstacle to any project for European construction, federal or otherwise. This is what happened in the 1950s; over half a century later, it seems that the lesson has still not been learned. The withdrawal into a populist form of nationalism, as has been generated by the political and economic crisis in some European countries, is undermining not just "a model of integration" – it is undermining any possible project by which the peoples of Europe can share their lives.

The failure of the federalist experiences made a change of course inevitable, and attention turned to economic functionalism, through the integration of European economies, as a prior step to political integration. "Europe will not be made all at once, or according to a single plan. It will be built through concrete achievements which first create a de facto solidarity" (Robert Schumann, 9 May 1950).

### **3.3. From the Treaty of Rome to the Single European Act**

The European Economic Community, created by the Treaty of Rome, established a single market among member countries, and a common external

## BUILDING A COMMON MARKET

The construction of the common market would take shape through the implementation of the following instrumental measures:

- The elimination of customs duties on imports and exports between Member States, and any charges having equivalent effect.
- The establishment of a tariff (the Common External Tariff) and of a common commercial policy towards third countries.
- The free movement of factors of production, which is specified in the Treaty as the free movement of workers, services and capital, and the right of establishment.
- The establishment of a system to ensure fair competition – the inspiring principle of the Treaty.
- The harmonisation of tax legislation, starting with indirect taxes, as these create most distortions in international trade, and continuing with direct taxes, which, in principle, have no knock-on effect on prices.
- ‘Open’ coordination, i.e., on an indicative basis, of the remaining economic policies.

tariff. The principle of the free movement of goods was extended to capital, labour and services, because the arguments in favour of the free movement of goods are almost automatically applicable to the factors of production.

The most original feature of the Treaty of Rome, in contrast to other processes of integration, both historical and contemporary, was that it was not limited to mere intergovernmental cooperation, with no transfer of decision-making capability; on the contrary, the signatories to the Treaty of Rome undertook to seek a form of integration in which powers were transferred and common institutions created. One of the first successes of this model came in 1967, when three countries that had previously opted for the simple reduction of internal customs barriers, as embodied in the European Free Trade Association – UK, Denmark and Norway, later followed by Ireland– were encouraged to seek membership. This first expansion set off a wave of euro-optimism across the continent.

European integration came to an abrupt halt with the oil crisis of 1973, when Europeans opted to withdraw behind national borders to defend their markets from foreign competition. Instead of trying to overcome the crisis together, by reinforcing their integration, they became progressively entrenched in their differences; in other words, they chose the path of “neotribalisation”, having apparently learned nothing from their own history.

When things finally begin to improve, and in the light of harsh experience, a process was begun that led to the Single European Act (1985), which incorporated three ideas crucial to the process of European integration: completing the internal market, underpinning economic and social cohesion as a cornerstone of European integration, and setting in place the mechanisms for a future economic and monetary union. The possibility of Europe becoming a global player was anticipated with the creation of European Political Cooperation, the forerunner of the Common Foreign and Security Policy.

### 3.4. From Maastricht to the Treaty of Lisbon

Maastricht was both the zenith and a turning point in the process of European integration. The Maastricht Treaty, which entered into force on 2 November 1993, introduced into the Community frame of reference areas of competence that since time immemorial had belonged to the area of national sovereignty: issues relating to foreign policy, security and defence, as well as justice and home affairs.

The Maastricht Treaty, moreover, was a milestone in its recognition of a principle that is very important to Spain, namely that the territorial diversity within the Member States is a factor to be taken into account in the construction of Europe. In line with this conviction, institutionally represented in our case by the Autonomous Communities, Maastricht created the Committee of the Regions and introduced the possibility of the regions participating in the Council.

Maastricht saw the creation of the euro, a logical consequence of the maturing process of inte-

## DEEPENING AND WIDENING THE UNION

Under the Treaties, any European State that respects and is committed to promoting the values of the Union has the right to apply for admission. Today, the European Union consists of 28 members, and Turkey and the countries of the Western Balkans are candidate members. As Bronislaw Geremek said: "We have managed to stitch together the two Europes. We have reunited Europe and democracy now rules the fate of all Europeans".

Each enlargement has posed a major institutional challenge regarding the proliferation and composition of EU institutions, the decision-making process and the distribution of powers between the Union and the member states.

In the latter respect, not all member states have made the same commitments. Not all are part of the Schengen area; some member states have exercised their right to "opt out" in the field of freedom and justice, others have done in the field of social policy and yet others

do not fully participate in the Common Foreign and Security Policy. The United Kingdom and Denmark do not form part of the Economic and Monetary Union, membership of which is obligatory for all other member states when they meet the Maastricht criteria (inflation, interest rates, public deficit, public debt and the independence of the Central Bank).

These differences have led many to speak of a "multi-speed" Europe or a Europe of "variable geometry". Such expressions seem to anticipate that in the coming years there will coexist, on the one hand, a confederal framework applicable to all EU members, together with a hard core federal structure, grouping those which choose to adopt the entire *Acquis Communautaire*.

Obviously, the ideal is that all States should participate fully in all EU policies, but it is equally desirable that those who seek a higher level of integration should not be hindered by the reluctance of those who wish the bar to be set lower.

gration. But, in Maastricht, too, a cardinal sin was committed: that of not creating an economic union at the same time and in parallel to the monetary union. In Maastricht, for the first time in European integration, the dictates of economic logic were violated, and this was done because of political weakness. The consequences of this approach would be dramatic.

The creators of the euro believed that currency union could function without an economic government. They believed that this deficiency could be overcome by means of a common monetary policy implemented by the European Central Bank, in conjunction with the Stability and Growth Pact (to which national budgetary policies were tightly bound) and with "light" coordination, that is, without incentives for compliance or penalties for non-compliance, of all other economic policies. These three pillars were complemented with three deterrents: "no bail-out, no default, no exit".

A crucial factor is that none of the three reforms made to the Founding Treaties after Maastricht

changed this state of affairs. Only the crisis would do that.

Thus, the Treaties of Amsterdam (1997), Nice (2001) and Lisbon (2009) brought about institutional and political progress; in short, "more Europe". The European Union today not only guarantees peace, values and welfare, but it offers an area of freedom, security and justice without internal borders, an internal market, an economic and monetary union and European policies in areas such as foreign affairs and security, agriculture and fisheries, employment, transport, the environment, energy, and economic, social and territorial cohesion. But none of them addressed the design flaws of the EMU, which were at the root of the profound crisis that has jeopardised one of the most successful political projects in the history of our continent.



### 3.5. From the Treaty of Lisbon to the present

When the euro crisis erupted, there was no option but to undertake profound reforms, in order to make the euro a stable, effective currency. This reform process was inspired by the report “Towards a Genuine Economic and Monetary Union”, which was presented in June 2012 and stressed the importance of establishing four pillars in support of a reinforced EMU: Banking Union, Fiscal Union, an integrated economic policy framework and greater democratic legitimacy. These reforms were aimed, in the first place, at achieving a Banking Union, on the basis of the three pillars that had already been approved, namely the supervision of all eurozone banks by the European Central Bank (the 128 largest banks, directly, and the rest, indirectly by national authorities), the creation of a single dispute-resolution authority and a greater harmonisation of the regulations applicable to all banks in the European Union, not only in the eurozone.

As regards the Fiscal Union, progress has been much slower, although none will have failed to observe the political significance of the ‘European Semester’, under which all national budgets must be subjected to European supervision before being submitted to their respective Parliaments. Parliamentary democracy came into being, essentially, so that citizens could decide the financing of public affairs. The involvement of the Union in this process advances us towards a supranational project that Spain wishes to see come to fruition. A related consideration, and one that is a necessary condition for the single currency status to become consolidated, is the progress that has been made in the coordination of economic policies.

## THE EVOLUTION OF THE EU BUDGET

As a result of the enlargement of the Union and the assumption of new powers by its institutions, substantial changes have taken place in the Community budget.

Until 1989, the budget was basically intended to finance the Common Agricultural Policy (CAP), which accounted for up 60% of the total.

After the major enlargement of 2004, the structural and cohesion funds acquired greater prominence (30% of the EU budget in 2006).

From 2006, policies were increasingly aimed at promoting competitiveness through R&D, investments in infrastructure and support for SMEs, and the CAP budget was reduced.

the Lisbon Strategy (in 2000), the divergences between the different countries remained practically unaltered.

Little attention was paid to these cracks and fissures, until the crisis shook the euro to its foundations, together with the three deterrents that were supposed to safeguard it.

The European response to the crisis was weaker than that of our most direct competitors, simply because its institutional structure was not strong enough:

The European Central Bank was much less active than the US Federal Reserve, or the Bank of England, in combating the crisis.

The bail-outs of Greece, Ireland, Portugal and Cyprus were delayed, thus making the operation more costly and increasing the hardship imposed on the population.

The Financial Perspectives for 2014-2020 are less expansive than those for the preceding period, although in the circumstances, just the opposite was called for.

The outcome of this lack of resolution is plain to see: the European Union took longer to emerge from the crisis than did other regions, and did so with less vigour. In fact, the present combination of weak growth and low inflation may place the eurozone in a delicate situation for some time. And it obliges us to reflect on the suitability of the Union's institutional structure in this rapidly-changing world.

Serious though these issues may be, more serious still is the fact that the concerted effort to overcome the crisis has concealed demographic, economic and political deficiencies that may weigh down the project of European integration for many years to come. These deficiencies are among the most important challenges to be faced by the newly inaugurated European institutions.

Europe's demographic weakness is probably the biggest challenge it must face. Europe is much older than the United States or Japan, not to mention the countries of Asia, Africa and Latin America. This demographic weakness threatens the very foundations of the welfare state; it is one of the most important indicators of the European model, and if the present structure remains unaltered,

## 3.6. Final reflection

The model drafted in Maastricht worked relatively well while Europe was enjoying its boom years, although even then the first cracks were beginning to appear in the edifice.

The first of these was the result of applying a single interest rate to countries whose economic circumstances were very different. Thus, the savings of the core countries were displaced to the peripheral ones, achieving greater profitability, but at the same time fuelling a real estate bubble.

The second fissure arose from the failure by the majority of member states to observe the Stability and Growth Pact. When France and Germany also failed to comply, it was decided not to impose sanctions, but to decree a general amnesty and a change in the rules.

The third problem was a direct consequence of the weakness of the "open coordination" of economic policies, which was based on no more than moral admonition. Five years after the launch of

there will be fewer workers in active employment and more beneficiaries of pensions.

Low productivity, in comparison with our competitors, is the second factor underlying the relative weakness of the European Union. Prior to the collapse of Lehman Brothers, the United States created 1.2 jobs for every job lost due to offshoring to emerging countries; in the European Union, however, only 0.8 were created. And this problem persists today in the EU, with respect to the world's most important economic areas.

But the main weakness of the European Union is not economic, but political. The external balance and the public accounts of the eurozone are healthier than in the USA, the UK and Japan, but nevertheless, investors looked first to other regions. The explanation is simple: investors doubt our willingness to stand together to defend the common currency. They suspect that we actually have a reversible fixed exchange rate zone, rather than a monetary union with no return ticket.

The conclusion to be drawn from this account is clear. The long-term solution to the crisis must involve strengthening the institutional architecture of the Union, with an economic government that pursues three objectives: macroeconomic discipline, a certain degree of financial solidarity and the implementation of structural reforms. This is the best way to definitely establish the credibility of the Union. Spain must be at the forefront of this reform process, and an essential element of our commitment is the formulation and application of a new strategic approach to our changing environment.

# A new strategy



Defining a strategy for external action requires us to establish a set of priorities, of a political nature, to guide our new strategic thinking, to identify goals, to reflect on the human and material instruments needed and to analyse the decision-making process with respect to external action.

The principles underlying this action will remain unchanged, as they are derived from our status as a democratic country and from the principles and values of our constitutional system. These principles and objectives are formulated in the External Action and Service Act, which also stipulates the actions to be carried out, in virtually all areas of public government.

## 4. The priorities of external action

The above reflections lead us to advocate a renewal of strategic thinking and indicate the main considerations to be borne in mind. Our analysis highlights the importance of the following three elements:

- We live in a globalised, interdependent world. Rejection of this fact (or attempting to ignore it) is not an option. Indeed, it would be suicidal. Globalisation is the competitive global integration of economies, resources and technological solutions. In all these processes there are winners and losers, this is immediately apparent. Our aim is that Spain should place itself among the winners.
- The economic crisis. The collapse of Lehman Brothers precipitated an economic crisis, but what followed was above all a political crisis, one that has highlighted the limitations and weaknesses of our economic model, and those of the political and institutional framework of the world, of Europe and of Spain. As has happened before in our history, and as is inevitable at certain stages in the evolution of all societies and countries, Spain needs to regenerate itself. External action must be one of the instruments of that task, and the greater internationalisation of Spanish society is a highly significant part of the solution.
- New actors. In the emerging world, social groups and individuals have the opportunity to develop projects – collective, inter-professional and even individual – as if borders did not exist. To do so, they organise themselves into networks, with diverse purposes and variable geometries. An open society such as we have in Spain has much to gain from developments of this type. The different levels of governance

are no exception to this reality, especially in the case of Spain, where the Autonomous Communities have high levels of self-governance in the domestic sphere, as well as varying areas of activity with respect to external action. And in this respect, too, our external action should be equipped to take full advantage of its potential.

In short, the essential, ultimate goal of Spain's strategic renewal is to enable the country and its citizens to respond to challenges in a world that is becoming more complex, is changing very quickly, and is quite unlike anything we have known before. Strategic renewal must help resolve what Keynes described as “the political problem of mankind: how to combine three aims: economic efficiency, social justice and individual freedom”.

The task is not an easy one, because the world is still taking shape, its contours have yet to be defined, and new and traditional elements must be blended. Therefore, our ideas regarding renewal should be aimed at these focal points:

- Making Spain more outward looking, civil society more internationalised and the economy more interdependent – in the view that this is the best response possible to meet the needs of our country in response to social, economic and technological change.
- Equipping our citizens to seize the opportunities offered by globalisation; this will require our External Service to place specific emphasis on this issue.

A strategy for foreign policy that aims to reflect these broad lines should set out priorities that address these questions:



- The defence of Spain's values and the promotion of its citizens' interests, within a new, more complex strategic environment.
- The global projection of the image of Spain as an advanced, competitive and reliable country.
- Enabling citizens to develop their personal projects in a globalised world.
- The need to respond to the complexity of the strategic environment by means of a more coherent, effective and transparent decision-making process for external action.

In consequence, the following foreign policy priorities have been established.

## 4.1. Coherence, effectiveness and transparency in external action

In an increasingly complex and interdependent world, external action takes diverse forms; it is performed by many different public and private actors and presents itself and overlaps in society in rich and complex ways. If this diversity of external actions is to produce the desired results, our external action must be coherent. This is the only way to make it effective. And this is the only way that citizens' demands for transparency by their public authorities can be met.

Coherence is acquired, firstly, by aligning the actions of a general or strategic nature taken by all the actors involved in applying the foreign policy defined by the Government, which represents the principles guiding Spain's behaviour in the international community.

Secondly, coherence is obtained from the possession of timely, accurate information on all aspects of Spain's external action, information that may be received and considered by all interested parties, of whatever rank – in other words, by a considerable proportion of Spanish society. Good information and sufficient transparency will eliminate deceit and contradiction.

These ideas for a more coherent external action are at the heart of the External Action and Service Act, and this Strategy document highlights their fundamental importance to our foreign policy. Another significant aspect, in view of the importance of development cooperation in external action, is the principle of ensuring coherence and consistency in our development policies.

In addition, foreign policy should respond positively to public demand for greater effectiveness and transparency. The best way to do so, and at the same time to satisfy the requirements of a renewed policy instrument, is to obtain and apply new mechanisms for decision taking and new tools for action. These should be designed, as stipulated in the statute cited above, to meet criteria of effectiveness and legitimacy, and to produce added value in the emerging strategic environment. In this respect, the following lines of approach should be undertaken:

- Work to achieve the full development of the new foreign policy system, thus enabling better and closer coordination among the many actors involved in external action. Strengthen the role of the Prime Minister. Incorporate different social and territorial sensitivities in formulating foreign policy. Address the question of the quality of democratic control over this policy.
- Redistribute human and material resources, in order to situate our external networks closer to the new centres of power and influence in the world.
- Enhance the existing instruments and the tools of public diplomacy (including Marca España and digital communication and diplomacy) that are necessary elements in our renewed, and radically changing, policy for external action. Among other aspects, this policy must take into account the management of networks and the continuing existence of traditional relationships with authorities and civil society in other countries.

## 4.2. Promote and project our values and interests

The global projection of Spain is the best way to promote our values and to protect our vital strategic interests. This projection should achieve the following goals:

- Contribute to building a model for legitimate, effective global governance. Spain's values and interests will be better protected within a rules-based international community with broad-based, legitimated organisations. A new governance model is needed to help ensure the peace, security and prosperity of the international community and the management of global challenges such as poverty, the environment, climate change, migration and food security.
- Contribute to the economic progress and modernisation of Spain. Both of these goals depend on a greater internationalisation of the Spanish economy, on the full incorporation of its companies, including SMEs, within the globalised world, on greater efforts in scientific research and technological innovation, and on a greater international projection of its executives and entrepreneurs. Only thus can the necessary changes be made to the economic model and thus determine our future well-being.
- To do so, our human and material resources will be redistributed, bringing our external networks closer to the new international centres of economic power.
- Make Spain more influential and more secure, enhancing bilateral relations and strengthening our presence in multilateral forums. Promoting the global role of the EU is crucial to this effort. In addition, ties with Latin America should be consolidated and the transatlantic relationship made even more substantive.

## 4.3. Place the citizen at the forefront of external policy

Public policies are increasingly oriented towards citizens, their needs and aspirations. External po-

licy used to be an exception to this, albeit only in part, when government activity was mainly focused on managing bilateral relations with other states and on participating in multilateral forums in which, again, the state was the only conceivable actor.

The world now emerging, as we have seen, reflects a progressive loss of state power and influence to private social groups and, in many cases, to individuals. This transformation is imposing a paradigm shift, the consequences of which are only beginning to become apparent. However, it is quite plain that any renewal of external policy must place citizens at the forefront, and include the following measures and priorities.

- Encourage citizens to take advantage of the opportunities offered by a world undergoing profound changes, facilitating access to networks and initiatives that incorporate and reflect these changes.
- Promote opportunities for participation, to incorporate the wishes and preferences of civil society into our external action, in particular as regards solidarity and the projection of our civic values.
- Provide as much information as possible, to facilitate the achievement of personal or professional projects involving travel or long-term displacement beyond our borders.
- Protect citizens' security, an essential precondition for any individual or collective initiative.
- Work to promote the social rights of the two million Spanish citizens working abroad, under very diverse systems of social protection.

## 4.4. Present ourselves globally as an advanced country

In the emerging international community, the old and the new will coexist. Relations will be based on networks and on complex processes, as well as on traditional alliances and bilateral relations. And interdependence will be present in all these relationship models, bringing about rapid transformations.



In this context, the ability to influence, to bend wills, goes far beyond what has traditionally been associated with “international power”. Military prevalence, the ultimate expression of the imposition of will, will continue to be important, and will sometimes be decisive. But the experience of recent decades has revealed the increasingly limited ability of this option to attain political objectives. The reason for this incapacity lies in the ever-greater complexity of problems, conflicts and social processes, which are seldom amenable to solutions imposed by a single instrument, however powerful it may be. In such a complex international system, power must also be able to persuade, rather than impose, and to influence perceptions, instead of exerting a direct influence.

During the next four years, external action will be increasingly directed towards providing our country with the capability to influence, by shaping and improving people’s perceptions of us and our actions. The national image is an asset and an instrument of enormous potential, that should be addressed in the following areas.

- Politics: Spain should seek to be perceived as a predictable, reliable, country, one that takes its commitments and alliances seriously and is committed to an advanced model of international community.

- The economy: we need to develop our image as a country that produces quality goods and services; as a country that is competitive, yet committed to a green, low-carbon economy, and is at the forefront of the knowledge economy.

- Social issues: we must develop the external view of Spain as a cohesive, well-structured society, which is open to the world and prepared to face the enormous challenges to come in the emerging international community.

- In the cultural sphere, it is necessary to reinforce the perception of our country as one that produces culture, ideas and new creations, at the forefront of innovation and at the same time committed to the preservation and transmission of our priceless heritage.

The most visible and emblematic part of this effort, although by no means the only one, is the Marca España project, an instrument designed to impact directly on the world of perceptions, both at home and abroad, and thereby enhance our ability to influence.

These four priorities are accompanied by a set of objectives that form the core of the external action.

# 5. Goals

Article 1 of Spanish External Action and Service Act 2/2014, of 25 March, states the following:

"The guiding principles of Spain's external policy are respect for human dignity, freedom, democracy, the rule of law and human rights. Spain's external policy is to defend and promote the observance and development of international law, and in particular to defend and promote respect for the principles of the United Nations Charter. Spain will promote projects for European integration and projects developed within the Ibero-American Community of Nations and multilateralism, as well as those of the international community."

These principles inspire and underlie all Spanish external action. They also constitute the basis for the political priorities listed above. They reflect the model of international community that underlies the political ideology of our country, which originated in our Transition to democracy and is shared by the vast majority of political and social forces.

Article 2 of the same Act sets out the following objectives for Spain's foreign policy:

- 1.- Maintain and promote international peace and security;
- 2.- Promote strong, legitimate multilateral institutions;
- 3.- Promote and consolidate political systems based on the rule of law and respect for fundamental rights and civil liberties;
- 4.- Fight against poverty, and express solidarity with developing countries and the economic and social development of all States;
- 5.- Defend the environment and protect biodiversity, combating climate change and reflecting concerns for food security;
- 6.- Eliminate weapons of mass destruction and

chemical weapons, and to actively commit to progressive disarmament worldwide;

7.- Create a Europe that is more integrated and more legitimate before its citizens, and which sets standards as a global player;

8.- Strengthen the Ibero-American Community of Nations;

9.- Ensure the safety and welfare of Spain and its citizens;

10.- Provide assistance and protection to Spanish citizens, and protect Spain's economic interests abroad;

11.- Promote Spain's economic interests abroad.

Foreign policy operates in various scenarios to achieve these priorities and objectives: in multilateral forums and also in bilateral relations with countries and groups of countries; through very general actions, such as negotiation on the management of global warming, and also via concrete ones, such as defending the rights and physical integrity of a Spanish national imprisoned in a foreign country.

Such widely varying policy concerns and areas of intervention call for a strategic vision to inspire and provide a common denominator to these contrasting factors. The priorities and detailed objectives set out above form the framework for this strategic vision.

## 5.1. Maintain and promote international peace and security

Preserving peace and security should be the first goal of the international community. Nothing can be achieved without this supreme good, and so this must be the overriding concern of the multilateral system, and of all international actors, States or otherwise.

Spain is in favour of peace and security throughout the world, but pays particular attention to the risks and threats most likely to affect this country and its partners and allies.

Since December 1988, more than 138,000 Spanish military and civilian personnel have participated in peacekeeping operations and humanitarian aid missions, in over fifty countries.

Each Spanish participation in an operation has a clear strategic goal. Thus, the operations Atalanta and Ocean Shield contribute to the freedom of navigation in the Indian Ocean; Sangaris, MINUSMA and EUTM in Mali; EUTM in Somalia; and EUFOR RCA in Central Africa all correspond to Spain's interest, and that of our partners in Europe and the Maghreb, in preventing the establishment of a band of jihadist territory from the Atlantic to the Indian Ocean that could destabilise North Africa.

Spain's presence in UNIFIL (Lebanon), EUFOR ALTHEA (Bosnia Herzegovina), ISAF (Afghanistan), UNOCI (Ivory Coast), as well as the deployment of Spanish troops in the Baltic region, in Poland and in Romania, all reflect Spain's resolute solidarity with our partners and allies.

Spain's participation in international missions is governed by the following basic principles:

- Internal consensus, which is secured by three elements: a UN resolution or one adopted by an international organisation to which we belong, or at the express request of the Government of the country in question; a decision by the Council of Ministers; and the approval of Parliament.
- Strict adherence to the mandate and to the mission objectives;

- Coordination and the fulfilment of undertakings given to our allies;

- In carrying out the mission, the Spanish force must have sufficient resources to ensure the safety of our personnel; this is our first operating condition. In this regard, let us recall that, tragically, 166 soldiers and 3 civilians have lost their lives in fulfilling their duty.

It should be noted that Spain's contribution to international peace and security is not limited to military missions, it also extends to multilateral action, preventive diplomacy, post-conflict efforts and the institutional and administrative capacity-building of the most vulnerable countries, to fight against transnational threats such as terrorism and organised crime, whatever form they may take. Special mention should be made of the construction and entry into operation of the UN Support Base at Quart de Poblet (Valencia), which is responsible for assuring telecommunications and IT services for UN missions.

In the next four years, Spain's contributions to peacebuilding will continue, especially through UN, EU or NATO-coordinated operations that contribute to our security or our foreign policy objectives. We are also firmly committed to working with the Organization for Security and Cooperation in Europe (OSCE), whose geographic scope and approach to cooperation on security are fully in line with Spain's priorities.

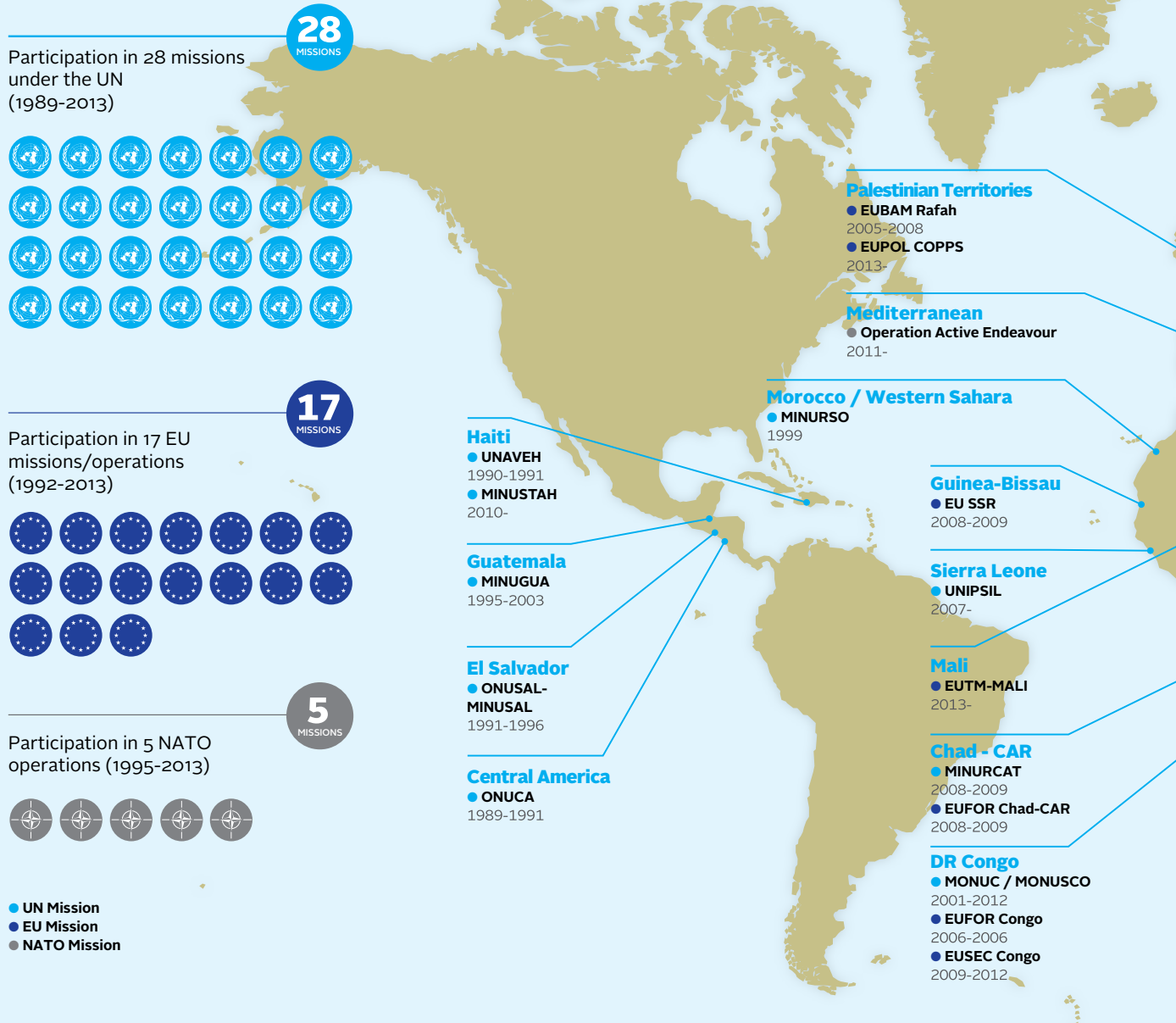
## 5.2. Promote strong, legitimate multilateral institutions

The international community is faced with the paradox that many of the problems to be solved, and many of the challenges to be faced, are global, but the legitimacy to do so and the means available remain national.

In the absence of the effective mechanisms of global governance that Spain favours, multilateralism remains the best instrument for dealing with this paradox.

Multilateralism is not a foreign policy objective. It is a means to achieve higher goals of this policy: a

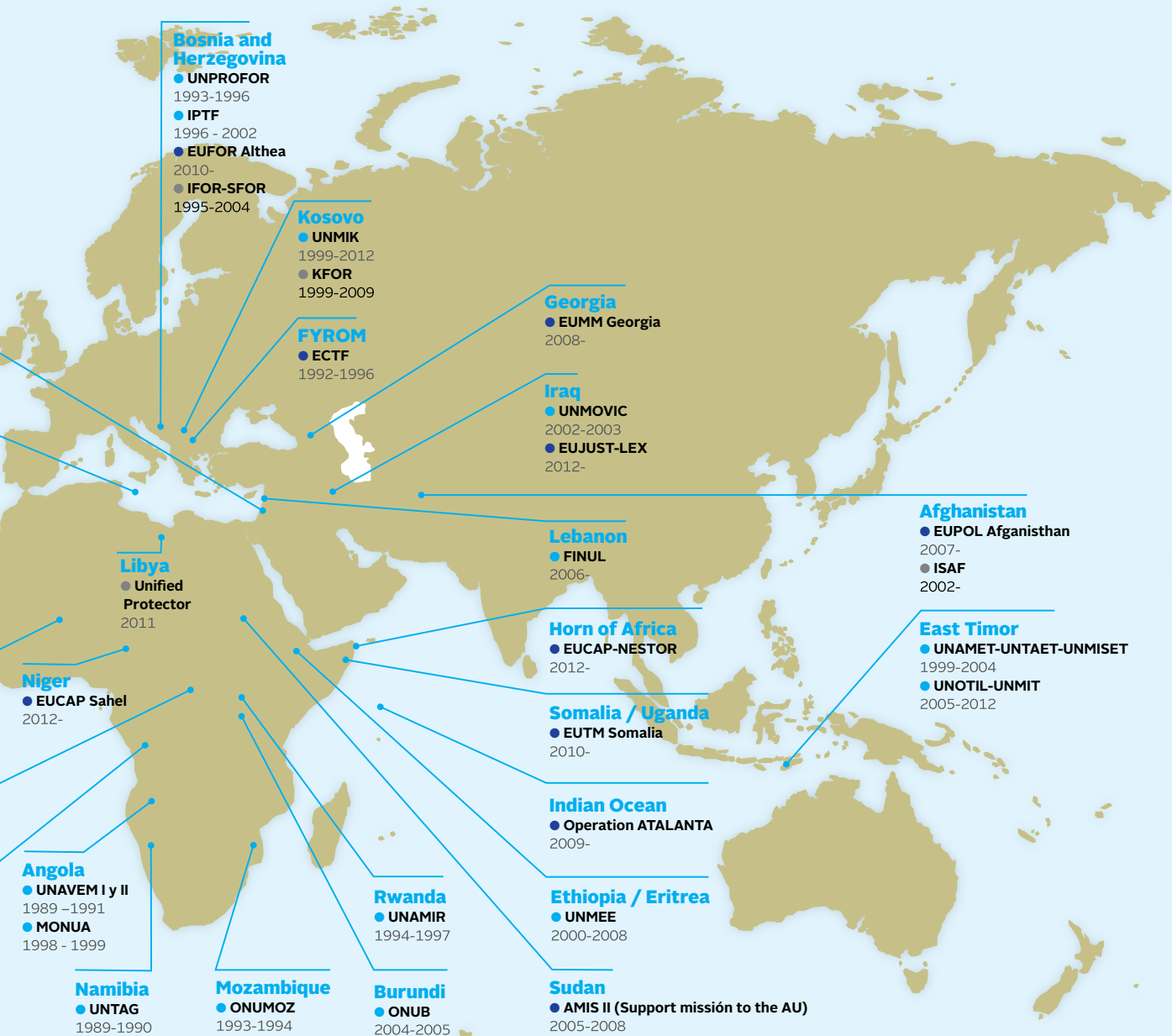
## SPAIN AND ITS CONTRIBUTION TO PEACEKEEPING IN THE WORLD 1989-2013



world that is prosperous and at peace, in which basic human rights are protected and development compatible with social cohesion and environmental conservation is encouraged.

The multilateral institutions inherited from the twentieth century, designed in the 1940s following the Second World War, must be reformed if we are to respond successfully in the twenty-first century to the needs of a rapidly changing world, in which countries like China and India are making remarkable progress, lifting hundreds of

millions of people from grinding poverty. Another country that has been transformed is Brazil, which has implemented ambitious programmes to combat poverty. These countries are now calling for multilateral institutions to be more representative of the new situation. At the same time, representation in these institutions should reflect the realities of the international arena, taking into account the substantial importance of countries like Spain.



But the rise of the South is a much larger phenomenon. Other countries, such as Indonesia, Mexico, Thailand, Nigeria and South Africa, are coming to be important players on the world stage. The emergence of these countries reinforces the arguments for undertaking the necessary reform of multilateral institutions.

Accordingly, Spain advocates a form of multilateralism that combines legitimacy and effectiveness. This principle has led us to define different objectives for different multilateral forums, always taking

into account the ultimate goal of achieving a legitimate, effective and comprehensive mechanism of international governance.

### The United Nations

The highest level of global legitimacy continues to be the United Nations, which is crucial to peace and international security, the promotion and protection of human rights and sustainable development.

The UN system mobilises about \$40 billion a year and employs some 80,000 people. Almost 100,000 UN peacekeepers are deployed in seventeen operations on four continents; the UN provides food to 90 million people and assistance to 36 million refugees; it actively combats poverty and in the last 30 years has helped 370 million people to escape from poverty and obtain a better life.

But the UN was born and came to maturity in a world that was substantially different from the one now emerging. It has rendered very important services to hundreds of millions of people, but to keep doing so, it must be reformed.

Spain believes the organisation must be realigned to equip it to face the new challenges that are arising. Such a reform would involve the following fields in particular:

**The Security Council.** Our aim is that the Security Council should be made more effective, representative, balanced and accessible, as well as more accountable and transparent. Its reform should be comprehensive and take into consideration all five issues that are currently being debated: the right of veto, regional representation, size, working methods and the relationship with the General Assembly.

Spain is in favour of increasing the number of non-permanent members, in an equitable geographical distribution and with long-term mandates, with the possibility of re-election. However, Spain does not believe the number of permanent members should be raised.

Neither does Spain accept the extension of the right of veto; its use should be limited to certain situations such as to prevent or combat heinous crimes. We believe the reasons for making use of the veto should be explained and that the number of vetoes required to block a decision should be increased.

**The instruments of preventive diplomacy.** Among other aspects, the reform we propose would promote **mediation** as an instrument to be applied in the cause of peace; the concept of **the responsibility to protect** should be developed and **the Alliance of Civilizations** strengthened as a forum for dialogue and understanding among different cultures, religions and ideologies.

**The institutional framework of the United Nations.** There must be greater consistency among the various UN agencies, funds and programmes related to development and to other policies such as human rights. Moreover, the UN presence must be made more effective, efficient and coherent in all countries where it operates. To this end, Spain has co-sponsored a UN resolution on system-wide coherence and will continue to work to achieve this goal and thus achieve an effective, flexible system.

### Specialised UN Agencies

Another pillar of the United Nations is that of its specialised agencies, funds and programmes set up to address global challenges in fields such as finance (IMF), trade (WTO), health (WHO), social issues (ILO), education (UNESCO), telecommunications (ITU) and agriculture (FAO).

Spain wants these agencies to be more effective, more transparent and better oriented towards their goals; to achieve this, they must be provided with new capabilities, both technological and administrative.

### New international forums

In conjunction with the UN system, our globalised, interdependent world uses various forums to tackle global problems more effectively. One such is the G-20, which has been instrumental in managing the response to the international financial crisis, enabling consensus to attain short and medium-term solutions, in areas such as economic growth, financial regulation, taxation and the need to preserve and promote international trade and investment flows.

The leading role of the G-20 reflects the change that has taken place in the institutional architecture, which is now more representative and includes the major emerging powers. Spain considers that the G-20 should focus on the important work it performs as the world's major forum for international economic cooperation.

### Regional organisations

Among the most significant regional organisations are the Council of Europe and the OSCE. The first of these supervises various international agreements to which Spain attaches the utmost importance. The OSCE must work for a careful balance between its three fundamental dimensions – poli-



tical-military, economic-environmental and human affairs – in order to fully realise its potential.

### **Spanish presence within multilateral institutions**

Finally, the question of Spain's representation within international organisations has been a matter of constant concern. Although the numbers of Spanish nationals employed in multilateral institutions have increased in recent years, and moreover within an environment of a generalised reduction in staffing levels, their presence still does not correspond, in number or level of responsibility, to the international role played by this country.

Our aim, therefore, is to increase the number of Spanish citizens in international organisations, and for them to occupy positions of responsibility. To this end, a global action plan, taking into account the particular characteristics of each international organisation, will be drafted.

## **5.3. Promote the rule of law, fundamental rights and civil liberties**

Within the international community, promoting democratic political systems based on the rule of law is a fundamental, almost natural, reflection of our constitutional model as part of our foreign policy. It transmits the conviction that democracy is the best possible system of government, and the one best suited to meet the aspirations of the citizens of any country, regardless of their cultural identity. It also reflects the conviction that an international community made up of democratic systems is one that is more stable, more peaceful and more secure.

Using foreign policy as a means of promoting the democratic ideal is a task for the long haul. There is no question of applying “institutional engineering”, which experience over the last two decades has proved to be futile, if not actually counterproductive. Less still do we seek to interfere in other countries' affairs – such an action is hardly ever understood. The promotion of democracy is quite distinct from policies and actions adopted in response to humanitarian crises or situations in which human rights are being massively violated. Essen-

tially, it means providing resolute support for the construction of democratic systems where this is the choice of the citizens of a particular country. And it means offering our institutional support and counsel in situations of transition towards democracy. Finally, it means opting for a particular type of international governance, that which is based on the greatest possible legitimacy.

A parallel issue, but one that must be clearly distinguished, is that of foreign policy regarding the promotion and defence of human rights and basic freedoms. This is quite a different question from the promotion of democracy. Here, what is at issue is the situation of human beings in particular and the belief that these rights are universal, and should be respected regardless of the constitutional choice of political system in which they live.

Therefore, the promotion and defence of human rights are included in our foreign policy for a two-fold reason: ethical and political. On the one hand, external action projects an identity, which in our case is based on the conviction that human beings, and their inherent dignity, are inviolable. On the other hand, experience has shown that situations of systematic violations of basic rights usually degenerate into violent conflict and endemic instability. In other words, the promotion of respect for these rights within the international community promotes our own security, prevents and anticipates crises and armed conflicts, and, ultimately, enhances our situation by enhancing that of others.

The importance of human rights in foreign policy was evoked by the Congress of Deputies in February 2012, when it approved a non-legislative proposal that committed the Executive to implementing the Second National Human Rights Plan, with concrete measures of foreign (and domestic) policy concerning the promotion and protection of human rights.

The concept of human rights has evolved considerably since the adoption of the Universal Declaration in 1948, and the idea has been raised that successive “generations” of rights should be recognised and protected. Spain's foreign policy reflects these evolving perceptions and, together with the promotion and protection of basic rights, sets out the following priorities:

- Opposition to capital punishment
- Action to combat discrimination based on gender, sexual orientation and gender identity

## RELIGIOUS FREEDOM

The manipulation of religious sentiment and belief is a factor of conflict in the international community, as is the exclusion or marginalisation of non-majority faiths. Only religious freedom, respect for diverse beliefs, and inter-faith dialogue can lay a sound foundation to address and resolve this problem.

In Spain, the 1980 Religious Freedom Act created a framework for promoting values associated with tolerance and respect for religious beliefs. This framework inspires our international action in this area and contains the following main elements:

- If they wish, religious organisations may have legal personality.
- The Advisory Committee on Religious Freedom, in which Government representatives, religious groups and experts in the field have equal representation. The Government may submit any issue for its consideration. Through this advisory body, the religious denominations are actively involved in the management of religious freedom.
- The Foundation for Pluralism and Coexistence. This agency funds projects aimed at the social, educational and cultural integration of religious denominations.
- The Observatory of Religious Pluralism in Spain. This internet portal ([www.observatorioreligion.es](http://www.observatorioreligion.es)) has been hailed by the European Commission as an example of best practice in the fight against discrimination on the grounds of religion or belief. Its aim is to provide tools for the management of religious diversity, particularly at the local level. Participation in international initiatives such as the King Abdullah bin Abdulaziz International Centre for Interreligious and Intercultural Dialogue (KAICIID), based in Vienna and promoted by Austria, Spain and Saudi Arabia. In addition, Spain maintains a permanent position in various international forums in defence of religious freedom.

- The rights of persons with disabilities
- The human right to drinking water and sanitation
- Business and human rights
- Defenders of human rights.

## 5.4. Combat poverty and act in solidarity with developing countries

Poverty affects more than 2.2 billion people. It is the world's major problem and is at the heart of many of the problems facing humanity. To give just one example, irregular immigration is mainly the outcome of people seeking to escape from the poverty in their home countries.

Let us make it clear: poverty is not only an economic problem; it is, above all, a political one. For a country to emerge from poverty, there must be conditions of peace, security and good government, and these must be achieved through policies to promote education, health and empowerment, thus enabling the emergence of a middle class, something that has hitherto been absent from most poor countries.

### Does globalisation lead to growth?

In recent years, the world economy has undergone a substantial process of deregulation and liberalisation. Unlike what happened immediately before the First World War, this process has affected not only the industrialised countries but also the developing ones, although not all have advanced to the same degree.

Some emerging countries have grown faster than the advanced economies. Thus, China, India, the former 'Asian Tigers' (South Korea, Singapore and the territories of Hong Kong and Taiwan), and other countries in this region (such as Vietnam, Philippines and Malaysia) have grown substantially. This is also true of Latin American countries such as Brazil, Chile, Colombia and Peru.

Unfortunately, other developing countries – greater in number but smaller in population – are further behind the richer ones than ever. In most of them, life expectancy is falling, due to pandemics, vulnerability to adverse climate events and a re-

duced ability to recover from natural disasters. Most of these countries are in sub-Saharan Africa, although they are also present in Asia, Latin America and the Caribbean.

The developing countries that have grown most are those which have most rapidly become integrated into the global economy, while those which have achieved least growth have done exactly the opposite. In recent years, foreign direct investment has been directed towards the most open countries, while those which have chosen the contrary option remain without access to this source of funding.

It should be noted that the growth in the global economy has increased employment by less than might have been expected: for each added percentage point of GDP, employment has increased by just 0.3%, according to the UNDP. This correlation is very worrying, in view of the fact that over 200 million people worldwide have no work of any kind, according to the International Labour Organization, while many millions more, who are statistically “employed” are in fact working in very precarious situations.

### **Does globalisation increase world poverty?**

It is commonly claimed in the anti-globalisation discourse that globalisation has made the rich richer and the poor poorer.

The statistics do not support this view. According to Srjit S. Bhalla, director of Oxus Research and Investment in Delhi, the poverty rate fell from 56% in 1950 to 9% in 2000. In the 1990s alone, global poverty decreased by 25.6%. According to the World Bank, between 1990 and 2010, the percentage of the world's population living on \$1.25 a day fell from 43% to 20% and by 2015 it will have been reduced to 16%.

### **Poverty and quality of life**

The above statistics define poverty in terms of a certain income level. It is clear, however, that monetary income is not the most significant index for measuring human welfare; the most important indicators are those reflecting the quality of life.

Some years ago, the UN popularised the use of the Human Development Index (HDI), based on three key indicators: per capita income, longevity and literacy. According to its 2013 HDI report, The real

wealth of a nation is its people, Norway, Australia and the United States head the ranking of 187 countries and territories, while the Democratic Republic of the Congo, ravaged by conflict, and Niger, affected by drought, recorded the lowest values.

According to the same report, “Over the past decades, countries across the world have been converging towards higher levels of human development.... All groups and regions have seen notable improvement in all HDI components, with faster progress in low and medium HDI countries. On this basis, the world is becoming less unequal”.

When the HDI is adjusted for internal inequalities in health, education and income, some of the wealthiest nations drop sharply in the rankings: the USA falls from third to sixteenth, while Korea falls from twelfth to number 28. Sweden, by contrast, rises from seventh to fourth place.

An even more comprehensive indicator is the International Human Suffering Index, which incorporates ten variables: life expectancy, calorie intake, drinking water, infant immunisation, secondary schooling, per capita income, inflation, communication technologies, political freedom and civil rights.

The data show that, in the last forty years, in the poorest countries, longevity has increased, infant mortality has decreased, literacy rates have risen and there is more generalised access to clean drinking water.

### **Poverty and inequality**

As a result of globalisation, the poor are better off than a few years ago, but the rich have become even more affluent. The income of the relatively well off sectors of the population has increased faster than that of the poor, thus increasing inequality both in advanced economies and in developing countries.

What has happened in the world in terms of income distribution? What about fairness? Has inequality increased or decreased? The answers to these questions are more complex than those relating to poverty because they involve three different concepts of inequality: among countries, among the world's citizens as a whole and among those from a single country.

Inequality among countries is measured by the

inequality of the average income in each country, regardless of its population. When measured this way, inequality among countries has increased in recent decades. The average income of the advanced nations has continued to rise in recent years, while that of the poorest countries has declined.

The index measuring inequality among countries is useful for calibrating development cooperation policies because it reflects the use made by beneficiary countries of the resources they receive.

The fact that inequality among countries has increased does not necessarily mean that it has also increased among the world's citizens. The first case has been described as that of "divergence, big time", but one may also talk in terms of convergence, because income distribution worldwide has become more equal than in the 1970s, spurred by the economic growth of a few very populous countries such as China, India and Vietnam.

Inequalities within individual countries have increased in recent years, both in developed and in developing countries. In other words, the benefits of growth, even in countries that have chosen different models of development, have widened the gap between rich and poor, both in the USA and in Nigeria, to give two extreme examples.

Obviously, a certain degree of inequality reflects different levels of effort and productivity, but it is equally obvious that excessive economic disparities result in economic inefficiencies that prevent countries from taking full advantage of economic integration. When disparities between different population groups are too large, citizens cannot take full advantage of the country's investment in education, health and social services.

Inequality hampers development, and governments that are unresponsive to the needs of their citizens and to opportunities to achieve inclusive growth, with political participation, risk losing their legitimacy.

### **The international fight against poverty**

In 2000, the UN member countries pledged that by 2015, specific targets termed the Millennium Development Goals (MDGs) would be achieved.

UN member states are currently negotiating the Post-2015 Development Agenda, which includes new goals, the Sustainable Development Goals (SDGs) which will replace the MDGs, and is expected to be approved by the General Assembly in September 2015.

The main aim of the MDGs was to achieve the reduction of extreme poverty, and they were focused

## MILLENNIUM DEVELOPMENT GOALS

### **Goal 1: To eradicate extreme poverty & hunger**

- Halve, between 1990 and 2015, the proportion of people whose income is less than \$1.25 a day.
- Achieve full and productive employment and decent work for all, including women and young people, and forthrightly reject child labour.

### **Goal 2: Achieve universal primary education.**

- Ensure that, by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling.

### **Goal 3: Promote gender equality and empower women**

- Eliminate gender disparity in primary and secondary education, preferably by 2005, and in all levels of education no later than 2015.

### **Goal 4: Reduce child mortality.**

- Reduce by two thirds, between 1990 and 2015, the under-five mortality rate.

### **Goal 5: Improve maternal health.**

- Reduce by three quarters, between 1990 and 2015, the maternal mortality ratio.
- Achieve, by 2015, universal access to reproductive health.

### **Goal 6: Combat HIV/AIDS, malaria and other diseases.**

- Have halted by 2015 and begun to reverse the spread of HIV/AIDS
- Achieve, by 2010, universal access to treatment for HIV/AIDS for all those who need it
- Have halted by 2015 and begun to reverse the incidence of malaria and other major diseases.



*Workshop in Comayagua (Honduras), financed by the AECID.*

**Goal 7: Ensure environmental sustainability**

- Integrate the principles of sustainable development into country policies and programmes and reverse the loss of environmental resources
- Reduce biodiversity loss, achieving, by 2010, a significant reduction in the rate of loss
- Halve, by 2015, the proportion of the population without sustainable access to safe drinking water and basic sanitation
- Achieve, by 2020, a significant improvement in the lives of at least 100 million slum dwellers.

**Goal 8: Develop a global partnership for development.**

- Develop further an open, rule-based, predictable, non-discriminatory trading and financial system
- Address the special needs of least developed countries

- Address the special needs of landlocked developing countries and small island developing States (through the Programme of Action for the Sustainable Development of Small Island Developing States and the outcome of the twenty-second special session of the General Assembly).
- Deal comprehensively with the debt problems of developing countries
- In cooperation with pharmaceutical companies, provide access to affordable essential drugs in developing countries
- In cooperation with the private sector, make available benefits of new technologies, especially information and communications.

exclusively on developing countries. The SDGs also incorporate the objectives of development cooperation and have a more universal scope.

The MDGs were structured into 8 goals, 21 targets and 60 indicators to be achieved by 2015. The SDGs will follow a similar approach, with a short list of goals (ideally no more than 10), that are easy to communicate and with different commitments for different countries, with an initial horizon of the year 2030.

The SDGs include the MDGs in which least progress has been made, together with new areas such as inequality, governance, human rights, inclusive economic growth, access to energy and environmental sustainability.

In this context, Spain is committed to an ambitious, balanced agenda that incorporates elements of the MDG programme and addresses the new challenges that have been identified, seeking to ensure that no one is left behind and to reconcile human development – as part of comprehensive sustainable development – with the ultimate goal of eradicating poverty and ensuring environmental sustainability.

Spain has made a key contribution to this new agenda, emphasising the issues that Spanish society holds especially dear: human rights, gender equality, food security, water and sanitation. At the same time, we have advocated the idea that continuing efforts should be made to meet the Millennium Development Goals by 2015, even as the new agenda is being established. Only thus can real, comprehensive sustainability be achieved.

The Sustainable Development Goals will be funded by Official Development Assistance, together with domestic resources and private contributions.

## **5.5. Protect the environment and biodiversity and fight climate change**

Among other objectives, Spain's foreign policy must include environmental protection and the fight against climate change, in order to help achieve items of global public good, which by their very

nature, are the responsibility of the international community. These are global challenges and an adequate response can only be found in the global context.

Responding effectively to environmental challenges is also essential if sustainable social and economic development is to be achieved. The basic framework in which to undertake such a response must be that of the United Nations, through its numerous programmes, conventions and other international instruments, on a sectoral basis, addressing problems associated with the protection of biodiversity, air quality, waste management, water supply and distribution, etc. Our aim, therefore, is to promote the effective performance of the environmental commitments made within the United Nations.

In this regard, Spain must act within the context of the European Union, which leads international negotiations on environmental issues.

Climate change is the paradigm of the global challenge we must face, both in its causes and its effects. The main framework for action in this respect, once again, must be the UN, and in particular its Framework Convention on Climate Change.

Again, Spain's natural area for action in this matter is the EU, which is very active in addressing sustainability and climate change, setting targets for reducing the emissions of greenhouse gases, promoting energy efficiency, low-carbon sources of energy, etc.

Spain has endeavoured to meet the targets set in the UN Convention on Climate Change and in the Kyoto Protocol, and to promote the development of renewable energy.

At the international level, Spain has positioned itself as a major player in the field of alternative energy, with various world-leading companies in this area. Furthermore, the Spanish economic model is being reoriented towards a less energy intensive and more sustainable approach.

One of the cornerstones of European and Spanish policy to reduce emissions is the development of international carbon markets. Setting a price on the emissions of greenhouse gases, and relating this to different reduction obligations, is a useful and effective means of encouraging emissions reduction.

Accordingly, Spain has turned to the international carbon markets in order to reduce the overall balance of our emissions. In return, and in cooperation with various international financial institutions, we have promoted “green projects” in third countries. This new scenario in the international fight against climate change requires the development of new instruments for external action in this regard, as well as the enhancement and strengthening of existing ones.

In addition, Spain must pay very careful special attention to the coastal effects of climate change. This threat is directly associated with rising sea levels, increased water temperature, acidification and changes in tide and wave patterns. Another question of great significance for our country is the threat of desertification, with the associated loss of biodiversity.

## 5.6. Arms control: eliminate weapons of mass destruction and limit conventional arsenals

The proliferation of weapons of mass destruction (WMD) – nuclear, chemical and biological – and their delivery systems poses a serious threat to international peace and security. The proliferation of these weapons is at the root of many conflicts and intensifies their danger. By definition, WMD constitute a global risk, threatening the world’s order and stability.

The threat posed by this proliferation is characterised by its complexity and its ability to self-transform in response to actions taken by national governments. This adaptability is the result of factors such as technological developments, the possibility of dual use of materials and technologies, the exploitation of trafficking routes, the difficulty of identifying the origin of the actors, the use of new information technologies and social networks and the appearance of sources of proliferation other than the traditional superpowers, particularly in

## CLIMATE CHANGE AND INTERNATIONAL COOPERATION

Spain plays an important role in international cooperation on climate change, especially in its relations with Latin America through the work of the Ibero-American Network of Climate Change Offices (RIOCC). This network provides an informal, technical space for exchanging experiences and an opportunity to identify synergies and opportunities for support among all countries promoting North-South and/or South-South cooperation and triangular cooperation on climate change.

In association with UNEP, Spain is promoting the REGATTA project (Regional Gateway for Technology Transfer and Climate Change Action), aimed at capacity building and the promotion and exchange of knowledge in Latin America and the Caribbean on technologies and experiences concerning climate change.

flashpoint areas where regional rivalries are intense. Proliferation poses a threat to diverse actors and structures within a State, which are especially vulnerable because of their dependence on new technologies in the management of infrastructure, or because of global characteristics of logistics, transport and trade.

For all these reasons, a global, regional and national strategy of response must be established, based on international cooperation and multilateral action. In consequence, Spain’s foreign policy represents an essential element of the global strategy to combat the proliferation of WMD and conventional weapons.

### Global, regional and national strategies.

The system established to ensure the non-proliferation of WMD rests upon a series of international

1. The Treaty on the Non-Proliferation of Nuclear Weapons, the Chemical Weapons Convention, the Biological and Toxin Weapons Convention and the Comprehensive Test Ban Treaty, among others.

2. Resolution 1540 against the proliferation of WMD to non-State actors, Resolution 2117 (2013) against the illicit trade in small arms and light weapons, and resolutions imposing sanctions on countries such as Iran and the Democratic People’s Republic of Korea and Iran.

treaties<sup>1</sup>, together with UN Security Council<sup>2</sup> and General Assembly<sup>3</sup> resolutions, and other agreements and legal instruments that may not be specifically designed to combat proliferation but which contain relevant provisions<sup>4</sup>.

Regionally, the European Union has adopted two specific strategies. In 2003, the “EU Strategy against Proliferation of Weapons of Mass Destruction” set out a list of measures to be adopted in the EU and in third countries to combat such proliferation. This Strategy was updated in 2008 by the document entitled “New lines for action by the European Union in combating the proliferation of weapons of mass destruction and their delivery systems”, which declared that non-proliferation is an essential part of the Common Foreign and Security Policy. In 2005, moreover, the European Council adopted the “EU Strategy to combat the illicit accumulation and trafficking of small arms and light weapons and their ammunition”.

Spain is actively engaged in international forums and systems for arms control and disarmament<sup>5</sup>, and participates in structures created to control the transfer of weapons and other defence equipment and of dual-use products and technologies<sup>6</sup>. Spain also participates in initiatives and international forms of international cooperation to combat the proliferation of WMD<sup>7</sup>. Spain is also party to various international conventions to eradicate weapons that violate international humanitarian law and human rights<sup>8</sup>.

Spain's National Security Strategy policy document views the proliferation of WMD as a major threat to national security and defines it as an area of priority attention, setting out policy objectives and the corresponding lines of strategic action.

The transformative nature of this threat requires us to design a foreign policy strategy for non-proliferation and disarmament that can be adapted to changing circumstances and security contingencies, and to the different strategic environments faced, in Europe, the Mediterranean, Latin America and North Africa. Furthermore, Spain's membership of various security organisations<sup>9</sup> that are active in this field entails responsibilities and duties, both internationally and on the domestic stage.

### Strategic goals and actions

The main aim of Spanish foreign policy in this area is to prevent the proliferation of WMD and to promote disarmament and arms control. To achieve this goal, strategic lines of action must be established and put into practice.

#### Strategic goals

Three strategic goals have been identified:

**Goal 1:** In accordance with the National Security Strategy, to prevent the proliferation of WMD, to prevent terrorist access to chemical, biological, radiological and nuclear materials and to protect the population.

**Goal 2:** To promote international peace and stability through the promotion, adherence to and implementation of treaties and other international instruments for disarmament and weapons control, including weapons that violate international humanitarian law and human rights (Arms Trade Treaty, Convention on the Prohibition of Anti-Personnel Mines, Convention on the Prohibition of Cluster Munitions, Convention on the Prohibition of Certain Conventional Weapons.)

3. United Nations Programme of Action against Illicit Traffic in Small Arms and Light weapons, and the International Tracing Instrument on Small Arms and Light Weapons.

4. 2005 Protocol to the Convention for the Suppression of Unlawful Acts against the Safety of Maritime Navigation, the 2010 Convention for the Suppression of Unlawful Acts Relating to International Civil Aviation (the Beijing Convention) and the UN Protocol against illicit manufacturing of and trafficking in firearms, their parts and components and ammunition, adopted in Resolution 55/255 of the General Assembly in 2001 and which entered into force in 2005.

5. 1990 Treaty on Conventional Forces in Europe, which entered into force in 1992; the 2011 Vienna Document (the Open Skies Treaty), which entered into force in 2002.

6. The Australia Group, the Nuclear Suppliers Group, the Zangger Committee, the Wassenaar Arrangement and the Missile Technology Control Regime.

7. Proliferation Security Initiative, the Global Initiative to Combat Nuclear Terrorism, the G8 Global Partnership Against the Spread of Weapons and Materials of Mass Destruction, the Global Health Security Agenda and the system of Nuclear Security Summits.

8. Such humanitarian disarmament agreements include the Convention on the Prohibition of Anti-Personnel Mines, the Convention on Cluster Munitions and the Convention on Prohibitions or Restrictions on the Use of Certain Conventional Weapons which may be Deemed to be Excessively Injurious or to Have Indiscriminate Effects.

9. OTAN and OSCE



**Goal 3:** To reinforce systems of arms control and disarmament in regions of strategic importance for Spain, such as Europe, Latin America, the Mediterranean and North Africa.

Líneas de Actuación

### Actions

To achieve these strategic goals, different lines of action are proposed, setting out the actions to be taken by the External Service in this respect. These actions will be carried out in accordance with the priority assigned to each goal and the resources available.

Prevent the proliferation of WMD, prevent terrorist access to chemical, biological, radiological and nuclear (CBRN) materials and protect the population. To do so, we must:

- Strengthen international treaties subject to international law, and treaties with related clauses, through full national implementation and the promotion of multilateral cooperation.
- Actively participate in relevant organisations, forums and international systems, and collaborate in programmes to control the transfer of arms and dual-use technology and equipment.
- Cooperate with other States and major strategic partners in working to prevent, deter, halt and, where possible, eliminate the proliferation of WMD, and support preventive and punitive measures to combat the illegal financing of proliferation.
- Promote the full, effective implementation of UN Security Council Resolutions, in particular Resolution 1540, against the proliferation of WMD and their delivery, to prevent them from being acquired by non-State actors.
- Actively participate in initiatives to combat the proliferation of WMD and CBRN risks.
- Support international efforts to limit the proliferation of long-range missiles, capable of being used to launch WMD.
- Enhance Spain's coordination with other departments and stakeholders to combat the proliferation of WMD. In particular, this means:
  - Heightened commitment to and active par-

ticipation in policies and practices aimed at controlling the export of dual-use products and technologies, including the transfer of knowledge, technology, goods and equipment.

- Support for actions to locate, control and intercept illegal traffic in such products and technologies, whether national or international.
- Improve national and international capacity to prevent and respond to possible terrorist attacks with CBRN materials, in cooperation with our partners, allies and other countries of strategic interest.
- Develop and update National Plans for preventing weapons proliferation and alleviating CBRN risks.
- Foster strategic information disclosure in civil, scientific and academic society and awareness-raising programmes for all stakeholders in the fight against weapons proliferation.

To promote international peace and stability through the promotion, adherence to and implementation of treaties and other international instruments for disarmament and weapons control, including weapons that violate international humanitarian law and human rights. To do so, we must:

- Strengthen multilateral treaties and agreements on disarmament and non-proliferation, ensuring their full implementation at the national level, and promote multilateral, regional and bilateral cooperation, working for full implementation worldwide.
- Promote, support and actively participate in treaties, conventions, agreements and multilateral initiatives to combat the illicit trafficking of small arms and light weapons, a common factor underlying the threats posed by terrorism and transnational organised crime.
- Reinforce humanitarian disarmament agreements and cooperation aimed at restricting or eliminating especially harmful or indiscriminate weapons, which hamper the development of societies and inflict grave damage on civilians in armed conflict, in violation of international humanitarian law.
- Support humanitarian actions related to security, such as programmes to eliminate explosive weaponry, to clear areas contaminated with

mines or other explosives, to destroy weapons arsenals and to support the victims of mines, cluster munitions and other explosive remnants of war.

- Remain committed to international and regional initiatives on demining and to providing care for victims of antipersonnel mines, through trust funds to support demining and disarmament initiatives, and through regional or bilateral agreements.

***Reinforce systems of arms control and disarmament in regions of strategic importance for Spain, such as Europe, North Africa and the Mediterranean. To do so, we must:***

- Promote stability by compliance with the applicable arms control treaties in the Euro-Atlantic area and by promoting their implementation by other countries, with particular respect to sub-regional conflicts<sup>10</sup> where an excessive accumulation of weapons may have major implications for Spanish and European security.
- Strengthen measures to build confidence and security in the Euro-Atlantic area, increasing transparency and predictability through cooperation with partners and allies in regional organisations such as NATO and OSCE.
- Promote stability in North Africa, the Mediterranean and Latin America through multilateral, regional and bilateral cooperation to strengthen arms control capabilities, regarding both conventional weapons and WMD and related technologies.

## **5.7. Build a Europe that is more integrated, more legitimate and a global figure of authority**

The European Union is our natural vocation, the best way to make Spain more prosperous and secure. This is why Spain should actively contribute

to building an ever closer union among the peoples of Europe.

Within the Union, this priority is reflected in our endeavours to make Europe more integrated, more legitimate, more approachable and more accountable to its citizens. Opinion surveys show that Europeans are less confident than before that the EU can meet their daily needs, reduce unemployment, raise their standard of living or secure their future pension. At the same time, they believe that European institutions are too remote from citizens and that their situation is one of “democratic deficit”.

The process of European integration also requires the Union to become a global player. Tomorrow’s world will be a better one with a Europe that is united. In the coming international community, any European country acting alone is predestined to irrelevance – although perhaps seeking comfort in the belief that all is “relative”. Only by ensuring that the Union becomes a truly global player, with political weight and world influence, will we be able to make a difference in the world to come.

The outcome of our process of European integration should be political union, a federal union, the United States of Europe, and not a mere union of sovereign states. This process is one to be carried out in phases or stages, but the ultimate goal must be clearly defined at the outset.

Each of these phases calls for important reforms, as detailed below. Some may be made in accordance with the legal basis established under the existing Treaties, while others will require changes to primary legislation. But what is most important now is not whether the treaties should or should not be reformed. The crucial point is to reach an agreement on the process, the timing and the pace of reform, and to maintain sufficient flexibility to respond appropriately to changing circumstances.

In any case, we have already advanced so far that backtracking is not an option. Few dispute whether or not we should integrate more; the real debate revolves around how and when. Only integration enables us to foresee a future of growth, stability and the creation of a favourable climate for business.

10. This is one of the main sources of illicit arms movements towards organised crime and terrorist groups, including small weapons and WMD and related technologies. Subregional conflicts also generate humanitarian crises, provoke military interventions and lead to uncontrolled migratory flows.

### 5.7.1. Strengthen the Economic and Monetary Union

The economic crisis in Europe has also been a political one, a crisis of confidence. And we will only be able to prevent such crises in the future if we finalise certain capital projects that have only got half way, such as the Economic and Monetary Union, to get Europe really working and to be viewed, once again, as a source of prosperity.

The way forward calls for a complete system design, to obtain a stable, prosperous Economic and Monetary Union and an institutional architecture that is consistent with the changes that have taken place in our economic structure since the creation of the single currency.

But having a clear idea of the final design does not mean it need be activated in a single step. The European Union, since the Schuman Declaration, has been built step-by-step, in stages. And crucially, this final design must conform to rock-solid economic criteria, complementing the convergence criteria set out in the Maastricht Treaty.

Henceforth, the process of European integration should proceed in three respects, to be addressed in successive phases:

- The first phase would consist in eliminating past excesses and establishing monitoring and control mechanisms to ensure that such excesses are not repeated. Thus, work must be continued within the framework of the European Semester to ensure the homogeneous application of the Excessive Deficit Procedure and of the Macroeconomic Imbalances Procedure, and to perform systematic reviews of compliance with the specific recommendations made for each country and for the eurozone.

It is also necessary to secure the proper application of the specific supervision mechanisms for the eurozone.

Finally, within the Banking Union, the Single Supervisory Mechanism must be properly implemented.

- A second phase would consist in creating financial mechanisms and an economic agreement that would allow a limited degree of solidarity, strictly conditional on the existence of

control mechanisms to ensure fiscal and budgetary discipline.

- The third phase would lead to the establishment of a genuine fiscal and economic union governed by a body endowed with real powers. Obviously, this would require amendment of the Treaties.

The so-called sovereign debt crisis was essentially a crisis of confidence in the euro. Strengthening the Economic and Monetary Union was a key element in restoring confidence, but the process must be continued in order to achieve a genuine Economic and Monetary Union, one that is a source of growth and prosperity and ensures that a crisis of this nature cannot reoccur.

The member states of the eurozone have most to gain from achieving a stable and effective EMU. However, its existence will affect all, including those which have not yet adopted the single currency, but intend to do so, and also those which have no such plans. For this reason, the reforms should be undertaken, whenever possible, within the framework of the 28 EU Member States.

#### **Reinforce the role of the European Central Bank**

The main goal of the European Central Bank is to maintain price stability. In recent times, in order to ensure the smooth operation of mechanisms for the transmission of monetary policy, it has resorted to programmes of purchasing government bonds in the secondary market, and is now implementing a covered bonds purchasing and securitisation programme. In addition, it has conducted special three-year liquidity injection operations.

In the medium term, and without prejudice to its main goal of assuring price stability, the ECB could assume the role of lender of last resort, under similar conditions to those applied by other central banks, in order to support “the general economic policies contributing to the achievement of the Union's objectives as laid down in Article 3 of the Treaty on European Union” (Art. 127 TFEU).

#### **An integrated financial framework**

European financial markets must become more efficient in the allocation of credit and in making resources available to businesses and families. Therefore, steps must be taken to improve the performance of these markets, and the first of

these steps is to achieve a genuine banking union.

Apart from the decisions that have already been taken, the following six steps are necessary:

- Complete the drafting of a “single regulatory system” to definitively harmonise European regulations for financial markets, facilitating their integration and making the rules applicable to them genuinely equivalent.
- Reinforce the ECB, so that it may properly supervise the banking sector.
- Ensure that the Single Resolution Mechanism is fully operational as and when provided for in Regulation 806/2014, establishing this Mechanism. With the approval of this Mechanism, which complements the provisions of the Directive for the Recovery and Resolution of Credit Institutions and Investment Firms, a very significant step has been taken to ensure that the taxpayer ceases to bear the burdens of a resolution, and the situation becomes, instead, one in which the risk is borne by investors and by the creditors of the entities; in international financial terminology, bail-in rather than bail-out will be installed.
- Advance towards a common deposit guarantee system that is pre-funded by the financial institutions themselves, in order to obtain a specific financial instrument, at the European level, to protect depositors in the event of an entity's liquidation.
- Constitute the European Single Bank Resolution Fund, also to be pre-funded by the financial institutions themselves, in the timeframe established in Regulation 806/2014, constituting the Single Resolution Mechanism.
- Create a common support mechanism to ensure that the European Single Bank Resolution Fund has access to additional funding if necessary, and to secure systems of bridging finance in the transitional period.

### **An integrated budgetary framework**

In recent years, important measures have been adopted to reinforce budgetary discipline and to correct macroeconomic imbalances. What is now needed is to ensure their proper implementation and in the case of the Macroeconomic Imbalances

Procedure, to ensure, moreover, that it is a true early warning mechanism, alerting us to the risk of future imbalances.

A very appropriate instrument for reinforcing budgetary discipline is provided by the Common Provisions Regulation 473/2013, by which the European Commission may review draft budgetary plans before they are sent to national parliaments, and may request the inclusion of additional measures if there is a risk of non-compliance with fiscal targets. The proper implementation of this coordination mechanism and its uniform application throughout the eurozone should be ensured, without distinction, in order to maintain the effectiveness of the Stability and Growth Pact.

Once strict budgetary coordination has been achieved, then the expression of financial solidarity through the issuance of euro bonds can be considered.

Progress towards formulas for the mutualisation of debt should in any case be progressive, and conditional on the existence of stringent fiscal controls to prevent countries with slack fiscal discipline from benefiting unfairly from the solidarity of others.

If such fiscal controls are properly constructed, and strictly applied, the above-mentioned moral hazard problem will be avoided. In this context, a mutualisation of debt would strengthen the role of the euro in the financial markets and reduce financing costs in the eurozone. In turn, debt mutualisation with ex ante and ex post budgetary controls could also provide an important stimulus to fiscal and budgetary discipline among EU Member States.

### **An integrated framework for economic policy**

The only way to overcome the fundamental flaw of the EMU – that of monetary union without full economic union – is through greater coordination. This does not mean that all policy measures should be decided at the European level. But there are fundamental issues in which we need an appropriate combination of effective, binding European coordination, with a margin of decision in which national systems may be overruled. This new framework for coordination, convergence and the application of structural policies could be based on contractual arrangements, backed with financial support to implement the reforms.

## More effective governing institutions for the Economic and Monetary Union

Such a major extension of the Economic and Monetary Union must be accompanied by greater effectiveness and legitimacy. In this respect, we have two suggestions:

- It would be desirable for the currency of the entire Union to be the euro and for its parliament to be the European Parliament. Any future architecture for the EMU should recognise that this is where the ultimate responsibilities reside.
- However, if a decision is to be applied only to the eurozone – and to other member states that choose to participate in it – we must seek ways to involve the parliaments of these states in the decision, and this must be done whilst maintaining full respect for the integrity of the Union and of its Parliament.

### 5.7.2. Improve the EU's capacity for internal and external action

Having overcome the euro crisis, the challenge now is to make the EU function better, and one aspect of this challenge concerns the action of the Union in the world.

#### Europe, a global player

The Union makes use of instruments such as trade policy, development aid, enlargement policy, neighbourhood policy, the management of migration flows, policies regarding the environmental and climate change, and energy policy. These are all internal policies but they also have an important external dimension and therefore can have a major impact on the Union's external action.

But we must make them more coherent, and view them as tools with which the EU can increase its influence in the world.

Moreover, the coordination of foreign policy must be enhanced, by increasing the frequency of informal meetings in the Gymnich format, ensuring greater interaction with the European Council and dedicating a biannual meeting of the European Council to external policy.

The Common Security and Defence Policy should be more ambitious than the simple “pooling and sharing” of capabilities. We must take advantage

of all the possibilities offered by the Lisbon Treaty. Specifically:

- The institutional structure of the CSDP should be complemented by the creation of a permanent system for the planning and conduct of military operations, similar to that employed for civil missions.
- Crisis management should be enhanced, through the more effective combination of civil and military mechanisms.
- Capabilities must be developed, in areas such as improving tactical battle groups and enhancing the role of the European Defence Agency.

In short, with respect to the external policy and the security of the Union, Spain has the same level of ambition as it has expressed with regard to all other policies for European integration. The above actions should be accompanied by greater collaboration with our strategic partners, with the twofold aim of tackling global challenges (such as climate change, terrorism, drug trafficking, development and migration) and of strengthening the role of the EU as a global partner.

The High Representative should play a leading role in these relationships; Spain attaches particular importance to those with Brazil and Mexico, two of our most important two strategic partners.

#### Reinforce internal policies

If Europe wants to be a global player, in a new global order, it must go further in other policies, too.

- Phase out barriers to intra-Community trade, the regulatory, administrative and even physical barriers that hamper the internal market.
- Create a true internal energy market with infrastructures designed for the European space, achieving greater energy efficiency and a common European definition of external energy relations.
- Pay more attention to small and medium enterprises, providing them with more flexible access to European funds. In this regard, the European Investment Bank can play a more significant role.



***Louise Weiss building, headquarters of the European Parliament in Strasbourg.***

- Place job creation, especially for young people, at the centre of all Community policies.
- Go further to create an area of freedom, security and justice without internal frontiers, based on the Charter of Fundamental Rights, developing a common policy on asylum, immigration and external border control, including the creation of a European border police; this policy should assure a high level of security and promote the judicial protection of citizens' rights.
- Promote a comprehensive plan to address the severe demographic problem affecting Europe, a loss of population that is endangering the very future of the continent.

### **5.7.3. Enhance the effectiveness and democratic legitimacy of the institutions**

#### **Institutional reforms**

In the short to medium term, our actions should be based on two principles: institutional balance and respect for the Community method.

#### **European Parliament**

European political parties need to develop a genuine “European political space” with which citizens can identify; and they will only do so when the issues of most concern to people’s daily lives and to their future are discussed in such a space.

Among numerous proposals that have been advanced in this regard, it has been suggested that transnational European lists should be introduced, that elections to the European Parliament should be held on the same day in all member states, and that the candidate of the political group receiving most votes, and who obtains the approval of Parliament, should be appointed President of the Commission, as was the case with Jean Claude Juncker.

Cooperation between the European Parliament and national parliaments must be reconsidered and strengthened, particularly as concerns economic and fiscal policy, with the creation of a conference of representatives of the relevant committees of the European Parliament and of the national parliaments.

#### **The Commission**

In the short term, it is urgently necessary to reinforce the principles of **collegiality and independence** so that the Commission can perform its role as the driving force of the Community method.

It is equally imperative to improve the Commission's internal organisation and its procedures. One possibility would be to confer greater powers on the Vice-Presidents, thus enhancing the coherence of the action taken by the College of Commissioners.

In the medium term, a decision must be taken on reducing the number of Commissioners, for implementation in 2019. In this context, the President of the Commission should have greater autonomy to form his/her cabinet.

#### **The Council of the European Union and the General Affairs Council**

The General Affairs Council should fully assume its coordinating role.

More frequent use should be made of the possibility that Heads of State or Government may be accompanied by a member of their cabinet, and in particular, by the Foreign Minister.

An important step would be to expand the number of areas in which decisions can be taken by qualified majority.

In the long term, the EU must have an effective system of separation of powers, so that it may acquire the necessary democratic legitimacy. We have three proposals in this regard:

- Combine the responsibilities of the President of the European Council and of the President of the Commission, to be performed by a single person, who is directly elected and who may appoint the members of his/her College of Commissioners.
- Introduce a single reading procedure for legislation.
- Constitute two parliamentary chambers: the Council, representing the member states, and the European Parliament, representing the citizens.

#### **Multilevel governance. The Committee of the Regions.**

Multilevel governance, or “the coordinated action of the European Union, the Member States and the regional and local authorities, based on the principles of subsidiarity, proportionality and association”, enables proximity to society, and thus

grants greater legitimacy to the institutions. In this framework, we favour the active participation and heightened support for the activities of the Committee of the Regions.

## **5.8. Strengthen the Ibero-American Community of Nations**

“Spain is an American nation”, said the Prince of Asturias (now, King Felipe VI), in a speech at Harvard University. The reality of America cannot be fully understood without its Spanish presence, and Spain's identity, too, is bound up with its Ibero-American background. This historically strategic relationship is extraordinarily important to Spain and to all the countries making up the Ibero-American Community of Nations.

The Cádiz Summit, held in November 2012, set up a committee made up of Ricardo Lagos (ex-President of Chile), Enrique Iglesias (Secretary-General of the Ibero-American Community) and Patricia Espinosa (ex-Foreign Minister of Mexico) to draft a report with proposals for the renovation of the Ibero-American Conference and the restructuring of its General Secretariat.

The report, “A reflection on the future of the Ibero-American Summits”, extends far beyond what its title suggests, and provides an in-depth analysis of the relations between Spain and Portugal, on the one hand, and Latin America, on the other.

### **5.8.1. Spain and Latin America, a renewed relationship**

The Ibero-American identity has developed over 500 years, following the encounter of Europeans and native peoples, and with the contributions made by African slaves and large-scale migration during the nineteenth and twentieth centuries. Latin America is a mixed space, a cultural and human patchwork, an environment that is uniquely recognisable but ever-evolving, continually offering fresh opportunities and addressing decisive challenges.

A few years ago, the European Union was growing at a good pace, while Latin America suffered what was called the lost decade. Then, the European project was progressing rapidly, while integration

## RENOVATE THE SUMMIT SYSTEM

The Resolution on the Renovation of the Ibero-American Conference, adopted by the Heads of State and Government at the Panama Summit, approves the following measures, inspired by the Lagos Report:

- The Summits will be held every two years, alternating with the EU-CELAC Summit.
- The Foreign Ministers will meet annually to monitor the agreements reached at the Summits.
- More space will be dedicated to informal meetings of Heads of State and Government, so that they may freely and confidentially discuss the issues raised by the Pro Tempore Secretariat.
- Annual policy statements will be replaced by a brief Statement to be issued following the discussions of the Heads of State or Government or by a rapporteur of these discussions.
- More attention will be paid to aspects of cooperation regarding, in particular, knowledge, culture, social cohesion, economy and innovation, as these areas are considered to best define what is meant by the Ibero-American spirit.
- The organisational structure of the Ibero-American General Secretariat (SEGIB) will be reformed to strengthen aspects of culture and cooperation.
- Cooperation with many countries will be reoriented towards the transfer of knowledge and technology and towards the exchange of experiences.

### **The forthcoming Veracruz Summit will adopt the following reforms:**

- There will be greater integration between the following Ibero-American organisations (as well as the SEGIB itself): the Organisation of Ibero-American States for Education, Science and Culture, the Ibero-American Organisation for Social Security, the Ibero-American Organisation for Youth Issues and the Ibero-American Conference of Justice Ministers), to be achieved by means of a Committee for Strategic Coordination, which will be headed by SEGIB.
- The SEGIB offices in the Latin American countries will be decentralised, to perform executive and representation functions.
- A new distribution of quotas will be approved for 2015 and 2016. The share allotted to the Latin American parties will be increased by 5% and the Iberian quotas will be reduced by the same proportion. From 2017, a new distribution will be applied for the Latin American countries, whose share will increase by another 5%, thus producing overall quotas of 60% for the Iberian Peninsula and 40% for Latin America.
- New Financial Regulations and accounting standards (IPSAS) will be adopted, to provide more information and greater transparency about the activities of the SEGIB.

processes in Latin America were hampered by internal conflicts. In consequence, these countries sought to reach a strategic alliance with the European Union in order to counterbalance the influence of the United States.

This is no longer the case. The countries of Latin America are growing faster than those in Europe, and the generalisation of democracy, with a few notable exceptions, has made them more prosperous and stable. Latin America bubbles with all kinds of projects for integration. Moreover, their

geostrategic and commercial priorities are beginning to change, and many countries are now looking towards to the Pacific.

Latin America is experiencing changes that some consider comparable to those experienced in Europe when the Berlin Wall fell. "The effects of the financial crisis of 2008-2009, which provoked severe economic problems in the USA and Europe; the consolidation of Asia and China as key economic actors; the political, social and economic changes experienced in Latin America since 2002; all of





**Group photograph of the XXII Ibero-American Summit of Heads of State and Government in Cadiz in November 2012.**

these factors have changed the parameters within which the Ibero-American Community operates” (Lagos Report).

Spain cannot limit its relations with Latin America to the regional context. Spain has concrete, very specific ties with each and every one of the Latin American nations. Therefore, strategies must be defined for each one, taking into account its own special characteristics. This question will be addressed below, in the chapter on geographic areas.

Today, more than ever, Spain must make use of its comparative advantage and added value as a natural gateway to the European Union and to North Africa, and reinforce its status as a reliable, lasting partner for all the nations of Ibero-America.

### **5.8.2. Renovate the Ibero-American Summits**

The changes that have taken place in Spain’s relations with Latin America have long called for corresponding changes to be made to the Ibero-American Summits, which began in 1991, to bring them into line with these new times. Accordingly, a

change was initiated at the Cádiz Summit in 2012; this was continued in Panama in 2013 and will be completed in Veracruz next December.

### **5.8.3. Language, culture, science and innovation**

From a cultural standpoint, there is no region in the world as homogeneous as Latin America. Moreover, the Spanish-speaking countries of Latin America are the world’s largest linguistically homogeneous group of nations. The countries of Ibero-America should jointly present their language and culture to the world.

The rise of the Internet and new technologies has brought new opportunities to promote our language and common culture. The Cervantes Institute should remain the flagship of Spanish language and culture and continue its work as an outstanding example of the indissoluble ties between Spain and Latin America.

As part of the renovation of the Ibero-American Conference, the following proposals from the Lagos Report are being implemented:

- The creation of an Ibero-American scholarship system, the Paulo Freire mobility programme, modelled on the Erasmus programme.
- Increased resources to facilitate the acade-

mic mobility of teachers and researchers. Joint Declarations of Intent have been signed with Peru and Mexico.

- Wider recognition of university degrees and credits.
- Support for the cultures of the region as a means of strengthening Ibero-American ties within our borders.
- The joint promotion of knowledge and dissemination of the Spanish and Portuguese languages, in collaboration with the Cervantes Institute and the Camões Institute.
- Promotion and protection for cultural activities.

#### 5.8.4. Economic relations

Trade relations between Spain and Latin America are less important than is commonly believed and, beyond a doubt, less important than they should be.

In the period 1995-2013, Spain's imports from Latin America accounted for between 3.5% and 7.8% of total annual imports. The share of exports, meanwhile, ranged from 4% to 6.4% during the same period. The trade balance has always been favourable to Latin America, due to Spain's imports of commodities, among other reasons, although since 2007 the trade deficit has gradually declined.

In contrast to the scant importance of our trade relations, Spain's investments in Latin America are extremely significant and represent almost 30% of our total foreign investments. Spain is second only to the USA as the largest investor in the region.

The **sectors** where Spanish investments are most highly concentrated are financial services, energy (electricity and gas), telecommunications and the extraction of oil and gas. These sectors accounted for over 60% of total investment in Latin America during the period 1993-2013. However, their activities are largely directed towards domestic consumers and have not resulted in substantial purchases of goods from Spain.

By countries, Spanish investments are concentrated in **Brazil, Argentina, Mexico and Chile**, which received more than 85% of total Spanish investments in the region during the above period.

## SPAIN AND THE REGIONAL ARCHITECTURE OF LATIN AMERICA

Spain is actively present in the regional architecture of Latin America, from the Organization of American States, through which we channel significant resources for the promotion of democracy and for institution building, to the Central American Integration System (SICA), in which we are working to promote a broad concept of security in the subregion. The Pacific Alliance is an innovative and attractive environment, in which our observer status offers great potential. We are also following with interest certain new mechanisms for regional integration or coordination, such as the Union of South American Nations and the Community of Latin American and Caribbean States, which are providing a new dimension

Economic relations among the countries of the Ibero-American Community have changed in recent years. In the 1990s, the economies of Latin America attracted foreign investment, including considerable Spanish investment. However, the dynamic role now being played by Latin American multinationals (termed '*multilatinas*') has made the relationship more symmetrical.

In order to further strengthen the economic relations among the countries of our Community, the document coordinated by Ricardo Lagos suggests promoting cooperation in the following areas:

- Create technology platforms to boost competitiveness and productivity.
- Mobilise support for the establishment of Latin American multinationals, especially SMEs.
- Support investment in infrastructure.
- Promote youth entrepreneurship.
- Create an Ibero-American system of commercial arbitration.

### 5.8.5. Development cooperation

Development cooperation with Latin America is of special importance and presents certain unique characteristics. The Fourth Master Plan highlights this region as the preferred geographic area for Spanish cooperation. Beyond the obvious logic of this fact, a reflection as to how and why Spain's cooperation policies have evolved is very illustrative of the changes that have taken place in the region and of the maturity that has been reached in this relationship.

The most important reason is that the reality of the region has indeed advanced. In the first place, there has been widespread, if uneven, economic growth. "Today, almost all Latin American countries are classified as middle income countries, and this fact has significantly changed the asymmetry that existed 10 years ago. What is now at issue is how we can work together to resolve common problems and build a shared future" (Lagos Report). This development has changed perceptions of the relation between security and development. As regards the content of cooperation programmes, the reality of some, financially stronger, Latin American countries means that their cooperation needs are less weighted towards the transfer of financial resources and more towards scientific research, the circulation of knowledge and support for institutional transformation, together with assistance in the design of public policies, in respect of which support for R&D&I should play a leading role to favour development.

Economic prosperity has transformed formerly underdeveloped countries into middle and even high-income ones. The strength revealed by Latin American countries during the financial crisis that began with the collapse of Lehman Brothers has consolidated the region into one presenting great potential.

From a regional standpoint, Ibero-American cooperation is based upon the intense activity of four institutions that have been operating in this area for decades: the Ibero-American Organisation for Education, Science and Culture, the Ibero-American Organisation for Social Security, the Ibero-American Organisation for Youth Issues and the Conference of Justice Ministers of Ibero-American Countries. Another outstanding programme in this respect is CYTED, the Programme for Science, Technology and Development, which has

been operating for over thirty years and has recorded major achievements in its area of activity.

Ibero-American cooperation has a unique feature that distinguishes it from the traditional ways in which cooperation is organised and administered: its projects are selected, managed and financed by the member countries, participating on equal terms, and thus overcoming the traditional donor-recipient relationship.

### 5.8.6. Spain, the European Union and Latin America

Parallel to the bilateral relationship, and in accordance with its dual status as a European and as an Ibero-American country, Spain should continue to promote the EU-Latin America and the Caribbean agenda, and to complement this by promoting and advocating within the Union initiatives of interest in this region.

In the context of the **EU-CELAC** (Community of Latin American and Caribbean States) Summits, Spain should use its strategic position as a bridge between Europe and America to expand the contents of the bi-regional agenda, and complement its progress in significant areas such as skills mobility, investment, development, the promotion of trade among SMEs and legal security. In addition, the Madrid Action Plan should be extended, with new chapters on inter-university cooperation and public safety. Finally, Spain should contribute to the promotion and consolidation of the EU-LAC Foundation based in Hamburg and contribute to its playing a leading role as a supplier of content and actions for the bilateral relationship. Moreover, we should exploit its potential for promoting the presence of SMEs.

Spain will contribute to efforts to update the framework of relations between **Mexico** and the European Union, which are currently regulated under the 1997 Economic Partnership, Political Coordination and Cooperation Agreement. This is also the case of **Chile** and its Association Agreement with the EU.

With respect to **MERCOSUR**, Spain will continue to promote, both within the European Union, and at the bilateral level, the conclusion of a regional agreement that we consider to be very beneficial to both parties.

Spain should also take advantage of the opportu-

nities offered by the Multi-Party Agreement between the European Union and **Peru, Colombia and Ecuador**, which is currently being applied provisionally.

The Association Agreement between the European Union and **Central America** is the first such agreement between the EU and an entire region. The commercial aspects of this Agreement are already being applied, on a provisional basis.

In addition to the above, we must seize the opportunities offered by the EU's newly-renovated financial instruments, and make use of the potential offered for Latin America. Spain's efforts to ensure that the new development cooperation instrument takes into account our interest in cooperation programmes with the Andean middle-income countries (Colombia, Peru and Ecuador) have so far obtained good results. We must now ensure that this instrument is properly implemented, and that a 'soft' exit of these three countries may be achieved in the future. Application of the cooperation projects addressed within this framework should be optimised, essentially by means of delegated cooperation.

Finally, we must ensure that the principle of agreement for exemption from the requirement of short-stay visas for citizens of Colombia and Peru is implemented as soon as possible. In parallel, consular cooperation mechanisms must be established with both countries to prevent refusals, returns or expulsions at the border, which are much more damaging to bilateral relations and have a greater impact on public opinion than the rejection of a visa application.

## 5.9. Ensure the security of Spain and its citizens

The National Security Strategy specifies foreign policy as a priority area for action to preserve the security of Spain and its people. This consideration is based on two convictions: that the boundaries between internal and external security have become so blurred as to be almost unrecognisable; and that the security of Spanish citizens sometimes begins very far from our own borders.

External action with respect to security issues takes place within two main areas: the European Union and NATO. In addition to these two instances, Spain also participates in UN peacekeeping operations and is a member of the Organization for Security and Cooperation in Europe. In view of the latter's geographic scope and approach to cooperation on international security, Spain is firmly committed to its support.

For Spanish foreign policy, the EU and NATO are complementary institutions as regards achieving our priority objective, namely the security of the Spanish people. Equipping the European Union with an effective security and defence policy is a direct outcome of the European project, and in this context, our long-term goal is to create a European defence force.

NATO represents the transatlantic dimension without which our security cannot be preserved in the new world that is emerging. NATO is not only crucial to the security of the region of which Spain forms part, but also represents its resolute will to play a significant role in international affairs. In this respect, Spain has the following aims:

- To continue the renovation and transformation of the Alliance, completing the reforms to its structures and capabilities, as announced.
- To renew Alliance associations and in particular, the Mediterranean Dialogue, which is of the utmost importance to the allies' security. It should be promoted and enhanced as a response of cooperative security and also as a substantial benefit to the security of our southern neighbours.
- To promote the return of Russia, which should be NATO's most important strategic partner, towards the principles that shape the architecture of European security.

The disappearance of boundaries between internal and external security has made it essential to optimise cooperation with international agencies and police and security institutions of other countries. Therefore, in matters concerning public security and home affairs, Spain will support initiatives and policies to strengthen institutional capacities to achieve a greater degree of bilateral, regional and multilateral cooperation in all aspects related to the prevention and control of major threats to security.

## WHAT ARE CONSULAR SERVICES?



Protection and **assistance** to Spanish people abroad



**Notary** and **registry** functions



Support to **businessmen** in their commercial relations in other countries



**Visa applications** for foreigners who wish to travel to Spain

## CONSULAR SERVICES IN FIGURES



**280.776**  
**Travel document applications** (ordinary and provisional passports and letters of safe-passage)



**1.803**  
**Spanish prisoners** attended to



**183**  
**Consular offices** abroad are those in charge of lending these services



**2.025.960**  
Applications of **visas for foreigners**

September 2014  
Ministerio de Asuntos Exteriores y de Cooperación

In this respect, it is of essential importance to conclude bilateral legal agreements on cooperation in security issues and on combating crime, and to adopt the recommendations of international treaties, in order to promote the exchange of information, knowledge and experiences, thus consolidating our mutual existence.

The European Union is of vital importance in promoting security against terrorism and organised crime. Therefore, we will continue to enhance the role of the Union in the creation of common tools and in achieving a genuine area of justice and home affairs. We will also work to promote cooperation within the Union in areas of special interest to Spain, such as the Mediterranean, the Maghreb and the Sahel.

Finally, we will maintain our commitment and active participation in global cooperation institutions such as Interpol and the Financial Action Task Force.

### 5.10. Provide assistance and protection to Spanish citizens abroad

The promotion and defence of Spanish interests abroad is a fundamental objective of foreign policy. Over two million Spaniards live outside our borders and some ten million travel abroad each year. Some have been living abroad for decades, while others have recently acquired Spanish nationality or have moved abroad recently as a result of the internationalisation of the Spanish economy, or are in search of new job opportunities. In addition, millions of Spaniards travel abroad every year as tourists or for short stays. All of these persons require our embassies and consulates to provide a useful, modern and effective service.

#### Actions

Management of the services provided by government bodies abroad will continue to be improved and modernised.

The accreditation requirements for citizens residing abroad to access certain public services or to

## THE ATLANTIC ALLIANCE: THE ESSENTIAL FRAMEWORK FOR SECURITY AND DEFENCE

The NATO summit held in Lisbon in November 2010 approved the “Strategic Concept for Defence and Security” in order to address the challenges and threats arising within the globalised world of the twenty-first century. Three essential tasks for NATO were defined:

- To execute the plans and provide the capabilities needed to ensure the collective defence of the NATO member countries;
- To deploy the necessary political and military resources to contribute to managing any crisis that might endanger stability and security beyond its borders; and
- To develop cooperative security arrangements with its partners, with countries and with international organisations such as the European Union that wish to enhance international security.

65 years have passed since the signing of the Washington Treaty, and NATO continues to be the most solid political and military alliance in modern history, on the basis of its defence of common values of individual freedom, democracy, human rights and the rule of law. It embodies the indivisible bond between the security of Europe and that of North America.

In a new and increasingly unpredictable international environment, in which we must face complex risks that threaten the international system based on agreed standards and principles, NATO symbolises the will of Europe and North America to defend our values and way of life through a comprehensive, integrated defence arrangement that ensures an effective response will be made, wherever and whenever it may be required.

exercise their rights will be simplified and standardised.

Further technological modernisation will be carried out and e-administration facilitated in the Consular Registry and in the issuance of documentation.

Regarding the exercise of Spanish citizens' rights abroad, measures will be taken to ensure the greatest number possible can exercise their right to vote.

Relations between consular offices and Spanish Residents' Councils will be promoted, as will collaboration with associations of Spanish expatriates and with care associations operating within our communities abroad, with the participation, too, of the Autonomous Communities.

Special attention will be paid to individuals and groups who are especially vulnerable, by reason of age or health, and to all those in distress or difficulty.

Improved communication and information will be provided to citizens needing assistance and protection, particularly in situations of special difficulty. For this purpose, the capabilities of the Consular Emergency Unit will be strengthened, and consular response mechanisms to emergencies will be streamlined and enhanced.

### 5.11. Promote Spain's economic interests abroad

With respect to economic issues, trade, finance and support for internationalisation, external action has a two-fold effect. On the one hand, the Foreign Service is employed in support of Spain's economic interests. And on the other, the country derives economic benefits from our political relations, influence and presence in most countries of the world. These two aspects are complementary. Ultimately, the aim of this action is to defend and promote our economic interests in order to boost growth and job creation. And this will be achieved by enhancing and extending the internationalisation of our companies and by attracting foreign investment.

An outstanding element of the Strategy for External Action with respect to economic issues, trade, finance and support for the internationalisation of the Spanish economy field is provided by the Strategic Plan for the Internationalisation of the Spanish Economy, which is revised and published every two years by the Ministry of Economy and Finance, as a member of the Interministerial Group to Support the Internationalisation of Spanish Business, and in consultation with the other ministries with competences in external affairs, as well as with various government administrations and with the private sector.

Act 14/2013, of 27 September, to support business and its internationalisation, sought to promote a model of international mobility for Spain which would attract talent and foreign investment, thus contributing to economic growth. These goals were also set out in the Strategic Plan for the Internationalisation of the Spanish Economy.

All countries pay careful attention to the interests of their companies abroad. And those with a solid tradition of business presence in the world have developed and implemented policies to support their companies, designing appropriate instruments and providing them with the necessary resources.

Spain's economic weight in the world has increased exponentially in recent years. Our companies, which only two decades ago had a very limited international presence, have expanded their international activities significantly both in volume and in geographic extension. Today, Spain has about 150,000 exporters, almost twice as many as just twelve years ago.

The activity of Spanish companies abroad requires strong and consistent support from our Foreign Service. Whether they are bidding for public works and services contracts, or investing abroad to develop activities there through subsidiaries and branches, businesses require the assistance of our external network. Moreover, the intense flow of business travel generated by this activity makes special demands on this external network, which is also called upon to promote tourism, another important resource for our country. Providing adequate resources for this network is a task that will be among our major concerns in the coming years.

The Ministry of Economy and Finance, through the Secretariat of State for Trade, is the government

department responsible for supporting the internationalisation of Spanish companies. Additionally, and within their respective areas of competence, various ministerial departments and public bodies provide support for this process, including the Ministry of Industry, Energy and Tourism, the Ministry of Development, the Ministry of Employment and Social Security and the Ministry of Agriculture, Food and the Environment, among others. The Ministry of Foreign Affairs and Cooperation is responsible, under the principle of unity of action abroad, for providing aid and assistance to our companies, as well as for defending Spanish economic interests abroad through our external network.

The defence of Spain's economic interests abroad, furthermore, requires constant endeavours by our external representatives to preserve and enhance the image of our country and its perception. Obviously, a country's image is an important factor in its competitiveness, and can positively or negatively affect the exports of goods and services, the entry of foreign investment, tourist arrivals, access to international funding and the ability of our companies to obtain contracts for the provision of works and services abroad.

# 6. Actions

Our priorities and objectives will be achieved by putting into practice a series of actions in a myriad of fields. The entirety of these actions are included in the Articles of The Spanish External Action and Service Act. This paper will examine in close detail those that are most relevant to a renewed external policy, either because of their immediate impact on this policy or their social or economic importance to our country. In many of these fields, due to the territorial structure of the State, these actions will be carried out in collaboration with the Autonomous Communities.

## 6.1. External action on defence

The Armed Forces are a fundamental instrument to Spain's External Action. All modern States design their security and foreign policies with the knowledge that borders are increasingly important in terms of security and that the line dividing external and internal security is increasingly blurred. Threats and risks to Spain and its citizens frequently begin far beyond our borders. The armed forces and their capacity for projection are thus crucial to our action.

The prime responsibility of the armed forces is national defence. Beyond this, they are increasingly becoming the first and most effective instrument for coping with situations of international instability and insecurity. Establishing necessary secure environments is a precondition to rebuilding institutions and re-establishing civil society. The Spanish armed forces have undertaken this difficult task in recent years in different areas and

regions, in operations comprising different international organisations.

The armed forces have also contributed to improving Spain's image and prestige through numerous humanitarian operations, by mitigating the effects of disasters and solving especially difficult situations for our nationals abroad.

Defence contributes to external action by means of a set of increasingly close bilateral and multilateral relations in military cooperation. This cooperation has significant political weight and demonstrates the quality of our armed forces: their technological know-how and ability to develop long term trust-based relationships with the military of other countries. The Military Education Cooperation Programme, which has been operating since 1975, has strengthened mutual trust and cooperation between Spanish armed forces personnel and their counterparts in 62 countries in Europe, South America, Asia Pacific, the Middle East and Africa. The Ministry of Defence plays an important role in extending defence diplomacy, through a Plan that forms an integral part of Spanish external action.

As the Spanish Security Strategy points out, armed conflicts can prompt other risks and threats both to Spain and the security of the international community on the whole. In an international community experiencing transition, these risks and threats are even greater. It is thus crucial to external action that national defence preserve the capabilities it needs to comply with its missions abroad.



## SPAIN'S COMMITMENT WITH THE DEFENSE OF HUMAN RIGHTS IN THE UNITED NATIONS



### Signing

of the main part of the treaties about Human Rights and keeping up to date with the presentations of reports



### Protection of children

Amongst the first countries to ratify the III Optional Protocol to the Convention of the Rights of the Child



### Support

to the Office of the UNHCR



### Pushing

the recognition of the access to water and healthcare as a human right



### Promotion

of rights of handicapped people. Franklin D. Roosevelt Prize 2012



### Innovators

of human rights in the workplace. Biggest website in the World Pact



### Leaders

in the global fight for the abolition of the death penalty. Seat of the V World Congress (Madrid)



### Active

defense of women's rights

## 6.2. External action on human rights

The priorities above will be pursued through a set of actions:

### 1.- Fight against the death penalty

The death penalty is a cruel, inhumane and degrading punishment, contrary to the dignity of the individual; it is not a deterrent to criminal behaviour; and has irreversible consequences in the case of a judicial error.

In line with this commitment, Spain pushes for and participates in different initiatives such as the creation of the International Commission against the Death Penalty in 2010 and UN General Assembly resolutions calling for a universal moratorium on the use of the Death Penalty by 2015. Spain has also supported the recognition of the elimination of the death penalty in drug-related crimes in the Joint Ministerial Statement of the 2014 High-level Review and Action Plan on International Cooperation to Counter the World Drug Problem.

### 2.- Fight against discrimination due to gender, sexual orientation or gender identity

The particular sensitivity given to this issue by the Spanish public and the Government has translated into very active and multilateral policies which seek the creation of instruments and institutions that fight against discrimination due to gender and gender violence and boost the effectiveness of those that exist, namely the United Nations Commission on the Status of Women.

As for the killing of women, Spain has supported the drafting of a recommendation guide for effective investigation into femicide crime, as well as the Protocol for Investigating Gender-related Deaths by the competent international organisations in the field. In matters of discrimination related to sexual orientation and gender identity, Spain supports the UN High Commission on Human Rights "Free and Equal" campaign. The conviction that sexual orientation and gender identity are part of human beings' privacy leads us to promote the decriminalisation of relations between consenting adults in all countries throughout the world.

## GENDER VIOLENCE

EU Guidelines on the struggle against gender violence:

- Promoting gender equality and fighting against discrimination
- Data collection
- Elaboration of coordinated strategies
- Fight against impunity
- Victim access to justice

## FRAMEWORK OF THE FOURTH MASTER PLAN

**1) International development agenda.** Until 2015, the Millennium Goals will be the basis for Spanish cooperation. Together with this and within the framework of the drafting of the Fourth Master Plan, we have initiated a process of reflection on the post-2015 Development Agenda.

**2) Concentration process.** Following different international recommendations, amongst them those of the OECD Development Assistance Committee and different evaluation processes which were carried out with a view to increasing aid impact and effectiveness, we are engaged in a process of sectoral, geographical and multilateral concentration.

**3) Regarding geography,** preference is given

to Latin America—particularly the Andean, Central American and Caribbean regions, and Northern Africa and Sub-Saharan Africa, particularly the western region. Presence will also continue within Asia in the Philippines. We are reducing the number of countries where we will be present, based on criteria including the comparative advantage and added value compared to other cooperation programmes. In geographical terms, this concentration, prioritisation and differentiation will take place through strategic agreements called Country Association Frameworks (Spanish acronym MAP). To this end, these methodologies and guidelines were updated and adapted to the Fourth Master Plan and its orientations, with the aim of simplifying the process and optimising the lessons learned. The idea is that the drafting of the MAP be inclusive and follow aid effectiveness principles.

### 3.- Rights of persons with disabilities

The 2006 Convention on the Rights of Persons with Disabilities marked a change in paradigm: from a vision where persons with disabilities were the object of treatment and in need of social protection, we have progressed towards a vision of this collective as titleholders of rights, capable of taking decisions and participating in those that affect them. Spain defends this perspective and incorporates it into its external action.

### 4.- The human right to drinking water and sanitation

Spain and Germany work jointly on an initiative within the United Nations and other international forums that fosters the recognition of the human right to drinking water and sanitation. As an outcome of this, the UN General Assembly recognised this right as legally binding in July 2010. In November of 2013, again through Spanish and German initiative, a resolution was adopted in the General Assembly and the Human Rights Council. This was the first to be adopted by consensus, thus achieving the unanimity of the international community.

### 5.- Businesses and Human Rights

Business activity generates wealth, creates employment and is an element of social progress. But in order to completely fulfil this role, it must also be socially responsible and one of the relevant issues in this domain is human rights and transnational business activity. It is one of the features of so-called Corporate Social Responsibility (CSR).

Spain drafted a National Plan on businesses and human rights in line with the provisions set out by the European Union in its 2011-2014 Strategy. Furthermore, the Observatory for Social Responsibility in Business has been a pioneer for drafting reports analysing human rights situations where Spanish companies can have influence.

The Spanish Strategy for Corporate Social Responsibility 2014-2020 was adopted by the Council of Ministers on 24 October 2014. This Strategy aims to contribute to the sustainable development of Spanish society by promoting initiatives to foster competitiveness, economic growth, human development and respect for the environment. It also includes measures to improve the image of Spain, at home and abroad, to strengthen the perceived confidence in our country and to respect and protect human rights.

**4) Multilateral action** will focus on the partners we have established in the Strategic Partnership Frameworks whose priorities converge with ours, as well as on other multilateral organisation that are considered to be strategic as regards to their leadership and vision and with which Spanish Cooperation has been previously working. Multilateral cooperation for this period will be guided by four priorities: concentration, effectiveness, mutual responsibility and participation.

**5)** Regarding concentration, emphasis has been shifted from **sectors to outcomes**. To this end, we will move forward in results-driven development management.

**6)** Regarding **evaluation**, efforts will be undertaken to strengthen existing capacities, increase the quality of evaluations and give them a more strategic focus, searching for

a broader use of them in terms of feedback and their contribution to learning, greater transparency and accountability.

**7)** Lastly, development cooperation will seek **alliances and synergies** with all the players involved, especially civil society and the private business sector, boosting, as well, a decentralised model for effective, quality cooperation based on political dialogue and strategic alliances. **Transparency** will play an important role in benefitting both our citizens and development partners. In this direction, we have launched the Spanish Cooperation Portal for the entire cooperation area where commons interests can be included to share experiences and information ([www.cooperacionespañola.es](http://www.cooperacionespañola.es)). It has a link to a system which gathers and publishes information on Spanish Cooperation.

## 6-. Human rights advocates

Human rights advocates are individuals groups or institutions who protect and defend human rights and universally recognised fundamental freedoms. Many times they find themselves under threat or attack. They deserve our respect, admiration and solidarity.

The Human Rights Bureau of the Spanish Ministry of Foreign Affairs and Cooperation manages the programme, established in 1998, devoted to those defenders of human rights that are under threat and in high risk situations. By virtue of this programme, these individuals are guaranteed absolute confidentiality regarding their identity. The Ministry collaborates in other shelter programmes for human rights advocates carried out by NGOs and Autonomous Community institutions (Asturias, Catalonia and País Vasco). Between 2008 and 2013 this programme has protected over 80 advocates.

## 6.3. External action on development cooperation

Development cooperation is a public policy in itself, and one of the most important instruments of external policy. It expresses the Spanish people's desire for solidarity and their aspirations for a more just world that underlie our external policy. For development cooperation to be fully effective, it must be integrated into the framework of Spanish external action through a principle of development policy coherence.

Humanity faces the ongoing challenge of building a more peaceful, prosperous and just world in which all individuals have the opportunity to live a full life. Spain is a country with a spirit of solidarity that has always shown many gestures of generosity towards the poorest populations of the world. However, international cooperation is not only an act of generosity, it is also an investment in solidarity and in the future. We can only ensure our future if we also ensure that of all of those with whom we share a planet with limited resources.

Development cooperation changes with the transformations of the international communi-

ty and this must redefine the new development and sustainability agenda for forthcoming years. We face a new poverty map, a new international geopolitical and economic context, characterised by the greater weight of middle-income countries that make up 70% of the poorest populations in the world.

Spanish Cooperation is forced to shape its particular profile and added value it can contribute to the countries of engagement, becoming better defined as strategic cooperation. This becomes necessary due to the persistence of poverty and increasing inequality; new challenges such as global climate change; increasing migratory flow and growing insecurity in many areas of the world.

Development cooperation policy also plays a key role in the achievement of Spanish foreign policy objectives. In this way it contributes to the building of Europe, maintaining internal coherence and legitimacy before its citizens and affirms the European Union as a model global player; it gives an international projection of Spain as an advanced democracy, showing its contribution to a more democratic world with better institutions for international governance; it guarantees citizens benefit from greater security, contributes to international peace and security; and it promotes an international environment of economic stability. Lastly, it strengthens Spain's international influence, especially in Europe, Latin America, the Mediterranean Basin and before world powers, contributing to more intense bilateral relations and active membership in the main organisations and international forums.

In this regard, our cooperation policy must be firstly agreed by consensus, meaning that it is based on principles and elements that are accepted by all parties. Secondly, it must be a comprehensive and coherent policy, and thirdly, an outwardly coordinated policy, meaning towards those of the European Union, the OECD and other institutions to which Spain belongs. Fourthly, it must be inwardly coordinated and include the efforts of Autonomous Communities, local corporations and private initiatives. Fifth and finally, it must be a cooperation policy that revolves around three central ideas: environmental sustainability, social corporate responsibility and good governance.

These features were already part of two key documents, one national and the other international. The former, the Congress of Deputies Sub-

committee "study on international cooperation perspectives for Spanish development" adopted in September of 2011 by consensus of all political parties and that latter, the Spanish Cooperation peer review issued by the OECD Development Assistance Committee, also in 2011.

### Spanish Cooperation Guidelines

As stated in the Fourth Master Plan 2013-2016, the ultimate aim of cooperation is to contribute to human and sustainable development, the eradication of poverty and the full exercise of rights. This aim is expressed through eight objectives or directions:

**1.- Consolidate democratic processes and the rule of law.** Specific work in support of democratic transition processes in North African countries, with special emphasis on better governance and management of the public sector in cooperation partner countries.

**2.- Reduce inequalities and vulnerability to extreme poverty and crises.** Focused on mitigating food crises in the Sahel region as well as fostering policy on resilience, prevention and social protection for those most vulnerable to extreme poverty.

**3.- Promote economic opportunities for the poorest of the poor.** Push for policies that foster the creation of wealth and employment by promoting the country's economic and business base, financial inclusion and greater insertion of developing countries in the international economy.

**4.- Foster systems of social cohesion, with emphasis on basic social services.** Spanish Cooperation boosts policies and programmes on education, health, social services, food security, water and sanitation with a rights-based approach that fosters autonomy and dignity of individuals and social cohesion.

**5.- Promote women's rights and gender equality.** As the hallmark of our cooperation, we work in favour of formal equality policies through the development of legal equality frameworks, measures that drive true equality and female empowerment by combatting gender violence and seeking to eliminate all forms of discrimination, including multiple forms that women and girls suffer—the most vulnerable amongst the poor.

## GEOGRAPHICAL PRIORITIES OF DEVELOPMENT COOPERATION 2013-2016



# 49

Cooperation centres



# 33

Technical cooperation offices



# 12

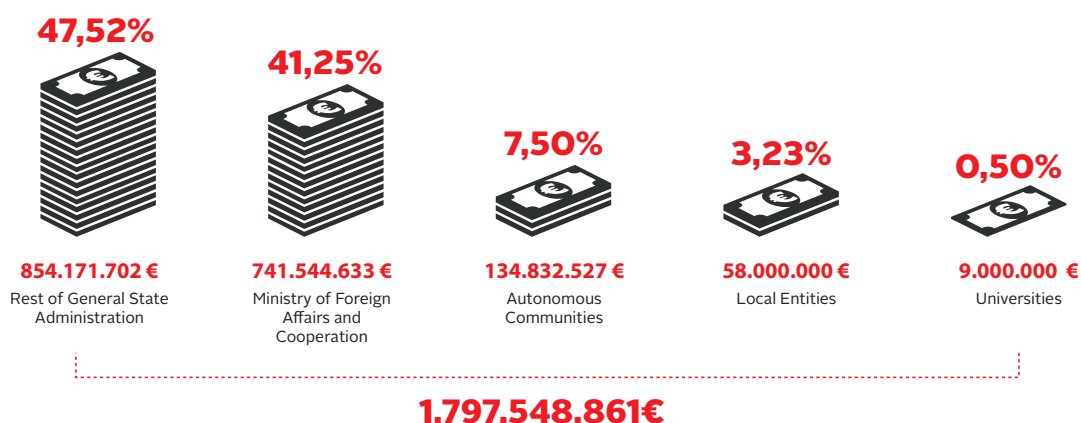
Cultural centres



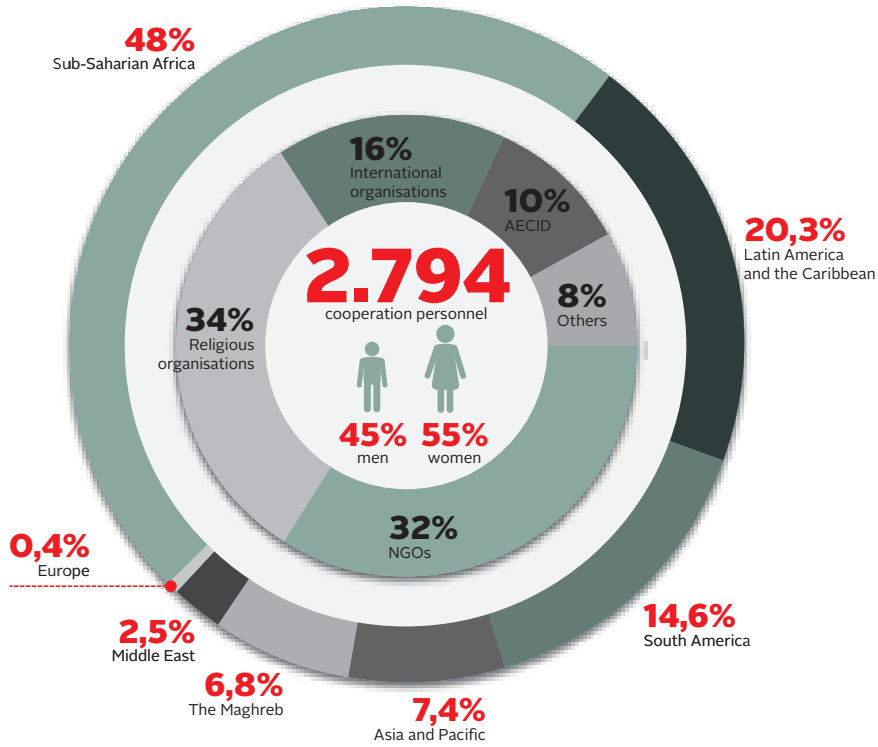
# 4

Training centres

## PROVISIONS FOR THE OFFICIAL AID FOR DEVELOPMENT 2015

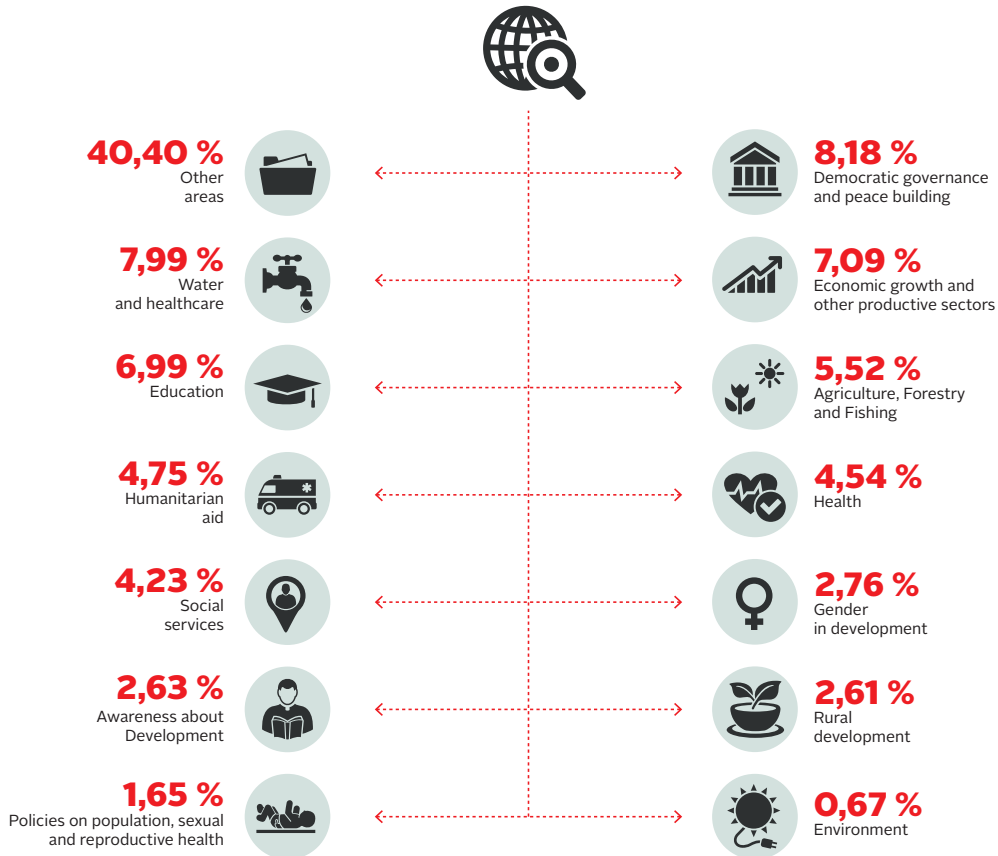


## TRAINED COOPERATION PERSONNEL: GEOGRAPHICAL AND ORGANISATIONAL DISTRIBUTION



Fuente AECID a 8/9/2013

## BREAKDOWN COOPERATION SECTORS





*Cooperation project in support of local agricultural production, financed by the AECID in Niger.*

**6.- Improve the provision of global and regional Public Goods.** Peace and security, sustainable development and environment, international economic and financial stability, global health, knowledge and culture are all global public goods. The promotion of these is a fundamental pillar in international cooperation work with global institutions and in coordination with all countries.

**7.- Providing quality response to humanitarian crises.** In compliance with internationally agreed humanitarian principles, Spanish Humanitarian Action gives quality response based on humanitarian needs, prioritising the most vulnerable within a population and a rights-based approach to protecting victims.

**8.- Build a global citizenry committed to development.** Working with Spanish society and renewing its commitment to combatting poverty, development and belonging to a global body of citizens.

These objectives are fostered bilaterally in Spanish cooperation partner countries with preferential attention to Ibero-America, particularly the Andean, Central American and Caribbean regions; North Africa and Sub-Saharan Africa, namely the west; and in Asia, the Philippines. Together with these,

Spanish Cooperation will continue to work more effectively with international organisations, boosting results-based development and aid effectiveness, transparency, accountability and evaluation culture.

## 6.4. External action on taxation

The factors driving a transition towards a new international community: globalisation, greater interdependency and transmission and reception of information technologies, all translate into the proliferation of so-called tax havens and the facilitation of international operations of tax evasion and tax fraud.

As with all problems that arise from globalisation, the most effective mode of action, and in many cases the only one, is through international cooperation. By virtue of this principle, external action on tax matters seeks most importantly bilateral and multilateral cooperation, efficient exchange of information and mutual assistance on combating fraud and evasion.

Moreover, external action on tax matters makes a considerable contribution to Spain's economic interests by means of covenants signed by the

Ministry of Finance and Public Administrations to prevent double taxation, thus fostering a stable framework for Spanish investment abroad as well as foreign investment in Spain.

### **Actions**

1.- Technical assistance provided by the Spanish tax agency to Colombia and El Salvador.

2.- Negotiation rounds and signing of double taxation agreements with Kenya, Bangladesh, Romania, Andorra, Taiwan, China, Colombia, Mozambique, Guatemala, Puerto Rico, Jordan, Angola and Honduras.

3.- Participation in the MENA Governance Programme of the OECD in North Africa and the Near East, and increased presence in Latin America through collaboration with the Latin-American Center for Development Administration.

## **6.5. External action on justice**

External action on justice matters helps combat terrorism, organised transnational crime and drug trafficking, as well as crime that requires international cooperation to prevent perpetrators from escaping penal action.

### **Actions**

#### **a) International legal assistance and cooperation**

This type of cooperation is indispensable to combat criminality when it affects the sovereignty of more than one State. Its implementation requires the use of technical instruments to facilitate management and communication between the different players involved. It is necessary to improve the workings of existing international legal assistance networks by means of technological resources that can facilitate information exchange. The International Legal Assistance Manual is also a magnificent tool, one that can continuously be improved. In this area, the leadership of the Ministry of Justice, together with the Council of the General Judiciary and the Public Prosecutor's Office, can play a decisive role without incurring in great costs.

#### **b) Institutional relations and strengthening networks**

Institutional relations in the international sphere are an essential element to external policy. Many of these relations arise spontaneously, but others must be carefully planned and executed. In this sense, Ministry of Justice foreign offices must establish objectives in agreement with the Ministry of Foreign Affairs and in many cases with the Ministry of Home Affairs, with a view to strengthening our position and image abroad and defend our interests on matters of justice.

Today, there is an abundance of agreement and cooperation networks in the international justice sector: the Network of the Presidents of Supreme Judicial Courts of the European Union, the European Network of Councils for the Judiciary, the Ibero-American Judicial Summit, the Latin American Association of Public Ministries, the Conference of Ministers of Justice of Ibero-American Countries (Spanish acronym COMJIB) and others. There is no doubt that these networks are currently better organised, stronger and more dynamic in Latin American countries than they are in Europe, and in this sense, we can highlight the COMJIB, a structure which falls under the Secretariat-General for Ibero-America. This public-private project creating a foundation to promote Ibero-American legal culture, well underway and operating within the Ibero-American Community of Nations, and the IberRed (Ibero-American support network for international legal assistance) are both highly useful instruments for Spain's projection abroad.

#### **c) Relations with the European Union**

The Ministry of Justice participates in the legislative processes that take place in the European Council, which are frequently of similar significance and impact as national processes. For this, it has a working structure at the offices of the Spanish Permanent Representation to the EU, something that is key to the success of our negotiations with the Council.

Together with this, Spain's participation in Eurojust brings strengthens our presence in the European Union legal configuration.

#### **d) Support for development cooperation**

In this area we strive to maximise available resources and seek synergies to have a presence in those



interesting multilateral institution projects where we are members or observers. Spain's prestige acquired over the years in reform programmes and initiatives that strengthen legal systems in Latin American countries is something that must be underscored as a relevant product of Marca España. Moreover, funds from European Union programmes, such as Eurosocial, are key in this sector.

## 6.6. External action on public security and home affairs

External action in this area, through international police cooperation, will include initiatives to prevent and combat terrorism and other forms of organised crime, especially illicit trafficking in drugs, weapons and people.

International cooperation should also be extended to other aspects and areas of public safety such as the prison system, civil protection, road safety and support for victims of terrorism.

The aims of this Action can be grouped into five categories: the fight against terrorism, cybercrime, drug trafficking, irregular immigration, and cooperation in security matters, with the areas of priority cooperation being North and West Africa, the Middle East, continental Asia and Latin America.

The instruments of this Action are mainly bilateral agreements to combat crime, and the creation of joint committees and bilateral meetings. A particularly important instrument, which often highlights the impact made by our contribution, is the involvement of Spanish State Security Forces in international police cooperation activities at bilateral and multilateral levels.

### a) Combatting international terrorism

Terrorism is one of the most serious threats to international peace and security. It violates human rights and liberties and attempts to destroy democracy and the rule of law. Terrorism is an asymmetrical threat whose development and actions are facilitated in a more open and interconnected international community. International cooperation is thus the only way to check and eradicate it.

Through its own painful experience, Spanish society knows that terrorism is a crime that must be prosecuted through criminal justice systems and the guarantees of due legal process. Combatting terrorism and the scrupulous respect for human rights are two mutually reinforcing and complementary objectives. Our experience drives us to the conviction that the only way to combat terrorism is by means of an international strategy that encompasses all dimensions of this threat, including the factors that feed radicalisation.

In alignment with this conviction, Spain's objectives coincide with the four pillars of the United Nations Global Counter-Terrorism Strategy adopted in 2006:

- Address the conditions conducive to the spreading of terrorism
- Push for measures to prevent and combat it
- Increase States' capacity to prevent and combat terrorism
- Ensure respect for human rights for all and the rule of law in the fight against terrorism

Spain's action is equally guided by the general objective set out in the European Counter Terrorism Strategy of 2005: "Combat terrorism globally, while respecting human rights and creating a Union that is safer, allowing its citizens to live in an area of freedom, security and justice". To achieve this objective, the EU strategy is built around four ideas: prevent, protect, pursue and respond.

In addition to the commitments described in the UN and EU strategic documents cited above, preventing recruitment and combating radicalisation are priority concerns for international cooperation.

Finally, another priority objective, on which we place special emphasis, is assistance, defence and support for the victims of terrorism. This is first and foremost a principle element of justice. But at the same time, the continuation of the memory of the victims and their testimonies allows society to understand the story of suffering and horror that terrorism brings to individuals' lives, with real names and surnames.

### b) Combatting organised transnational crime

The objective is clear: prevent the criminal activity of transnational crime rings and ensure that their members are brought to justice. The key to achieving this is, again, international cooperation. Only close and transparent cooperation—something

that is not always offered by all States—will allow us to achieve this goal.

Our legal basis for the aforementioned cooperation is the Convention against Transnational Organised Crime of 2000 and its three Protocols. Our objective is to achieve the adherence of the greatest number of countries possible to the Convention and its Protocols.

A second important angle is to take action against the financial resources of transnational criminal groups. This is a domain that has extraordinarily complex technical components whose ramifications go straight to the heart of the international financial system, and cooperation is hard to obtain. This is not only because of lack of will in some cases, but also the lack of technical capacity of many police and judicial systems.

Lastly, it is necessary to act on the increasingly strong connections that organised criminal groups establish with terrorist groups.

### c) The worldwide drug problem

An effective strategy to address this complex problem must focus on supply and demand for these substances, both the familiar ones and emerging, psychoactive substances. We are looking at a balanced approach that is inspired by both the European Union and Spanish Drugs Strategies and Action Plans. This corresponds greatly to the aspirations expressed by many countries in other geographical zones, especially Latin America, to give new focus to the drug policies based not only on defence and security but also on human rights and public health.

We must underscore the importance of dealing with this problem from a global perspective based on international cooperation at both bilateral and multilateral levels, with special consideration for the United Nations General Assembly Special Session (UNGASS) planned for the first months of 2016.

This is the philosophy behind the external action in this area, based on the United Nations Commission on Narcotic Drugs *Political Declaration and Plan of Action*. Our action seeks to consolidate the international regime based on different conventions.

Finally, the illicit trafficking in medicaments (and their falsification) is becoming increasingly pre-

valent, and is of great concern due to the harm caused to public health and to the owners of intellectual property. At an institutional level, the United Nations Office on Drugs and Crime is crucial, as it aids in defining priorities and reaching consensus for international community strategies. Spain maintains an ongoing and fluid working relationship with the UNODC. Lastly, given the importance of our pharmaceutical industry and Spain's position as producer of medicines created from opiate raw materials, we maintain a very close relationship with the International Narcotics Control Board. We remain strongly committed to supporting the health of international sport, and maintain close relations with the World Anti-Doping Agency.

## 6.7. External action on research, development and innovation

Scientific investigation, technology and circulation of knowledge embodied in innovation undoubtedly bring about economic growth, quality employment and resolution of society's problems.

The Ibero-American region's undoubted development and the paradigm shift in the way international cooperation takes place in middle-income countries, moving towards win-win cooperation models, turn our objective to progressing in R&D&I in those countries with conditions conducive to this type of collaboration.

### Actions

- 1.- Support for implementation and development of public R&D&I policies that solidify national systems.
- 2.- Offer training excellence to scientists and technologists in our specialised scientific facilities, Public Research Institutions and through those excellence centres that have been classified with the "Severo Ochoa" distinction.
- 3.- Invite the international scientific community to make use of our state-of-the-art scientific and technological infrastructure.

## STRATEGIC PLAN FOR THE INTERNATIONALISATION OF THE SPANISH ECONOMY

### Six central ideas:

- 1) Improving conditions favourable to business and enterprise, seeking to pin-point and overcome regulatory barriers to our businesses' competitiveness by encouraging and attracting investment at the same time.
- 2) Improve access to markets.
- 3) Facilitate businesses' access to financing through a financial support system for efficient internationalisation.
- 4) Commercial promotion and support to enterprise.
- 5) Stimulate the culture of internationalisation and human capital and recognition of the importance of international projection and development of specialised human capital.
- 6) Support innovation.

4.- Promote and strengthen participation in bilateral and multilateral R&D&I organisations, in Europe and elsewhere.

5.- Encourage Spanish participation in OECD R&D&I groups as an important means of contributing to the design of future research and innovation policies.

6.- Joint participation in European projects, especially those which are part of the EU 2020 Horizon Programme.

7.- Cooperation between national and regional institutions and EU bodies to develop research and innovation strategies for smart specialisation, as a means of increasing the competitiveness of EU Member States.

8.- Scientific and technological collaboration with Mediterranean countries, especially in the context

of organisations such as 5+5, the EU and the Union for the Mediterranean.

9.- Encourage and support the internationalisation of Spanish companies through R&D&I through specific awards and grants for this purpose. Provide advice and funding for companies to participate in R&D&I projects in Europe.

10.- Promote sustained external technological action to build an international reputation from the assets generated by the R&D activity of Spanish science and business. Increase international cooperation by these sectors with the most innovative actors in other countries. Promote investment mobility to enhance the technological capabilities of Spanish companies, in Spain and elsewhere, consolidating and strengthening the role of the existing network of delegates in the Centre for Industrial and Technological Development.

## 6.8. External action on economic, trade, financial and industrial issues and on support for the internationalisation of the Spanish economy

External action strategy on economic, commercial, financial matters and support for the internationalisation of the Spanish economy is determined by the Strategic Plan for the Internationalisation of the Spanish Economy. This Plan is drawn up biannually by the Ministry of Economy and Competitiveness in the framework of the Inter-ministerial Support Group for Internationalisation of Spanish companies, with consultation from different administrations and the private sector. The first Strategic Plan for 2014-2015 was approved by the Council of Ministers on February 28, 2014. It includes 41 measures grouped into six major ideas.

The Agenda to Strengthen the Industrial Sector in Spain, approved by the Council of Ministers on 11 July 2014, specifies two measures to support Spanish companies in the area of external action by business: support for the internationalisation of industrial companies and for market diversification; and enhancing Spain's capacity to defend the interests of these companies.

## GUIDELINES FOR COPING WITH UNCONTROLLED EMIGRATION IN THE MEDITERRANEAN

The Mediterranean is witness each year to thousands of people losing their lives in search of something as legitimate as a better future for themselves and their families. Manipulated and exploited by criminal organisations, they are taken on expeditions that many times end in tragedy. In the first half of 2014 alone, over twice as many immigrants died while trying to cross the Mediterranean as in all of the year 2013.

This problem—which will only increase in the future according to demographic and economic trends—is the responsibility of the entire European Union. Coastal countries, EU members, are the external border. They take on the greatest burden of the problem, including helping those who reach their shores in deplorable conditions. And illegal immigration targets not only coastal countries, but all of the countries in the European Union.

Irregular immigration stems from instability and lack of perspectives in Southern countries. The

development gap between the two shores will go on for years. One of the ways to close it is precisely through orderly immigration, guided to benefit individuals who migrate, but also benefit countries of origin and destination.

To this end, European institutions, particularly the Commission, must participate directly in efforts aimed at achieving a comprehensive management of migration issues that can only come about through a combination of decisions and measures for both the short and long term. This must especially involve the following:

- 1.- Lend financial support to those EU countries most affected by uncontrolled migration flows from the south Mediterranean.
- 2.- Improve the Union's external borders, requiring greater support from Frontex and from all member States. The TRITON project is especially encouraging in this regard.
- 3.- Contribute to building the capacity of countries of origin and transit to control their borders, and retain irregular migration flows at the origin.



**Campaign carried out by the Ministry of Foreign Affairs and Cooperation and Brand Spain, under the title “Spain, a country of excellence”; diffused by Spanish embassies and consulates.**

4.- Fight against criminal networks that traffic in human beings and work especially closely with third countries.

5.- Decisive action on returns and readmissions, including forced returns, with full respect for human rights and the due process of law, in order to put an end to situations of irregular presence in European Union territory.

6.- Support for countries of transit, enabling them to collaborate in the return of irregular migrants. Some international organisations, particularly the International Migrations Organisation, have programmes for assisted voluntary return that must be financially and institutionally supported.

7.- Enter into readmission agreements with origin and transit countries.

8.- Strengthen organised migration channels, through cooperation with countries of origin, with a view to preventing traumatic situations associated with irregular migration flows and guarantee an equilibrium between supply and demand in the labour market in countries of

origin and destination.

9.- European Union migratory policy must be fully integrated into EU External Action. Migration policy priorities and objectives must be incorporated into the design and implementation of external policy. To this end, the coordination between member States, the European External Action Service and the Commission must make effective use of the instruments at the disposal of the Union, particularly regarding cooperation with third countries. The mobility agreements with Morocco and Tunisia must be adequately financed. Multilateral forums are of enormous importance, such as the Rabat Process and the Africa-Union Partnership for Migrations, Mobility and Employment.

10.- Continue to tackle the ultimate causes of migration, poverty, conflict and political instability, as well as the lack of respect for human rights. It is only by creating alternatives in countries of origin and transit that we are able to address the problem of non-regulated migration flow.

This action strategy will be enhanced through increasing cooperation between the Government and the Autonomous Communities, in order to make good use of the opportunities offered by the internationalisation of Spanish SMEs, deriving the greatest possible competitive advantage that each region can obtain in the different sectors of the economy.

### **Actions**

1.- The 41 measures set out in the 2014-2015 Strategic Plan for the Internationalisation of the Spanish Economy.

2.- Whenever appropriate, incorporate a business aspect into all official visits abroad either by sending a business delegation, holding work meetings with Spanish companies established in the host country or organising meetings with authorities and business organisations from that country to promote Spanish business activity, aiding them in the projects they have undergone and collabora-

ting in the resolution of problems they may encounter.

3.- Ongoing engagement of our external network in defending and supporting Spanish companies abroad. In this domain, we will continue to improve the effectiveness of the Embassies and Consulates located in areas where there is no physical Economic and Commercial Office, in close coordination with the Economic and Commercial Office that has jurisdiction in this area. This action will be complemented by the convening of meetings and visits by accredited foreign ambassadors in Spain to leading Spanish companies in their respective sectors. This is a way for these companies to demonstrate their strengths and convey a stronger image of our country. This programme will be extended to other groups such as foreign media correspondents.

4.- Redeployment of our external network, taking into account the changes in the geographic distribution of our economic interests abroad and the increasing needs of our companies in these mar-

kets. A logical consequence of a strong expansion of our business activity abroad is a shift in weight towards certain countries depending on these interests. The increased importance of our interests in Asia and Africa is especially significant.

5.- Close collaboration with the Marca España High Commission by our diplomatic representations abroad with the aim of improving our country image.

6.- Support technology action abroad that is capable of creating an internationally recognised reputation for R&D assets generated by Spanish entrepreneurs and scientists; increase international cooperation in these sectors with the most innovative players of our country; and promote robust investment flows that help expand the technological capacity of Spanish companies inside and outside Spain.

## 6.9. External action on emigration and immigration

Globalisation is changing the characteristics of migration, increasing its impact on the economy, national security, society and culture. Migration policy, therefore, must be seamlessly coordinated with external policy.

Spain's demographic problem must lead us to a proactive migratory policy, one that fosters qualified immigration to contribute to a change in the productive model and serves to counter negative demographic trends. Additionally, we must persevere in our policy on irregular immigration control, with the full respect for human rights and with the cooperation of countries of origin and transit. In this regard, we will continue to work within the contexts of the United Nations and in a special manner, the European Union. The coordinated management of the Union's external borders is a key element of its immigration policy. Linking the concept of external border management with that of irregular immigration strengthens the cross-cutting, integrated standpoint required by this phenomenon.

Cooperation with origin and transit countries for migration flows is a key element in the preventive and comprehensive approach of the external dimension of our migration policy. Certain mecha-

nisms are highly useful to this end, such as annual high-level meetings with Morocco, Mauritania and Algeria and cooperation in border control mechanisms with priority countries. It is also necessary to continue to strengthen development cooperation in order to address the root causes of migration, especially in those countries on the migratory route with West Africa. Regarding multilateral cooperation, we highlight the importance of forums for political dialogue, especially those that fall under the European Union migratory policy, such as the Rabat Process and the Joint Africa-EU Strategy. Just as important is the active participation in instruments that boost synergies in political dialogue, migration and development, such as mobility partnerships.

## 6.10. External action on cultural issues

Cultural diplomacy is part of public diplomacy. As such, it stretches beyond governments and seeks to establish contact with institutions and people from diverse fields. Through this contact, language and culture are disseminated. It is one of the most genuine and profound ways of crossing borders.

One of the features that best defines Spanish international identity is the wealth and plurality of its culture, its enormously valuable heritage that is renewed with each generation because of the works of its grand and internationally renowned creators. Spain is a cultural power with live linguistic diversity that must be conveyed abroad as a show of our extraordinary vitality. Equally, our common cultural heritage is signal to the entire world of our undoubted cultural prestige.

But Spanish culture is not only Spain. Our history and language have led Spanish culture to transcend borders and be open to the influence of other peoples. The European and Ibero-American dimensions of Spanish culture must therefore be appropriately reflected in our cultural diplomacy.

Spanish language, with its rich historical background and mestizo heritage, is our main link to our community countries. It is an extraordinary vehicle capable of taking Spanish culture to spaces that were virtually unexplored until now because of the thriving dynamism and the growing interest it

## INTERNATIONAL SPANISH LANGUAGE CERTIFICATION

Increasing demand for Spanish in very different areas has demanded that the Instituto Cervantes and all those involved in its dissemination adopt strategies that include cooperation amongst Spanish speaking countries and the incorporation of information technologies.

The Instituto Cervantes, the Universidad Nacional Autónoma de México and the Universidad de Salamanca will soon launch a new online Spanish certification, applicable worldwide. This is a test that includes all variations of Spanish language and can be given in examination centres throughout the world.

Promoters of this new certificate will be open to the incorporation of new partners, especially universities, Spanish academic institutions and those from Latin American countries that will contribute to improve and disseminate the system.

The new certificate will be agile and flexible, attractive features for those seeking certification not only in academic fields but also for professional use and general knowledge. This exam will fill the void that currently exists and serve as a great step in promoting the Spanish language, encouraging learning and creating training for more Spanish teachers.

## FORMAL EDUCATION IN SPANISH: A STRATEGIC GOAL

Universal promotion of Spanish is:

- Beneficial to the nation with a range of positive aspects.
- A project that begins with us, our initiative. How we carry out the strategy we select depends only on us, in contrast to so many other areas of our external action.
- A sure bet. Undertaking a task that nobody can or wants to do in your place is a guarantee of success. There is no competition nor justifiable mistrust.
- A target with tangible outcomes in economic terms and mobilises many domestic players, a large part of society.
- A programme that can rally consensus.

There are several dimensions to promoting Spanish learning abroad, and we can highlight two as the most relevant: teaching and the support of Spanish teachers, and furthering the learning of Spanish as a foreign language in other countries' formal education systems. This second dimension has enormous potential.

Supporting Spanish teaching in non-university settings abroad is a main challenge for our external action. The decision to make Spanish language learning compulsory or optional in a

formal education system immediately implies an exponential increase in number of students and teachers, meaning millions of new students and tens of thousands of new educators.

The clearest example and precedent is Brazil, whose government implanted compulsory Spanish as a second language in formal education systems. This is leading to a considerable increase in amount of students and teachers. The steps taken in Brazil or in the US have not been taken in Europe. This leaves promising potential for our continent, the south Mediterranean coast and other farther geographical regions.

We thus arrive at the conclusion that the most crucial and decisive cultural action abroad is to persuade third country governments that teaching Spanish as a first or second foreign language should be a priority given its global dimension. The launching points should be the closest, those within our European context. If countries such as Germany, Great Britain, France and Italy adopt these measures, a great part of the road can be paved.

## INSTITUTO CERVANTES

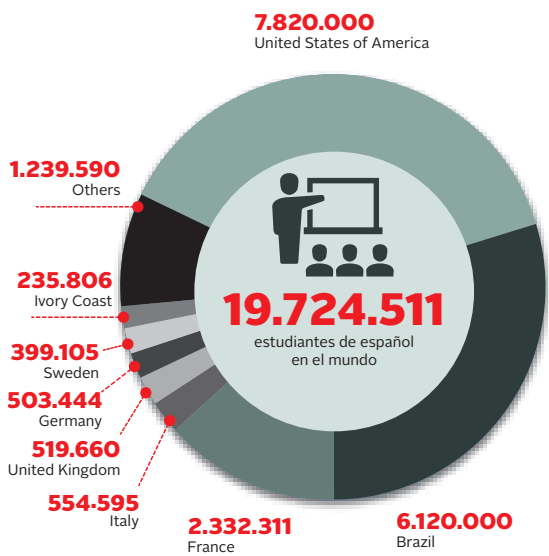


**548**

million people in the world speak Spanish

Second language in the world spoken as a first language by native speakers and second international communication language

## SPANISH STUDENTS IN THE WORLD



## PROJECTION OF SPANISH



The Instituto Cervantes has **multiplied** by fourteen the number of registrations in the period 1993-2013



In 2050 the **United States** will be the first Spanish speaking country in the world



By the year **2030**, **7,5%** of the world's population will speak Spanish



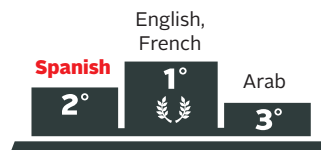
**858000** tourists visited Spain in 2013 for study purposes

## SPANISH CLASSIFICATION

### Most studied languages as a foreign language in the world



### Spanish recognised as a working language in the United States



### Languages most used on internet



### Languages most used on social websites







*Celebration of the Spanish Language Day outside the Instituto Cervantes in Madrid.*

## THE INSTITUTO CERVANTES AND CO-OFFICIAL LANGUAGES

Within the Spanish government external action framework, the Instituto Cervantes has proven itself to be an essential instrument in the teaching of Spain's diverse languages and in the spreading of knowledge regarding Spanish culture in all of its broad dimensions and plurality, as well as the common cultural heritage of all the Spanish-speaking community.

To this end, the Instituto organises general and specialised Spanish language courses at its centres, and courses in Spain's co-official languages. At the beginning of each year, the Instituto Cervantes offers Catalan, Galician and Basque language courses along with Spanish and these take place where there is a demand for them. Collaboration comes frequently from the responsible organisations at the corresponding Autonomous Communities to organise the courses, such as Instituto Ramón Llull, Xunta de Galicia, Instituto Etxepare and the Instituto Navarro del Vascuence-Euskarabidea. Additionally, Catalan, Galician, Valencian and Basque languages count as merit credits in the "language knowledge" section for Instituto Cervantes personnel in their applications for promotions, transfers or new job posts.

Cultural activities are regularly scheduled at Instituto Cervantes centres related to Catalan,

Galician, Valencian and Basque cultures such as lectures, congresses, exhibitions, film series, concerts, readings and more. There are also libraries devoted to authors of these languages with special collections of their works.

With regards to activity in Spain, we highlight a project that has made a dynamic comeback: the Encuentros en Verines gatherings. In our literary culture, Verines is synonymous with meetings of the minds between writers and critics in Spain's different languages. From 1985, there has been a yearly gathering of 20 to 30 writers in Spain's different languages at the Casona de Verines in Pendueles (Asturias). The main objective of these Encuentros has always been to foster dialogue and intellectual exchange. For this, writers from all areas and languages in Spain are invited to debate on the state of Spanish humanities and their diverse genres, with different approaches from each author's particular viewpoint and personal experience. In 2013, institutions representing our languages—Instituto Cervantes, Institut Ramon Llull, Consello da Cultura Galega and the Instituto Vasco Etxepare—were incorporated into the academic coordination of the event, reinforcing the initial vocation of the Encuentros: promoting ties between Spain's cultures and enhancing three decades of amassed creation, exchange and dialogue.

arouses in new fields. We have before us a unique opportunity to boost the spreading of the language throughout the world, hand-in-hand with other Spanish speaking countries.

Cultural manifestations taking place abroad are increasingly varied. A growing number of activities promoted by cultural diplomacy are related to less traditional fields, yet these are fields in which Spain has a great deal to offer such as design, architecture and gastronomy. However, more emphasis must be placed on science, projecting a more solid image of the country abroad. Cultural manifestations are linked less and less to borders and are increasingly independent of governments and public institutions. The Internet and information technologies allow individuals from any part of the world to engage in cultural dialogue.

Traditionally, cultural diplomacy has focused on the use of culture to project a certain image and obtain public and economic benefits in its relations with other countries. Today this approach is not enough. Bi- and multi-directional relations have influence and messages are less homogenous in nature. In traditional models of cultural diplomacy, governments assumed practically all functions. Today, civil society takes on more of a key role and broader space, where persons or institutions—frequently partnered with those of other countries—propose and develop cultural programmes. In a highly decentralised international society, actions carried out by independent players do more for the image of a country than those that are directly produced by that country's government.

## Actions

**1.- Presentation and dissemination of our cultural reality**, both historical heritage and contemporary creation in the broadest array of fields. Spain has few instruments as convincing as its heritage and creative output to fulfil the aforementioned priority of external policy that the Spanish External Action and Service Act describes in its preamble: “strengthen international presence and reinforce its image in the world.”

**2.- Projection of Spanish as an international communication language.** The demand for our language is increasing. This means more and better certification and teacher training is needed. The following actions should be taken in this regard: expand the activity of Instituto Cervantes, encouraging its strategy of forging alliances with

Latin American and European countries, and agreements with universities and other types of institutions that facilitate infrastructure; strengthen the Spanish as a Foreign Language (DELE) diploma as an official certification; launch new formulas for certifying knowledge of Spanish language; strengthen relationships with public and private academic institutions; and supporting the activities of Education Councils and other education offices abroad controlled by the Education Ministry.

It is equally necessary to place the proper emphasis on the Spanish community abroad who wish to maintain their cultural and linguistic ties with Spain. An aspect of very special importance is the role played by the cultural associations abroad established by many Spanish provinces, and the support these associations receive from the corresponding Autonomous Communities.

**3.- Projection of Spain's languages.** Cultural action abroad with respect to the cultures of the Autonomous Communities and the co-official languages – Catalan, Basque, Galician and Valencian – is granted high priority in the promotion and dissemination of Spanish culture in its different forms and languages. We are working to achieve a greater internationalisation of Spanish culture, fostering the presence of our cultural creators and industries on the international scene, and facilitating the presence of this sector in international events. In this task, a balance must be maintained between the different forms of artistic expression produced in the Autonomous Communities, to produce a true reflection abroad of our nature, that of a country with an extraordinary cultural wealth, which is the product of its cultural diversity.

On a multilateral level, the Ministry of Foreign Affairs and Cooperation collaborates to boost Catalonia's presence and cultural actions within the UNESCO system. In June 2014 a new Memorandum of Understanding was signed between UNESCO and the Generalitat de Catalunya, under the aegis of the Ministry, which had and continues to have the decisive support of the Spanish Permanent Delegation to UNESCO.

**4.- Anniversary commemorations.** In forthcoming years several anniversaries will be commemorated which will aid in projecting a fresh image of Spain in the world and strengthening ties with zones of great interest such as the US and Pacific Asia. 2015 marks the 200th anniversary of the completion of the Manila Galleons and the 450th anniversary of

the founding of Saint Augustine, the first city of the United States. In 2019, we will commemorate the 500th anniversary of the kick-off of the first round-the-world voyage (1519-1522), all of them advantageous moments to present Spain as an engine for globalisation; and in 2016, we commemorate the 4th centenary of Miguel de Cervantes' death.

**5.- Multilateral consultations, especially with UNESCO,** to address global education and cultural challenges. UNESCO is the appropriate framework for consultation in areas such as management and protection of heritage in a broad sense—material, immaterial, underwater, natural—a sector in which we occupy an exceptional position.

**6.- Support for internationalisation of our cultural and creative industries,** industries of evident added value that provide over twice the average number of jobs as other creative sectors. These have an important impact on other industries such as tourism, fashion and luxury items. Actions are undertaken that strengthen the promotion of already consolidated markets while at the same time intensifying promotion where public support is still needed to overcome certain barriers, namely in such promising markets as those in large Asian and African countries. In addition, we also support our creators in their contacts abroad in their efforts to launch co-productions.

**7.- Further penetrating the Latin American cultural scene** is a priority objective. All institutions, under the coordination of the Ministry of Foreign Affairs and Cooperation, must work towards this end. Several of the Secretariat-General for Ibero-America's main success stories are linked to culture and its industries; it is necessary to continue to advance in this direction and cover new ground.

**8.- Cultural diplomacy, in terms of cultural promotion, cultural cooperation and cultural promotion for development, as part of our cooperation policy,** continuing human resource development programmes in the cultural sector and redirecting the efforts made in past decades, evolving from the restoration and use of material and immaterial heritage towards programmes based on knowledge transfer – a direction that is more appropriate to new circumstances, especially in Latin America.

**9.- Coordination and projection of an image of unity in external cultural action** The Ministry of Education, Culture and Sport and the Ministry of

Foreign Affairs and Cooperation, together with its dependent organisations, Instituto Cervantes and AECID, are working jointly to promote Spanish language and culture in their respective domains. Spanish Embassies and all of their technical sectoral offices ensure unified and coordinated dissemination, with all of the benefits this brings to Marca España and the positive consequences—be they educational, diplomatic, trade, tourism or otherwise—that contribute to the better development of Spanish society and international relations.

**10.- Strengthening of public-private alliances.** The **priority geographical axes**, besides the traditional ones of Europe and Latin America, are the United States and Asia, which are viewed as new frontiers full of opportunities. In the USA, looking beyond the Hispanic community, we seek to reach the American public in general and to extend Spanish culture through the Instituto Cervantes network, the educational action abroad of the Ministry of Education, Culture and Sport and that of other centres.

With regards to Asia, we look towards emerging markets that frequently require institutional support. An example to keep in mind is the film industry where a co-production agreement has just been made with India and another is being negotiated with China. Regarding language, there is enormous potential. Special mention must be made of the Philippine effort to introduce our language broadly into the education system for which guidance and consulting services will be provided.

## 6.11. External action on education

Education for students beyond our borders fulfils a role that is important to making Spain known and creating and strengthening international relations of friendship, based on educational and cultural bonds for the present and the future.

### Actions

1.- Teaching subjects from the Spanish education system in other countries through existing public or private Spanish institutions.



**Publicity campaign carried out in Asia by the Secretary of State of Tourism.**

2.- Implementing or maintaining diverse collaboration formulas with foreign learning centres to incorporate specific content from our education systems into theirs.

3.- Signing of agreements and conventions between Spanish education systems and those of other countries to facilitate the mobility of teaching staff and students.

4.- Dual degree programmes. In a scenario of globalisation in which mobility, technology and language learning constitute the three essential elements of the educational process, these programmes allow students to reap the educational benefits of both systems. Moreover, degree holders will benefit from an intercultural dimension and mobility at the higher education level

Together with this, we introduce a methodology based on AICLE (integrated content and language learning). In our external educational action this is applied to both dual degree programmes as well as Spanish programmes imparted in foreign centres

and allows for learning of the language and the non-linguistic subject at the same time.

5.- The internationalisation of our universities that already participate in European, Latin American and other geographic regions can serve to foster dialogue with universities and institutions responsible for higher education in new areas and in new countries. The way to strengthen the international presence and image of our higher education system is by driving this momentum of mobility and teacher and student exchange programmes, consolidating the recognition of degrees and quality certifications, and implementing new international dual degree programmes.

The Strategy for the Internationalisation of Spanish Universities, designed by the Ministry of Education, Culture and Sport, is an executive plan based on specific actions to enable Spanish universities to obtain a prominent position on the international stage by presenting attractive, competitive educational programmes; another goal of this Strategy is to consolidate a strong, internationally attractive university system that promotes the inward and outward mobility of the best students, teachers, researchers and administrative and service staff, promoting high quality education, the value of Spanish as a language

ge of higher education and the internationalisation of training programmes and of R&D&I activities.

This Strategy will underpin Spain's position as a benchmark for international higher education in Spanish, highlighting the advances made in higher education in recent decades, and presenting Spanish language as an asset with which to better position ourselves in an international environment of global competition for talent and for knowledge-related investment.

6.- Support for the Education Councils, whose main purpose, in the countries in which they are located, is to strengthen relations in the education context, to promote and manage the Spanish educational action and to make Spanish language and culture more visible to teachers and students in the formal education system.

## 6.12. External action on sport



Sport is a powerful and indispensable instrument in Spain's external promotion. A successful model in the world of sport generates external action and makes a very significant media impact.

The Spanish model of sport is acknowledged worldwide to be highly successful. The results achieved by our athletes not only have positive consequences in the context of sport itself and in brand images, but also extend into many other areas, such as education, health, social and gender equality, the integration of persons with disabilities, tourism, industry. Above all, it plays a vital role as an engine of innovation and economic development.

### Actions

1.- Signing Memoranda of Understanding and designing a time frame for cooperation between Spanish sporting institutions (particularly, the Sports Council) and foreign ministries with responsibilities for sports affairs, to facilitate partnership activities in this field and the transfer of knowledge and experience to other countries.

2.- Facilitating visits to Spain by senior sports officials from other countries, to acquire information

about the Spanish sports model and for training in how to administer it effectively.

3.- Visits to Spain by technical staff, architects and the managers of sports facilities to examine at first hand our Centres of Sporting Excellence and Technical Studies.

4.- Direct actions to favour sporting cooperation in Spain, by enabling training visits by sports coaches and athletes from other countries.

5.- Actions to favour sporting cooperation abroad, by creating and supporting sports schools providing joint educational activities.

6.- Training activities for technical staff, scientists and sports directors, enabling stays in Spanish facilities and centres, attendance at training courses and the organisation of or collaboration in courses and seminars, at home or abroad.

7.- Travel abroad by Spanish teams, as the best qualified ambassadors of our sport and of Spain.

8.- The organisation of elite sports events, welcoming athletes, technical staff and officials from around the world and placing Spain's image in the global media

9.- The development of sports tourism in Spain, both for spectators at advertised events and for those taking part in any of the innumerable possibilities, especially outdoors and in natural surroundings.

## 6.13. External action on tourism



Each year over one billion people travel abroad as tourists. In economic terms this represents 9.5% of the world's GDP. One out of eleven jobs in the world is generated by tourism.

Spain is world leader in this gigantic industry. It is the second country in tourism revenues, third in number of international tourists and the first holiday destination in the world. Maintaining this star position is going to be a great challenge. It is one of the most important branches of activity in the Spanish economy in terms of GDP ahead of cons-



***Health transport in the heliport of the Central Hospital of Asturias.***

struction; real-estate, professional, science and technology professions; and information and communication.

These figures, both worldwide and national, make tourism a fundamental element to external action strategy. The tourism industry is undergoing profound changes for such different reasons as new technologies that are changing the value chain, processes of marketing and sales, and consumer behaviour. An increasing number of international destinations compete in this market, with offers to an increasing number and variety of potential tourist segments.

The diversity of culture, climate, food and other aspects of life in Spain should be highlighted to enhance Spain's appeal to foreign tourists. In this respect, an issue of crucial importance is the necessary collaboration with the corresponding department in each Autonomous Community in order to reduce the industry's dependence on seasonality and to provide tourism services with greater added value.

**Actions**

1.- Promoting the Spanish image as a tourist destination abroad. In mature countries, the main suppliers of tourists to our country, the strategy

consists in making the broad diversity of tourism products our country has to offer known, with a view to reaching new segments of the population. Moreover, in those markets that are emerging in a tourist sense, the strategy consists in positioning Spain as a tourist destination where it is less known as such.

2.- Strengthening bilateral and multilateral relations in the tourist sector. Spain must increase the exchange of knowledge and experiences with strategic partners in line with bilateral economic and trade relations. With regards to multilateral organisations with competencies in tourism, institutional relations and the transfer of knowledge will be strengthened.

3.- Lending assistance to Spanish tourism businesses and entities in their international activity. We will support the internationalisation of Spanish tourism enterprise through a specialised assistance service that will support them in their international activities.

4.- Strengthening the Spanish tourism brand image. Tourism is a fundamental facet of Marca España, and with this in mind, we will undertake actions to strengthen the tourism dimensions of the brand as a key element in the comprehensive quality brand image of the country.

The principle instrument for supporting these actions is the Instituto de Turismo de Spain (TurSpain) Strategic Marketing Plan.

## 6.14 External action on the environment and climate change



As we have stated previously, the reference framework for these issues is the United Nations and our natural framework for action is the European Union.

### Action on the environment

1.- There are nearly 500 international conventions on environmental issues. We will promote better governance to strengthen synergies and prevent instruments from overlapping and ensure compliance with them.

2.- Political support for the process with active participation in governmental bodies and international conventions conferences.

3.- Progress in achieving the targets from the Aichi Strategic Plan for Biodiversity 2011-2020 of the Convention on Biological Diversity; move forward in negotiations on the legally binding instrument on mercury and other dangerous chemical substances.

4.- Support coherence and synergies in negotiations on the environment and the Post-2015 Development Agenda, aiding to address the environmental challenges—such as loss of biodiversity, water scarcity and combatting atmospheric pollution, amongst others—that hinder the eradication of poverty and sustainable development.

5.- In the context of the European Union, boost joint actions over the Natura 2000 network so that it is viewed as an external European network, and connect it to environmental initiatives already underway, such as habitat banking.

6.- Regarding water: intensify international cooperation, establish and fortify collaboration frameworks and exchange of experience both in multilateral and bilateral contexts. At the United Nations: the role water plays in the sustainable development goals agenda and in development cooperation. In the Mediterranean: through the 5+5 Dialogue; in Asia: with countries such as Uzbekistan, Kazakhstan and others, in the Near East; in Latin America through the Ibero-American Confe-

rence of Water General Directors (CODIA).

### Action on climate change

1.- Political support for international processes to combat climate change with an active participation in the Summit organised by the UN Secretary General.

2.- Progress in negotiations towards a new international agreement on climate change that must be adopted in 2015, at the Paris Summit, and enter into force in 2020.

3.- Give importance to coherence and synergies in climate negotiations and those related to the Post-2015 Development Agenda, enabling them to cope with the challenges that climate change poses to reaching the eradication of poverty and sustainable development.

4.- Cooperation with third countries and institutions to further develop international carbon trading markets.

5.- Support the negotiation process for a new energy and climate change framework within the European Union.

6.- Strengthen Spain's presence in the Ibero-American region by maintaining the momentum of networks such as RIOCC (Ibero-American Network of Climate Change Bureaus) and in other areas of interest through an appropriate use of cooperation resources.

7.- Active presence in international forums where Spain can convey the relevance of its role in combatting climate change.

## 6.15. External action on health



External action on health focuses on health security, health protection, healthcare for citizens and the support this sector can lend to others: food and agriculture, and tourism, and more. This falls under the umbrella of policies created within the European Union, the World Health Organization (WHO) and other international bodies.

The globalisation of health risks of human, animal,

food, environment and other origins demands international collaboration for their detection and control. Spain adopted the Who International Health Regulations and thus has a commitment to announce health risks that may be of international interest and to have in place response-ready structures and mechanisms for them.

Food security and global food markets also require an international collaboration framework to maintain the security standards reached in the European Union, coordinate the response to food emergency situations and advance in transmission technologies and information management.

Non-communicable diseases are the first cause of mortality and morbidity in all countries, making it a prime item on the health agendas of the United Nations, European Union and States.

In the area of drug monitoring, we will strengthen cooperation, collaboration and communication amongst health authorities to develop standardised actions, transfer knowledge and information technology to boost prevention and combat the falsification of drugs and related fraud.

The National Transplant Organisation (ONT) has brought Spain to the forefront of world figures on organ donation and transplants and has allowed many countries to boost their figures by implementing the Spanish Transplant Model. The value of this on an international cooperation level is evidenced by the fact that the ONT was awarded the Príncipe de Asturias International Cooperation Award in 2010, and shortlisted for the “Marca España Ambassador” prize in 2013.

The health sector has a supporting role in other sectors, such as the internationalisation of the food sector, food export, quality control of medicines and the cosmetic sector and healthcare enterprises that foster health tourism.

### Actions

- Active participation in European Union and WHO forums in preparing for and responding to health crises, in setting out food regulations and researching food risks. Promoting the values and experiences from the European food security system in Ibero-America.
- Collaboration with the European Commission and especially countries neighbouring Spain in the functioning of cross-border healthcare.

## GAS. ELECTRICITY. INTERCONNECTIONS. THE NEED FOR MORE EUROPE

Spain has two **gas pipelines** that connect with Algeria: the Maghreb Pipeline through the Straight and the Medgaz Pipeline through Almeria, which carries or has the capacity to carry 20 bcm/year. Together with these is the Larrau pipeline (France) with a capacity of 5.2 bcm/year.

Additionally, Spain has **seven regasification plants**: Bilbao, Gijón, Ferrol, Huelva, Cartagena, Sagunto and Barcelona, with a total capacity of 67.1 bcm/year. The plants operate only at 20% capacity due to the high prices of liquefied natural gas in the Far East, making Algerian gas more profitable.

Spain's **total gas import capacity** is 92.3 bcm/year. Current **consumption** rates are around 30-31 bcm/year.

This means that the Spanish gas grid would be in conditions to re-export around **50 bcm/year to Europe, the equivalent of approximately 40% of what Russia supplies**. By reinforcing connections with Algeria, this figure could even increase by 18 bcm/year, according to Enagas estimates. This possibility is currently barred because of **insufficient connections with Franc**, and further on to the rest of Europe.

Regarding **electricity, the interconnection capacity between Spain and France is one of the lowest** in the European Union. Current installed production capacity is at **1.4%** and peak load **is at 3.33%**. This installed production capacity can reach **2.7%** once the work is finished on the Santa Llogaia-Baixas connection. If the interconnection were to be made through the Bay of Biscay, Spain would reach an interconnection ratio of **6.1%** of installed production capacity in 2022. **This figure is still far below the 10% targets established by the European Council. In fact, in 2020, Spain will be the only country on the European continent to not reach this target.**





***Model railway of the future high speed Talgo train line between Mecca and Medina (450 km long).***

- Lead joint actions in the European Union on non-communicable diseases, lifelong active aging and leadership in the area of nutrition and physical activity.
- Active participation with the WHO and the European Union in drafting an action plan for health personnel to foster a sustainable workforce in Europe.
- Maintain leadership in Europe and the rest of the world in donation and transplant of organs, tissues and cells through active collaboration with the European Commission, the Council of Europe, the WHO and the Ibero-American Network and Council on donations and transplants.
- Consolidate a collaborative model for drug sector institutions with Ibero-American countries.
- Forge a working group to internationalise the health sector, established within the framework of the 2014-2015 Strategic Plan for the Internationalisation of the Spanish Economy.

## **6.16. External action on energy**



España ha sido, tradicionalmente, muy dependiente del exterior en materia energética, como la

mayor parte de los Estados de la Unión Europea. Por ello, los objetivos españoles en este ámbito encajan con los europeos, definidos en torno a los conceptos de seguridad, sostenibilidad y competitividad.

El mundo está cambiando y el contexto en materia de energía también. Las novedades más importantes se han dado en la explotación de combustibles fósiles no convencionales (gas de esquisto, petróleo de esquisto bituminoso y arenas petrolíferas).

La “revolución del esquisto” ha generado grandes expectativas de que Estados Unidos llegue a la autosuficiencia en materia energética a medio plazo. En Europa - por razones técnicas, políticas y de sostenibilidad - semejante evolución es muy improbable y, en cualquier caso, no resolverá la situación de dependencia exterior, ni de Europa, ni de España.

España importó en 2012 más de las tres cuartas partes de la energía que consumió. La crisis económica, y la evolución del modelo productivo español hacia actividades con menor intensidad energética, han facilitado que la tasa de dependencia exterior baje desde máximos superiores al 80%, pero es imposible revertir totalmente la situación. Aunque sea posible reducir la tasa de dependencia a través del desarrollo de recursos propios - carbón, renovables - y primando la eficiencia energética, esta reducción siempre será muy costosa. Por lo tanto, la prioridad seguirá siendo la diversificación de proveedores y de fuentes de energía, que minimice nuestra vulnerabilidad. Esto exige un constante acompañamiento diplomático, dirigido a facilitar acuerdos con los países proveedores y la tarea de las empresas españolas del sector, así como el análisis

de la situación de los productores, que permita adelantarse a posibles perturbaciones en el suministro y minimizar riesgos.

No obstante, la gran paradoja en materia de seguridad, e incluso sostenibilidad, es la ausencia de una Europa de la energía. No tener un mercado europeo energético integrado aumenta la vulnerabilidad en el aprovisionamiento de los Estados miembros, y entorpece una mayor eficiencia energética. La ausencia de una política energética europea dificulta así la consecución de los objetivos, en los que están anclados los objetivos españoles. En este sentido, que la Unión Europea avance en la integración energética es una prioridad. La integración de España en los mercados eléctrico y gasista europeos es clave para nuestra competitividad y también facilitará la diversificación de aprovisionamiento, la respuesta a posibles perturbaciones súbitas en el mercado energético que puedan afectar tanto a España como a Europa, y la mejor integración de las energías renovables en el sistema energético.

El desarrollo de las interconexiones (véase recuadro) con el resto de Europa permitiría aprovechar todo el potencial español como puente energético entre África y Europa y posibilitaría ejercer la solidaridad con Europa en caso de crisis energética. Por todo ello la creación de un mercado energético europeo integrado es crucial para el futuro energético de España.

España es puntera en energías renovables y debe seguir apostando por ellas. Un elemento esencial de esta apuesta es alcanzar un adecuado nivel de interconexión al mercado europeo. Desde la acción exterior se debe fomentar este objetivo y acompañar la expansión de las empresas del sector, a la vez que se empieza a considerar la nueva variable geoestratégica que supone el encauzar la explotación de energías renovables en regiones vecinas como el Norte de África.

### Actions

- 1.- The creation of a European energy market in the European Union, and in the short term, electricity and gas interconnections.
- 2.- Bilateral actions in special interest markets such as Northern Africa, the Near East and emerging suppliers such as Sub-Saharan Africa.
- 3.- Supply security. Risk analysis of supply zones

and/or Spanish business investment and diplomatic support to Spanish enterprise.

4.- Sustainability and climate change emphasising Spain's image as a key country in renewable energies.

## 6.17. External action on infrastructure and transport

The objectives for external action on matters of infrastructure are:

- Reinforce participation in European Union Common Transport Policy, defending Spain's interests in relevant matters such as Trans-European Transport Networks (TEN-T) and the Connecting Europe Facility, specifically designed to promote growth, employment and competitiveness through investment in infrastructure.
- Further relations with other key countries in matters of infrastructure, transport and housing.
- Intensify institutional participation in international organisations, specialised forums, high level and bilateral meetings both in the context of ministries and on the part of Grupo Fomento entities, in order to guarantee the defence of Spanish interests.
- Boost Spain's connectivity. A fundamental objective is guaranteeing Spain's connections with the rest of the world both in terms of passengers and goods given its importance to the tourism sector; facilitating Spanish business relations abroad and fostering the export of products, ensuring Spain's presence in the great international stream of merchandise.
- Promote Marca España (Brand Spain) and in the same vein, the excellence of its transport infrastructure. This type of initiative not only benefits country image but also that of the businesses that comprise Grupo Fomento and Spanish enterprise on the whole.
- Support the internationalisation of our private businesses with special focus on small and mid-size companies—those that have the most difficulty

branching out beyond our borders.

**The following actions are underway:**

- 1.- Participation in high level meetings and official and State visits abroad and those held within the external action framework
- 2.- Actively contribute to decision making processes for European Union Common Transport Policy
- 3.- Bilateral meetings. By means of contacts with other governments or through the embassy network, emphasis is being placed on the signing of Memoranda of Collaboration in areas where the experience and know-how of Spanish public and private businesses is tantamount. This opens doors to participating in infrastructure projects in these countries.
- 4.- Relations with neighbour countries: France and Portugal. Relations with France and Portugal in matters of cross-border transportation infrastructure are essential to ensure Spain's connectivity to the rest of Europe. In this framework, emphasis must be placed not only on the aforementioned high level meetings but also on frequent contacts and meetings on all levels of the Ministry of Infrastructure and the public business entities related to them.
- 5.- Multilateral relations. Highest level participation in diverse multilateral forums (Sectoral Meetings of Ibero-American Ministries of Infrastructure in the framework of Latin American Summits of Heads of State and Government, Western Mediterranean Ministers of Transport (GTMO), Union for the Mediterranean (UPM) and international forums and international level conferences (Rio + 20 United Nations Conference on Sustainable Development, Annual Spain-US Council Forums, Panama-European Union Forum and the 1st Mexico-European Union Forum). Moreover, we participate regularly in International Organisation meetings which are fundamental in a sector as international in scope as transport.

## **6.18. External action on employment and social security**

The mobility of people is one of the key factors shaping the world today, within an increasingly globalised economy. Exit flows from Spain are mainly comprised of foreigners who, having previously migrated to our country now decide to return to their country of origin. These movements also include Spanish citizens, either born in this country or who have acquired Spanish nationality through residence in Spain. The counterpart of these outflows is the arrival of new immigrants, together with Spanish citizens returning to this country.

In this context, it is essential to support the employment and social security rights generated, through employed or self-employed activities, by contributions made to social security systems in different countries. In the current context, international coordination is needed to recognise these labour rights and social benefits.

In this respect, the EU has created its Europe 2020 strategy to promote employment and social protection within a space in which people can move freely. In the coming years, Spain and its EU partners must address the challenge of reducing unemployment, especially among our young people, and to do so, we will continue to participate in all Community initiatives in this direction, both those already being applied, such as the Youth Employment Initiative and the associated Youth Guarantee, and those which may be established in the future to help this or other population groups.

Furthermore, Spain is ever more strongly committed to supporting international organisations in safeguarding the rights of workers and employers and in developing the concepts of 'decent work' and 'quality employment', proposed by the International Labour Organization, a tripartite UN agency, of which Spain has been a member since its foundation in 1919. Since June 2014, and for the next three years, Spain again has a seat as a non-permanent member of the ILO's Governing Body and of the Committee on Freedom of Association, and is called upon to make a resolute contribution to its activities. Another major presence in this field is Spain's participation in the committees and working groups of the Council of Europe (Euro-

pean Social Charter and European Code of Social Security), the OECD (DELSA Committee) and the European Union.

Spain is aware of the importance of conducting external actions regarding cooperation in the field of employment and social security, as part of the international effort to achieve the Millennium Development Goals, since it is impossible to conceive a democratic, fair society without a framework that guarantees labour rights and that protects the population.

In accordance with this belief, Spain strongly supports the concept of Decent Work and the Social Protection Floor (i.e., a statutory minimum level of social protection) proposed by the ILO. We are working with this multilateral organisation in the dissemination and implementation of international standards in the workplace and to eradicate all forms of discrimination in access to work and in employment conditions. Moreover, for many years, Spain has been actively collaborating with the ILO on programmes to combat child labour and the exploitation of young people in the workplace.

In this context, Spain proposes the following actions in the area of employment and social security:

1. To promote compliance with the objectives of the Europe 2020 strategy, with particular emphasis on initiatives to promote youth employment.
2. To take an active part in international initiatives to combat undeclared employment and to combat fraud in the field of social and employment issues.
3. To encourage cooperation and multilateral and bilateral technical support for projects to publicise and promote the concepts of Decent Work and the ILO Social Protection Floor.
4. To strengthen our multilateral position in international forums such as the G20 and the Ibero-American summits through active participation via the exchange of best practices between countries and the design of strategies to promote job creation, especially for young people.
5. Within the EU, to enhance the coordination of national policies for employment and social protection, with particular regard to national social security systems.
6. To reinforce the network of bilateral agreements on social security that Spain has made with other countries, through the conclusion of new agreements and the review of those in force that need to be adapted to current legislative and social circumstances.
7. To support the work carried out by the National Institute for Safety and Health (INSHT) within the EU Council (Social Affairs Group), the EU Advisory Committee on Safety and Health at Work and, especially, the European Agency for Safety and Health at Work (EU-OSHA), based in Bilbao, and in which the INSHT participates as a member of the Governing Board, and also as administrator of the Spanish Network and as national Focal Point for the European OSH Network.
8. To strengthen development cooperation through the exchange of information and technical assistance. These relationships are often established under cooperation agreements or memoranda of understanding. One of the most active areas in this regard is that of the social economy, given Spain's status as an international reference, regarding both its highly advanced cooperative sector and also its development of a regulatory framework for the development of this sector.
9. To maintain a fluid dialogue with international observers who offer their analysis and views of the labour market, which is such an important element for investors, for the proper functioning of the euro area and for the country's image. In this respect, we highlight tests made of the labour market by bodies such as the European Commission, the IMF, the ECB and the OECD.
10. To promote contributions to further the European project in the field of employment. Notable in this regard is the participation of the Spanish Public Employment Service (SEPE) in the European Network of Public Employment Services, whose main objective is to encourage cooperation between Member States in the fields of employment and comparative learning, thus contributing to the Europe 2020 strategy and to the implementation of EU policies and strategic measures in this area.

## 6.19. External action on agriculture, food and fishing

External Action in agriculture, food, fishing and environmental issues will focus on the promotion of products and services supplied by the Spanish food, agriculture and fishing sectors, on opening up new markets for them and on working to remove trade or regulatory barriers, taking into account the targets specified in governmental food and fisheries policy and the commitments made in accordance with EU strategies. External Action will also seek to promote international action on environmental questions and to benefit Spanish products and services in this field.

The agriculture, food and fisheries sectors have maintained the broadly favourable trend that began in 2009. The trade surplus has increased by 36.3% since 2012, from €5.75 billion to €7.84 billion. This sector plays an important role in Spanish foreign trade, with agricultural and food sales accounting for 16.2% of total exports and for 12% of imports. Furthermore, without the contribution of this sector, Spain's structural trade deficit would be 32% greater. With respect to the magnitude of foreign trade in this sector, taking into account the relationship between production and rates of employment (Spanish Institute of Statistics 2012), and the financial value of exports in 2013, it has been calculated that 33% of the employment in agriculture, livestock farming, forestry and fisheries (around 249,000 people) and 21% of the employment in the production of food, beverages and tobacco (around 86,000 people) correspond to export-led activities.

The agriculture, food and fisheries sectors have great export potential, thanks to the quality and variety of these products. The strategic lines for the internationalisation of these sectors make it clear that external action should provide support in this respect, through the technical work of agricultural and commercial advisers, in promoting the opening up of new markets, in improving trade relations in mature markets and in other promotional activities.

# 7. Geographic spaces

Bilateral relations are and will continue to be a fundamental pillar of external policy. The priorities and objectives set out can only be achieved through the correct management of these relations in which a great deal of human and material resources are invested. Many times what is sought after in a multi-lateral forum is only attained after several bilateral arrangements are made in the capitals of the countries in question. In order to provide proper, effective assistance to our citizens abroad, we must have a permanent presence and good relations with the local authorities on all levels of third country government. Traditional operations of diplomacy, information, negotiation and representation are more necessary now than ever—although they have changed considerably—and reach their full potential in bilateral relations.

The nature of these relations is changing with the upsurge of non-governmental and non-administrative centres of power and influence. These are capable of establishing new relationship models that diverge from traditional pathways and creating new partnerships with countries or groups of countries to act in other regions of the world. The numerous, intricate relations that Spain has with all countries across the world must adapt to these shifts.

## 7.1. Europe

Bilateral relations with our European Union partners are indispensable to seeking the higher goal of European integration. Intense and permanent bilateral relations foster dialogue and deep understanding on different positions. They usher in the comprehension that facilitates the achievement of

our interests in European institutions and pushes the EU's own interests forward. We are thus driven to strengthen bilateral relations with our European partners, especially those with whom we already engage in strategic relations: Germany, France, Italy, Poland, Portugal and Romania.

These are long-standing bilateral relations with staunch historical backgrounds that stretch over and above the objective of European integration. Given their intense nature, these relations long ago surpassed the public realm; they go far beyond the official, and take a place in our respective societies as true engines of mutual interaction. The types of relations we maintain with the United Kingdom, the Netherlands and the rest of the EU member States have legal frameworks incomparable to any other bilateral relations. Needless to say, Spaniards in these countries are not what we would call foreigners in international relations, nor are their nearly 500 million citizens considered to be foreigners here in Spain.

These relationships may require the drafting of plans to address some common interest issues—interconnections with France, for example—but there is no need for a foreign policy strategy to address them. For quite some time the best strategy has been to let European societies, including Spain's, define their preferences in mutual relations.

Beyond EU borders, the European continent has countries and regions that are highly important to Spanish external policy.

**Russia** is the most important neighbour and is a strategic partner to the European Union. In international politics, relations between neighbours are never exempt from difficulties. By virtue of their



***King Juan Carlos together with the President of Russia Vladimir Putin, in the Russian State Prize award ceremony, the most prestigious in the country, awarded to the King in 2012 for his humanitarian deeds and his role during in the Spanish Transition.***

nature, they will always have a certain potential for conflict that doesn't exist in relations with countries out of proximity. Nevertheless, if the efforts and the will are there to reach understanding, these relations can be much firmer, much richer and have great potential for growth.

Not only is there this existing neighbourly potential with Russia, but Russia is also a strategic partner. As a relevant player in the international community and permanent member of the Security Council, Russia has the capacity to contribute in a positive manner to solving many international problems ranging from global issues to conflicts in which their interests may be very important to reaching solutions. The European Union wishes to work with Russia to solve many of these global problems and many of these conflicts, especially those that most directly affect both parties due to geographic proximity.

In recent years, Moscow has made decisions and engaged in actions that have made it hard to truly realise the full potential of relations between two neighbours as important as Russia and the European Union. Among these actions is, most recently, the annexation of Crimea, which is a violation of

international law, as is any change imposed on borders and without explicit agreement between the countries involved. Russia's attitude in the common neighbourhood—particularly in the Ukraine conflict—has led to considerable distancing in relations with the European Union that can only have undesirable consequences for all.

Spain has always been and is still party to a relationship with Russia which allows to exploit the enormous potential for mutual benefit we have previously described here. Both Russia and the European Union have much to gain in this type of relationship. To achieve this, each party must have a basic understanding of the other's attitude, especially regarding respective neighbourhoods. Spain can only comprehend one model in which the legitimate interests of all are respected, one whose utmost priority is the progress and welfare of all countries in the region. We will continue to push this idea to improve Russia-European Union relations. We do so with the conviction that Russia will always be, necessarily, part of the solution.

Within this framework, Spain wishes to work towards achieving a more solid relationship with Russia. Spain has the capacity and aspirations of

## UKRAINE AND RUSSIAN- EUROPEAN UNION RELATIONS

Ukraine is a sovereign country with the full right to decide its status freely among nations. This is Spain's departure point. From this stance, we inevitably understand and incorporate Russia's special sensitivity which derives from diverse factors such as the strategic value that Ukraine has for Russia and, in turn, Russia has for Ukraine; a strong emotional value; economic weight; and human closeness among a large part of respective societies.

The European Council strongly condemned "the unprovoked violation of Ukrainian sovereignty and territorial integrity by the Russian Federation" at the same time indicating that "The European Union's and the Russian Federation's common objective of a relationship based on mutual interest and respect of international obligations needs to be promptly restored."

The essential elements of this approach are:

- Preservation of **Ukraine's territorial integrity**, something that is in no way incompatible with Russia's legitimate interests in Crimea, by redefining the status of Crimea within Ukraine.
- **Constitutive processes** with the constitution reform of 2004 incorporating the aspirations of greater autonomy of the regions, especially those of the east.

In the framework of a new closer relationship with Russia, based on the former points, the European Union could consider the following:

- Showing Russia that the Eastern Partnership is not conceived nor applied as a zero-sum game, but is based on an approach of collaboration and understanding with Russia as well, and nurtures a space for shared values, prosperity and stability.
- Formalising EU relations with the Eurasian Economic Union, starting with a joint analysis of the compatibility between the Partnership Agreement and the Free Trade Agreement on

the one hand and the Eurasian Economic Union on the other.

- Advancing in the facilitation and liberalisation of visas as the best way to improve direct contact and mutual understanding between Russian and EU citizens. In the same vein, EU-Russia dialogue must be held on human rights issues, the main beneficiary of which is civil society itself.
- Negotiating imaginative ways for Russia to participate in operations for managing the EU crisis. Giving third countries who have the capacity to make substantial contributions—as is the case with Russia—a greater role in managing these operations.
- The third energy package, which demands the separation between exploration, production and commercialisation phases is not negotiable. It is part of a minimal attempt at making energy policy more European. This is not, however, incompatible with negotiations on flexible points.

Regarding NATO/Russia, full implementation of the activities and meetings developed within the NATO-Russia Council framework before 5 March must be pursued: diplomatic dialogue, joint NATO-Russia operations on Syria's chemical disarmament, among others. This Council should be able to convene Ministers of Foreign Affairs at the request of one of its members, when s/he deems that a situation with potentially serious implications for the security and stability of the Euro-Atlantic area exists.



being a key partner in the modernisation process of the Russian economy mapped out by its leaders. We also aspire to further strengthen the ties between both societies which have only recently begun to know each other better.

**Ukraine** is a relevant neighbour to the European Union, the most prominent member of the Eastern Partnership, and with whom Spain wishes to increase the quality and content of bilateral relations.

We must put our weight behind the establishment of substantive contractual relations with the European Union. The signing of the Eastern Partnership is the first step in this direction. The democratic orientation and opening of Ukraine to Europe that was defined following the May 2014 elections have paved the way to the political, legal and economic reform Ukraine needs in order to procure a future of prosperity and stability. These measures will also enable the implementation of the Partnership provisions.

Ukraine is a country with enormous potential and capacity to overcome the ponderous political difficulties it currently faces. The EU must play a fundamental role in this undertaking. This is the conviction guiding Spanish policy.

We have a strategic relationship with **Turkey** on political and economic levels and we support its process of accession to the European Union. In line with the Spanish position on accession, the support for Turkey's admission is based on strict compliance with the conditions established in the so-called Copenhagen Criteria and on the European Commission progress reports. Spain's active support from the inside is made manifest in our membership to the informal "Friends of Turkey" group.

Spain and Turkey co-sponsored the Alliance of Civilizations that is now within the United Nations system, and both are also part of a small group of countries with which Spain holds an annual summit. Thus we can see how in terms of political, economic and regional Mediterranean vision, Turkey is a strategic partner to Spain.

We will continue to firmly support the **European perspective on the Western Balkans** in the framework of the criteria established at the European Council of Copenhagen in 1993, at Madrid in 1995, and the Stabilisation and Association process agreed at the European Council of Thessaloniki

2003. The layout of the process consists in the signing of Stabilisation and Association agreements between the EU and each country. These will be beneficial to them in terms of customs, trade and Pre-Accession Assistance, providing that they take the reform measures necessary to adapt to European standards, obtain candidate status and ultimately negotiate EU membership. A country with the regional importance and weight of **Serbia** must move forward in its European aspirations. An improvement in the perspectives of **Albania** will also contribute to regional progress and stability.

Spain has intensified contact and promoted closer relations to Europe with the Eastern Partnership countries—Armenia, Azerbaijan, Belarus, Georgia and Moldova. In this regard, we follow two guiding principles: firstly, the need exists to respect the options that each country chooses regarding the EU; secondly, the relations must develop within the European Neighbourhood Policy Initiative (ENPI) framework.

**Georgia and Moldova** are the countries that have shown the greatest commitment with the EU following the signing of their Partnership Agreements in June 2014. Spain will continue to intensify contact with these countries, a policy we will ramp up in the future, to cement bilateral relations and increase closeness to Europe.

The **South Caucasus** is a relevant region because of its geostrategic location; its status as a neighbour of the European Union; the existence of long-standing conflicts—South Ossetia, Abkhazia, Nagorno-Karabakh—which require ongoing international attention; and in terms of energy—both because of the wealth of its reserves and as a transit zone. Our objective is to achieve reform and democratic development of the Caucasus States and boost the pro-European option within its external policy. Spain has special interest in continuing to strengthen relations with **Armenia** and **Azerbaijan**. A diplomat has been seconded in the latter within the deployment agreement framework with the EU.

## GIBRALTAR

**The Gibraltar dispute is an anachronistic vestige of dynastic conflicts of the Ancien Régime.** Britain's sovereign claim derives exclusively from the cession of territory included in Article X of the Treaty of Utrecht, with the following characteristics:

- cedes only the town and castle of Gibraltar, together with the port, fortifications, and forts thereunto belonging.
- the Spanish Crown has a preferential right to recover this territory in the case the Crown of Great Britain decides to grant, sell or by any means to alienate therefrom the propriety.

**The isthmus was not ceded by Spain to the United Kingdom** in the Treaty of Utrecht, and always remained under Spanish sovereignty. Spain has pointed out that the mere continual British occupation (Britain erected the Fence in 1909) does not comply with the requisites of International Law for the acquisition of sovereignty. In this manner, Spain deems that the occupation of the Isthmus is illegal and contrary to International Law. Regarding **territorial waters and air space, Spain does not recognise any other spaces belonging to the United Kingdom than those included in Article X of the Treaty of Utrecht.**

**Gibraltar is a colony, the only colony existing in Europe.** Since 1963, Gibraltar has been included in the list of territories subject to decolonisation within the scope of action of the United Nations Special Committee charged with examining the situation regarding the implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples (Committee of 24). Only the UN can decide when the decolonisation process of Gibraltar has been completed. Until that moment, Gibraltar will remain on the United Nations list of Non-Self-Governing Territories.

**Gibraltar's colonial status undermines Spain's territorial integrity** and is completely incompatible with Resolution 1514 (XV), paragraph 6, of 1960, on general decolonisation. In the case of Gibraltar, the UN has not recognised its right to self-determination.

**The Spanish government has urged the United Kingdom to resume, as quickly as possible, bilateral negotiation on questions of sovereignty, which has been interrupted for too many years.** The Prime Minister reiterated this call in his address to the United Nations General Assembly of September 2012 and did so again before the same Assembly of September 2013.

**The question of Gibraltar must be resolved through bilateral negotiations between Spain**

## 7.2. Mediterranean and the Near East

The Mediterranean is more fragmented today than it ever has been. This hinders the task of finding adequate political and economic responses to the region's problems and obliges a reflection on what way to approach this strategic priority for Europe and Spain.

The southern rim of the Mediterranean also borders the Near East. This region is suffering the most meaningful, volatile and complex changes ever since the fall of the Ottoman Empire. Even beyond the revolutions of the Arab Spring and the

critical repercussions it had in key countries such as Egypt, Libya and Tunisia, the Levant and the lands of the Tigris and Euphrates are experiencing tensions that feed a growing sectarian schism. Frequently motivated by interests, this schism is especially occurring between the Sunni and Shia, with the most drastic scenarios taking place in Syria and Iraq.

The importance and scope of these facts and their geopolitical impact cannot be underestimated, although we are still unaware of the concrete effects they will have in the medium and long term. Three cornerstones that are crucial to any political architecture: borders, the role of the State, and the equilibrium that has maintained regional stability, are all being carefully considered. And all of this is

**and the United Kingdom**, uninterrupted recommended by the UN since 1965. These negotiations must take into account the interests of the people of the Colony. The United Nations call to resolve the controversy through bilateral negotiation gave way to the Lisbon Declaration of 1980, which was later furthered by the Brussels Declaration of 1984, in which Spain and the UK laid the foundations for a new negotiations process focused on solving all of the differences around the Rock, including subjects regarding sovereignty. This process, which took the name of the Brussels Process, began with an initial meeting in Geneva in February of 1985. At this same time, land communications through the Fence, which had been interrupted in 1969, were fully re-established. Since the end of negotiations on co-sovereignty in 2001 - 2002, the United Kingdom refuses continued participation in the cited Brussels Process.

**The negotiation on issues of sovereignty is, as the United Nations states, exclusively a matter between the governments of Spain and the United Kingdom.** This does not preclude, evidently, the consideration of the interests of the peoples of Gibraltar and also those of the Campo de Gibraltar.

**Together with the bilateral negotiation on sovereignty, we are attempting to reach an agreement with the United Kingdom**

**on a regional cooperation scheme**, focused exclusively on issues that directly affect the cooperation between inhabitants on either side of the Fence. This new scheme envisages the participation of, in addition to Spain and the United Kingdom, local Gibraltarian authorities and that of the competent Spanish regional authorities in each case.

Gibraltar is a territory that, under current legislation, is considered a tax haven.

#### **Gibraltar in the EU**

**Gibraltar is not part of United Kingdom territory but rather, under Article 355.3 of the Treaty of the Functioning of the European Union, a European territory for whose external relations a Member State is responsible, the United Kingdom.**

**Community law is applicable in Gibraltar with some exceptions**, among which are those envisaged in the UK Act of Accession, which exclude Gibraltar from the Common Customs Tariff, the Common Commercial Policy, the Common Agriculture Policy, the Common Fisheries Policy, and the obligation to collect the Value Added Tax (VAT).

**Gibraltar is not in the Schengen Space.**

occurring simultaneously. The future also depends on how negotiations unfold regarding Iran's nuclear programme, something that will have repercussions across the region.

New power balances and bilateral and regional relations are being forged in this context. These conflicts that have always had great geostrategic and symbolic significance are being compounded by fresh questions for the region's future.

The Israeli-Palestinian situation is the paradigm for these conflicts. The peace process will continue to be pivotal for stability in the region, but it is no longer the only key to solving the region's problems.

In such a vast and diverse region, each new source

of instability has its specific causes, but it also has common elements with the rest.

Firstly, demography. In the whole of the Near East and North Africa, young people between fifteen and twenty-four years of age account for around one-third of the total population. Many of these youth have a certain level of education and access to new technologies, but are hard-pressed to find outlets for their personal and family projects that allow them reasonable hope for a better future. This is partly an economic issue, in some countries whose labour markets are incapable of accommodating the continual supply of workforce that is in many cases over-qualified. But the backlash of this is deeply political and it is only in the political framework that it can be resolved. Young people lack

hopes for a future within the system, prompting protests and claims against a political class that has not been able to address their agendas nor their concerns. And the economic markers have not improved.

The second common point is the manifestation of exclusion of identities. We must recognise that the identity issue is fruit of the political manipulations of social demands that have nothing to do with religious or cultural differences. They have been used to deflect possibilities for change. Against this backdrop, the sectarian rift has already reached serious proportions, endangering the region's future.

Islam as a source of political legitimacy, a source of law and a fundamental feature of the identity of groups and individuals, is a constant throughout the region. That is not the problem. In no way. The conflict appears when the region's States and political movements manipulate deeply rooted religious sentiment. Social and economic demands have been presented as demands from this or that group to undermine their legitimacy. The political debate has been abducted by the powers interested in defining it in religious terms instead of terms of citizenry or legitimate social, economic or political interests. Moreover, many of the region's countries have incorporated the promotion of their version of Islam into their foreign policy.

Just as we have seen the cultural repercussions of globalisation in the first part of this paper, from all over the world have responded to globalisation, seeking refuge in identity itself, a defence mechanism against the fear of dissipating into something unknown that indeed seems to escape our control. In this region, this nearly global phenomenon has accentuated the identity problem.

All of these elements have configured a political culture in which it is hard to encourage consensus. The dominant groups will at a given moment consider themselves the absolute victors and lose sight of the utility of negotiating, of engaging with minorities or allowing for alternation. At the same time, this feeds the sectarian rift, as the rest of the groups feel increasingly excluded from the system and believe that the solution consists in group action to obtain the power quota they are due. Together with this type of functioning, we find other societies in the region who value dialogue and peaceful negotiation as a way to harness diversity and the political tug of war.

The combination of demographic numbers that are not absorbed into the economic system and political behaviour that does not favour inclusion paints a picture of uncertainty. The region is enmeshed in a great wave of instability and harbours the greatest potential for conflict since the fall of the Ottoman Empire, or in other words, since the Sykes-Picot Agreement and the territorial organisation decided after World War I. The centralised power of the States that was created at the time seems to be withdrawing. The results of this are porous borders and weak territories in the face of sectarian group action. The civil war in Syria and the appearance of ISIL—Islamic State of Iraq and Levant—are merely symptoms of an acute ailing that is extremely hard to address. It is true that grand jihadist projects failed in the past. But their recurrent appearance from the 1990's to now shows the enormous fragility of the regional status quo.

### **The Maghreb**

The wave of changes and readjustments that were unleashed in the southern Mediterranean since 2011 had an initial effect of leaving the region in a more fragile state. Only Tunisia, Morocco and Algeria with their more orderly processes and unquestionable success, have been able to guide themselves with a large amount of consensus. Following different paths, revolution and reform, they are achieving results that Europe and especially Spain must support with firmness and the necessary means.

These changes have not translated into progress in cooperation with neighbouring States, which would boost the economic growth of all involved. Moreover, the weakest players in the region also show growing fragility even in controlling their own territory. If the southern rim of the Mediterranean is separated from Europe by a sliver of water, the Maghreb has its own southern border, an ocean of sand which is porous and increasingly more permeable to the influence of the other side, the Sahel. The increasing interdependence of the Maghreb and Sahel and their problems will be one of the region's far-reaching issues in the near future. In the Sahel, conflicts derived from the arbitrariness of borders, demographic growth, sectarianism and the lack of States truly designed to integrate their citizens are currently raging to the forefront with violence and volatilising the burgeoning scene of instability in this vast region so close to Europe.



***The King of Morocco, together with the King and Queen of Spain, during their meeting in the royal palace of Rabat (Morocco), in July 2014.***

Northern Africa, particularly the Maghreb, is a strategically key region for Spanish external action. Due to its geographic proximity, political and cultural relevance, economic and commercial potential and the existence of considerable Maghreb communities in Spain, the stability and prosperity of this southern Mediterranean zone are paramount for our country. Spain has its eye on some of the developments that affect us in many ways. We must be present and involved. A new strategic reflection on this pivotal zone must lead to new foreign policy options with the perpetual conviction that only by arbitrating solutions in favour of the two shores will we be able to tackle one of the most complex issues facing the international community to come.

Spanish policy supports reform, stability and substantial relations rich in content with each country in the region. Also worthy of mention among the objectives for the region is the encouragement of economic diplomacy that is reaping excellent rewards. Spain has already become, in a short span of financial years, the first trade partner with Mo-

## WESTERN SAHARA

The Western Sahara question is still a very sensitive issue to the feelings, interests and values shared by Spaniards. External policy defined to manage this question must take this into account, as well as the international community framework constructed to resolve it. For all of these reasons, Spain maintains a firm commitment to seek a just, lasting and mutually acceptable political solution that envisages the free determination of the Western Sahara people in the framework of the United Nations.

As a member of the Group of Friends, we maintain an active commitment to said solution. Spain defends the central role of the United Nations in the resolution of the conflict and supports efforts of the successive personal envoys of the Secretary General of the United Nations.

Spain puts forth its commitment of solidarity with the Saharawi people and of continuing to be the first bilateral donor of humanitarian aid.

rocco and Algeria. In the case of Tunisia and Mauritania, our objective is to maximise the potential of growing economies, governments and people who know the quality of our businesses and products.

Spain is making an effort to develop the neighbourhood policy within the European Union and solidify a distribution of European funds among the south and east neighbourhoods guided by the principles of differentiation and needs that govern this policy. Another regional goal is to foster Spanish language, which can benefit from the historical ties and increasing interest our southern neighbours have for our language. In security matters, stability in the Western Mediterranean is a shared interest. For this reason, Spain proposes continuing to develop ongoing cooperation on Defence and Home affairs through both bilateral programmes and multilateral formats, among which we underscore the 5+5 Dialogue for the Western Mediterranean.

In the case of **Morocco**, our great southern neighbour and indispensable partner, the common will of our Governments is to continue enhancing the excellent bilateral relations and extend them into new arenas. Aware that close proximity can create occasional differences, the common objective is to continue to create a closely knit relationship and intertwined interests that iron out these differences and keep them in their correct proportion so that they don't damage the relationship on the whole. There is a will that seeks to deepen the mutual understanding and dialogue that is already close between the Royal Households, Governments, other institutions and members of civil society. In addition to high level meetings that serve to solidify the Strategic Partnership and identify new areas for collaboration, we wish to solidify this expansion into other areas such as parliamentary and entrepreneurial.

Spain supports and will continue to support Morocco in its reform process begun in 2011, as well as in its drive to become a strategic European partner. We take on board ongoing cooperation in the struggle against the common threat of terrorism, particularly in the face of shared concern about fighters returned from international scenes such as Syria and Libya. On migration matters, the plan is to continue to implement a comprehensive policy both in bilateral and regional contexts such as the Rabat Process, and support Morocco in its enforcement of new migration and human rights policy.

To Spain, **Algeria** is considered to be a strategic partner, and this can be seen in the political, security and economic arenas. In this sense, Spain seeks to solidify the recent years' trend of exchange of visits and consolidate new areas for cooperation that benefit from the regular convening of high level meetings. Aware that the will of the country is to carry out political and economic reforms, which, in the case of the latter tend towards economic diversification, Spain proposes supporting Algeria in these processes and contributing to the country's prosperity. In economic matters, Algeria is a constant and reliable partner in energy supply—something especially noteworthy in an international context under heavy tensions in this regard. Spain also seeks to continue to strengthen ties on counter-terrorist cooperation. Spain has the same objective of fostering exchange between entrepreneurs, students and tourists, and in an orderly fashion, migration flow. The gradual forging of a mutually beneficial relationship between Algeria and the European Union is another of Spain's objectives.

**Tunisia** is progressing in an exemplary fashion in response to the legitimate democratic aspirations of its people, despite the internal and external obstacles that the process encounters. Spain wishes to respond to the new situation and political courage of the Tunisian authorities by reinforcing the bilateral relationship. We wish to foster political dialogue and develop sectoral agreements. Aware of the vital importance that economic development has for democracy to triumph, Spain proposes searching for new investment and trade opportunities that will make both of our countries grow. Similarly, we will collaborate to face the new terrorist challenge that threatens the people and can influence their political process. We firmly share support for Tunisia's close relationship with the European Union. This will be the axis of our action.

Spain was an early partner when **Libya** began its transformation in 2011 and we observe with concern the deterioration in security, with all its domestic, regional and international implications. We also see the difficulties in terms of the construction and implementation of an inclusive political model. For these reasons, Spain will contribute to the international community commitment to the stabilisation of the country. To this end, we will continue to support operations to bolster border security and European Union coastal monitoring. Our special envoy to Libya will contribute to the international support of political players' efforts



***Conference on Stability and Development in Libya, held in the Palace of Viana in Madrid in September 2014.***

to seek consensus. Libya must go back to being a partner of prime importance for Spain and the European Union in trade, investment and energy supply, as soon as it finds its path of stability and institutionalism.

**Mauritania** is a neighbour and reliable and stable partner. The objective is, therefore, to continue building on the content contained in close and historical relations. In this vein, beyond political dialogue and excellent cooperation on migration and security issues, Spain seeks to contribute to the development and the economic growth of the country not only through traditional development cooperation—an area where it continues to be a priority country—but also through an economic diplomacy that boosts a greater presence of our businesses and local economic growth.

In the context of the European Union, Spain will continue to contribute to the development of the **European Neighbourhood Policy with Southern Mediterranean countries**, which also includes countries of the Near East. Spain will promote the convergence of regulations and policies with Community acquis, with the objective of establishing a neighbourly space of shared values through the

Partnership Agreements, their respective Action Plans, Mobility Agreements and commercial agreements.

**Regional integration of the Maghreb** and the development of the Arab Maghreb Union will contribute to the region's peace and prosperity. For this reason, Spain seeks to continue working actively within formats that foster this integration, such as the Western Mediterranean Dialogue that gathers together the five Maghreb countries and the five northern Mediterranean countries: Portugal, Spain, France, Italy and Malta. In this 5+5 Forum context, Spain will continue to further the initiative with Algeria to draw up a water strategy for the Western Mediterranean, and the launching with Morocco of support for mediation in the Mediterranean.

### **Near East**

Spain's policy towards the Near East seeks constructive relations rich in content with the region's countries. The first condition in this direction is to contribute to solution-seeking initiatives for the complex problems which afflict the region. But beyond this, there is space and opportunity to explore more promising arenas for bilateral relations. Both positions are mutually nourishing. Conflict resolution must include the development of the enormous potential that exists: dynamic markets, countries that have reached great levels of prosperity and have ambitious development plans, and

are home to thousands of talented young people who are keen to undertake personal and business projects.

Our natural framework for action to solve the **region's conflicts** is the European Union and in general, with peace-seeking countries. The serious crises in Syria and Iraq and the persistent Israeli-Palestinian conflict demand solutions, not only because of the destabilising repercussions they can have for our own countries—radicalisation, terrorism, mass migrations—but because our own collective conscience demands it. Spanish citizens feel close to the Arab world and feel their problems and suffering with special intensity. And this is felt in harmony with admiration for the initiative and vitality of the Israeli people.

Constructive opportunities invite us to take special note of relations with **Gulf Cooperation Council countries: Saudi Arabia, Bahrain, Qatar, United Arab Emirates, Kuwait and Oman**, with whom Spain has very cordial relations, inspired by the friendship ties that bind respective royal families. All of these countries have received several high level visits in recent years. This includes a tour made by King Juan Carlos I in the last weeks of his reign. The international spirit and technological excellence of Spanish businesses is a perfect compliment to the development plans of these countries. We wish to go further, however, and explore all of the areas of bilateral relations—political, economic and commercial—as well as cultural, scientific and university cooperation. The objective is to progress towards a comprehensive and consolidated relationship.

## SYRIA, IRAQ

In this paper's section on the Near East, we point to the deep underlying causes and the recent background of situations such as those in Syria and Iraq. The lack of will or the incapacity to forge effective States, the systematic policy of identity exclusion and the sectarian use of Islam, create the breeding ground in which a small fraction of al-Qaeda can become what has come to be called "the Islamic State of Iraq and Levant". But these fanatical fighters were only able to grow to their current size in a milieu of a Sunni community in Iraq having legitimate feelings of exclusion towards a central government in Baghdad which were fed by sectarian and biased policies.

Confronted with a three-dimensional conflict—political, military and humanitarian—the solution must emanate, as always, from within; from the political recomposition of a country comprised of various communities that can only be legitimately governed if all of them participate. We have seen this before. As in the case of the Near East, regions where different identity groups coexist, mix and overlap, the attempt to build homogenous identities leads inexorably to ethnic cleansing, massive violations of human rights and the integrity of minorities. What is occurring in Iraq with Christians and other religious faiths is a good example of this. And in such a situation,

challenging borders is yet another recipe for disaster and violence.

The solution must be an Iraqi one, but it will not be achieved if there is no international diplomatic system that includes the Arab countries, led by the League, as well as the non-Arab countries of the region such as Turkey and Iran.

In Syria, the underlying reasons are the same, aggravated by a regime that has shown overwhelming examples of cruelty towards the civilian population and an incapacity for dialogue that seeks a political solution. And that is again, the only possible solution.

For these reasons, regarding the Syrian crisis, Spain has focused on three central ideas:

- Defence and promotion of a political solution to the conflict
- Close contacts with the Syrian opposition
- Contribute to mitigate the humanitarian emergency

The second strand of action, focusing on urging the opposition to construct a cohesive political front, has translated into several meetings on Spanish soil.

If the grim outlook of the region begins to lift, Iraq and Syria will no doubt be the first theatres in which this historic trend shift will take place.



**Yemen** is facing a combination of political crises and conflicts between communities that is preventing the results of a national dialogue process to solidify. Spain will continue to support this dialogue.

In **Syria**, we base our strategy on three principles: the commitment to the democratic aspirations of the Syrian people, the urgency of coping with the humanitarian tragedy that threatens an entire generation of Syrians, and the conviction that only a political solution can bring peace and reconciliation. We will be guided by these principles as we work with our EU partners in promoting inclusive dialogue among all of the relevant forces on the Syrian political scene with a view to the configuration of a new order that can only be democratic. This means neutralising terrorist groups which, in supposed pro of legitimate democratic demands, use violence as a means of reaching objectives that are in complete opposition to them. We will continue to work with the moderate opposition, whom we have always welcomed with hospitality and support, with the AECID “Masar” programme as a key instrument. In humanitarian matters, we will continue to allocate funds to help mitigate the grievous situation.

Similar objectives underlie our strategy towards **Iraq**: only a united, stable, sovereign and fully independent Iraq can fulfil the role of moderator in the Near East. It is called to this task because of its tradition as a great Arab nation and the potential of its vast territory rich in natural resources and its diverse and enterprising society whose majority seeks to live in peace. Iraq should not be a chessboard where external forces battle out their differences, nor where radical groups try to realise their delusions of totalitarian utopias, but a country that owns its own destiny and is able to act as a stabilising pole. To this end, territorial integrity must necessarily be preserved and civil and constitutional pacts must be forged that can admit the different communities coexisting therein. The aspiration of building homogenous entities from an ethnic, religious or cultural standpoint leads to ethnic cleansing and a spiral of violence, injustice and irredentism.

We will continue a policy of supporting stability, institutional consolidation and social coexistence in **Lebanon**, which shelters a huge number of Syrian and Palestinian refugees.

Moreover, we will continue to cultivate the tradi-

tional friendship with **Jordan**, based on the close relationship between the royal families, which underlies our country’s support to Jordan in managing the serious challenges it faces, such as taking in refugees and the threats posed by radical groups.

The solution to the **Palestinian question** based on two States able to coexist in peace seems clear to all, yet negotiations stagnate over and over again. Spain has always defended the position that only the parties can come to a lasting agreement, but the so-called “peace process” cannot go on indefinitely. There is a time factor that moves against peace and if a solution is not soon found, the conflict will continue spewing its negative effects, with increasing virulence, across the region and beyond. Spain will continue to urge the parties to persevere in the dialogue and will partner with third parties of good will to encourage negotiations; but in a process that continues unjustifiably, Spain will not hesitate to support, in concert with its European Union partners, initiatives aimed at dissuading the parties from adopting unilateral measures that potentially endanger the goal of a negotiated solution, two states living side by side in peace and security.

Furthermore, we aspire to continue strengthening our bilateral relations with **Israel** on political, economic and cultural levels; and strengthening links between our country and the Israeli people, and especially with the different Sephardic communities. Nurturing the Sephardic dimension of our identity is an act of historical justice and a new base for relations with the dynamic Israeli society and with Jewish communities abroad.

Because of its political, economic, demographic and cultural importance, what occurs in **Egypt** has immediate repercussions in all the Arab and Muslim world. For these reasons, stability in this country is a fundamental and inescapable objective. This stability will nevertheless only be long-lasting if it is accompanied by political channels open to the participation of all citizens. It is likewise paramount to aid Egypt in attaining a level of development and growth that will guarantee a hopeful future for the abundant and growing young population. Spain will encourage the Egyptian authorities, and aid them when necessary, in the adoption of necessary structural reforms that are compatible with the demands of stability and social justice.

Regarding **Iran**, we will continue to lend political backing to an agreement to prevent nuclear proliferation. We wish to participate in a progressive normalisation of Iran's relations with the rest of the world. An Iran that is fully re-integrated into the international community will be a stabilising element and once again be a relevant economic partner for Spain.

In the **regional multilateral circle**, we continue supporting our interpretation of the Mediterranean not only as a border, but as an integrated space; this is fundamental for promoting extremely necessary regional integration and it complements bilateral relations. This can only be possible with the active participation of the European Union. To this end, our first efforts will be to continue to defend and reinforce the southern area of the European Neighbourhood Policy (ENP). The creation of the informal group of Ministers of Foreign Affairs of European Mediterranean countries, **MED**, provides us with a highly operative consultative framework for working towards this goal.

The reflection on the **ENP** shows that Euro-Mediterranean cooperation can continue to be a valid instrument with potential—even if in need of some adjustments—to cope with the region's challenges, a region in which Europe has the capacity to make a positive impact. Innovative approaches will be necessary that will be able to deliver not only instrumental responses but strategic and flexible ones as well. In this context, it is considered of fundamental importance to continue supporting interregional cooperation and promoting the active participation of the Autonomous Communities in this field.

The **Barcelona-Union for the Mediterranean Process**, after completing a profound institutional reshuffle, has solidified into an operative instrument to develop projects and serve as a platform to coordinate synergies and complementary exchanges with other institutions and cooperation frameworks.

Spain, together with Morocco, will continue to promote a **Mediterranean mediation initiative** that will set itself squarely within the UN and the Group of Friends of Mediation. The SGUN reports on mediation encourage its support on a regional level and a mediation culture is especially necessary in this turbulent region.

Together with this, we will continue to promote

**NATO Mediterranean Dialogue** and the **OSCE Mediterranean Partners Initiative** as frameworks for trust-building and promoting stability, peace and security in the Mediterranean Basin.

### 7.3. Latin America and the Caribbean

Latin America is an upwardly mobile region of political stability, economic prosperity driven to take on a role in the emerging world. Its power, dynamism and firm footing in global economy and trade make it one of the regions of greatest potential around the globe. At the same time, it is a region in which diversity and blending have always been the norm, on a continent that gave the world the term and the ideal of “mestizo” heritage.

Since the end of the Southern Cone dictatorships and the civil wars in Central America, a political transformation of great magnitude has taken place in Latin American and Caribbean countries. Democracy is the norm in practically all countries, electoral outcomes are respected and destabilising processes or attempts to derail democracy have been strongly condemned unanimously. In parallel, institutions have become stronger, there has been a balanced and efficient management of public finances and inclusive social policies geared towards reducing poverty and inequality have been created.

The region's countries also share weak points and challenges, many of them common to other regions: sustainability of economic models, inequalities and polarisation of societies, insecurity or vulnerability to natural disasters.

Economic development and political stability have shifted the weight of the region on the world scale. With its sights on asserting its voice on the global stage, Latin America is moving towards regional and subregional integration through different formulas whose common denominator is the identity and diversity of each country. In addition to the more consolidated mechanisms—OAS, MERCOSUR, SICA—others have more recently formed—CELAC, UNASUR, the Pacific Alliance. All of these configure a scene of variable geometric configurations where processes—some more ideological and others more practical—coexist.

With a GDP of approximately seven trillion USD in terms of purchasing power parity, seven times the GDP of Spain, Latin America and the Caribbean rank fourth in the world economic space behind the European Union, US and China. Latin America is the largest food producer in the world and third largest electrical energy producer. Twenty-six countries in the region are middle income, five are high income—Chile being the most relevant—and only one, Haiti, is low income.

Nevertheless, Latin American economies face a new phase still prone to risk, deriving from the decrease in trade volume, moderation of raw material prices, and the uncertainty of global financial and monetary conditions. All of the countries face structural challenges to reaching sustainable growth, such as diversification of productive patterns, the increasing role of domestic demand, addressing fiscal reform systems that foster the full emergence of middle classes and reducing the flagrant inequalities in distribution of wealth that still exist. The Inter-American Development Bank (IDB) has also pointed out the need to return to the path of reforms on matters of infrastructure, education, market competitiveness, equitable tax systems and development of labour markets, while stabilising regulatory institutions that foster investment.

Despite the continuous increase of investment flows towards Latin America in recent years, its volume is not enough to cover the investment needs of the region, where some countries have chronic deficits. Thus, despite the efforts carried out for some time by members of Mercosur (Argentina, Brazil, Paraguay, Uruguay and Venezuela), Pacific Alliance Countries (Chile, Peru, Colombia and Mexico—Spain has observer status), have proven to be more agile in establishing trade agreements with the US and European Union. This is also the case of Chile and Peru with China, and the former have also built a partnership with twelve Asian countries including Japan and South Korea.

Furthermore, sustained growth and the solid economic policies of the last decade have improved the lives of millions of people. Across the region, which comprises a population of nearly 600 million people, the situation of the poorest has seen notable improvement. The number of people in situations of extreme poverty has lowered by half and more than 50 million people have exited extreme poverty. The poverty rate decreased from 42% in 2000 to 25% in 2012, while the population considered to be middle class increased from 22% to

34% in the same period. In 2011, for the first time in history, the number of middle class people surpassed the number of poor.

After intense waves of protests in the 1990's, citizen groups have begun to step outside the strictly official framework and into the centre of community organisation and State action. The new middle classes demand social changes, recognition of civil rights and guarantees in terms of essentials such as security and rule of law. In this regard, we highlight the constitutional and legal recognition of indigenous, African and migrant identities that were invisible in the public sphere until recently.

As we have already pointed out, one of the challenges facing the continent is security. The disturbing situation of some Central American and larger Latin American countries, security problems with evident ties to drug trafficking and organised crime, is one of the region's most onerous problems.

Latin America must also face serious environmental challenges. Some of these are fruit of informal settlements in border zones, while others are the result of inappropriate management of natural resources. Moreover, the region suffers from the negative impact of global climate change which is jeopardising the prospects for sustainable development, especially as regards its biodiversity and agricultural productivity.

Nevertheless, the aforementioned challenges to economic development and political stability have changed the world's image of Latin America and its clout on the global stage. The region, with the exception of some countries, has won respect for its reliability and stability; the Latin American States, in their diversity, have become indispensable partners for lending legitimacy to multilateral systems. Latin America has a much greater presence in the world: three countries are G20 members, two are OECD members, and Brazil is now the seventh largest economy in the world. Mexico is also rising considerably. Consequently, Latin America has a clear will to play a more active role in international dynamics in matters as diverse as multilateral negotiations on climate change, sustainable development, issues related to world economy and the non-proliferation of weapons of mass destruction.

In this general framework, Spain has made qualitative progress in what is already a permanent and fluid political collaboration with Latin America and the Caribbean, manifest in frequent institutional

contacts. We are moving forward in an annual planning of minimums regarding trips made by Spanish authorities to Latin America. In the opposite sense, our Embassies are encouraging an increase in visits to Spain by Latin American Chancellors and ministers in sectors that are important to our country.

Regarding investment, we will establish a Working Group as part of the Interministerial Working Group for the Internationalisation of Spanish Companies. This Working Group will function as an observatory, providing updated information, ongoing risk assessment and periodical follow up of existing disputes that will allow for a more efficient response to the challenges at hand. An inventory of available resources for internationalisation and investment support will be established for Spanish companies. We will continue to work towards consistency between these measures and development cooperation instruments when implementing the provisions of the Spanish Cooperation Master Plan. This commission must also promote the use of Spain as an entry point for Latin American business into the European Union, Maghreb and Near East markets.

The bilateral relationship existing with **Mexico** is the most developed in an institutional sense, through the Binational Commission with high level, intense official visits flowing in both directions. We enjoy good rapport and understanding in the Ibero-American Conference framework, with the forthcoming Ibero-American Summit taking place in Mexico, and have a shared vision on the future of this entity.

In forthcoming years, our external policy must solidify and intensify our strategic relations with Mexico. We must update the content of the strategic partnership agreement; increase bilateral dialogue; create a bilateral programme for talent mobility allowing for professionals, scholars and researchers to move between countries; implement agreements between the Foreign Relations Secretariat of Mexico and the Instituto Cervantes for the teaching and promotion of Spanish, pinpointing those centres in both countries that can be shared; agree on the joint opening of Embassies in third countries and the exchange of diplomatic officials in Embassies or in central services.

**Brazil** requires an individualised strategy. Spain must specialise relations with Brazil, enhancing its standing. Despite the intense economic interdependency between the two nations, there is a de-

ficit in matters of political relations; these have not yet reached their full potential and we must compensate this imbalance in forthcoming years with a boost in bilateral political relations. To this end, the strategic partnership agreed in November of 2012 must be updated. Due to Brazil's global dimension, the bilateral agenda must also begin to incorporate items from international and multilateral agendas.

The Instituto Cervantes, the Spain-Brazil Council Foundation and Spanish enterprise and communications media are instruments that can be deployed in fostering mutual understanding and trust for solidifying and improving bilateral relations.

Lastly, we must move forward with Brazil in a bilateral framework for talent mobility, something that Brazil deems of great importance and has expressed in its Science without Borders programme and its call to hire foreign doctors. We must avoid partial approaches and agree on a global framework that will include the interests of both countries. Furthermore, Brazil is a country with a federal structure, and therefore, Spanish external policy actions must be carried out not only before the Brazilian central Government but also the federating units.

The **strategic partnerships** we have with six countries of the region: **Argentina, Brazil, Chile, Colombia, Peru and Mexico**, have already fulfilled their original objective of strengthening bilateral relations and must now also serve as a framework for political coordination on global and regional issues and global projection. The joint effort will target concrete objectives, stressing new aspects of the relations such as innovation, strategic economic sectors, and talent mobility. The **Strategic Partnership Agreements** must embody all aspects of our relationship and include the active participation of all departments of the administration.

**Argentina** has the greatest number of Spanish residents in Ibero-America, while Spain is home to the largest community of Argentinians in Europe. Trade and investment has gone down from the figures reached in former decades, but Spain is going to continue backing Argentinian development and large Spanish companies have an important presence in domestic markets. We will pay special attention to the situation of our businesses, including SMEs. Spain is especially interested in solving the problems derived from the pesification of Spanish pensions, which affects some 23,000 Spaniards.



***The Spanish Prime Minister greets the President of Brazil, Dilma Rousseff, during her official visit to Madrid in November 2012.***

In the cultural sphere, we will pursue and improve relations, launching negotiations for new cooperation agreements on cultural, educational and degree recognition issues. Regarding cooperation, the Fourth Master Plan for Spanish Cooperation 2013-2016 envisages the finalisation of the bilateral Spain-Argentina programme, giving way to a new phase of dialogue and cooperation with the proposal of the signing of a New Generation of Development Agreement.

Regarding **Colombia**, relations have gradually reached a strategic perspective for the two countries. In this framework, which can only improve, the possible signing of a peace agreement with the main guerrilla forces in the country will launch us into seeking an important role in the post-conflict phase: through cooperation—the mobilisation of human and financial resources bilaterally; via European Union project implementation; and through Spain's participation in the possible deployment of international missions, supervising military aspects of the peace agreements. The strategic partnership agreement must be updated to accommodate this new scenario.

We have achieved high level political talks and bilateral relations with **Peru**. We already have a strategic partnership in place which has been updated with an agile mechanism of policy agreement that is reaching its objectives of strengthening the bi-

lateral relations. Moreover, Peru was the first country with whom we signed a declaration of intent to draft an ambitious agreement on talent mobilisation. Peru will also continue to be a top recipient country for Spanish cooperation, since, despite its growth and middle income status, it still has pockets of underdevelopment that must be addressed through our cooperation action in harmony with the Peruvian authorities. Lastly, Peruvian economic progress and dynamism warrant the establishment of instruments that foster investment, including the negotiation of a double taxation agreement.

**Chile** is highly advanced in its political and economic processes and a country with whom we have optimal bilateral relations. Regarding the framework for a bilateral dialogue mechanism, the following will be tabled: the inclusion of Chile in the talent mobility programme; overcoming the existing obstacles for the recognition of academic degrees; the identification of AECID-AGCI triangular cooperation programmes; and the cooperation on defence with special emphasis on possible joint peacekeeping operations.

**Uruguay** is an important partner in the new cooperation scheme with the countries of the region and with whom we propose increasing bilateral relations, although because of its development, it is no longer a cooperation recipient country.

In Venezuela, the existence of a large Spanish population and the fact of our historical, cultural and economic ties make it necessary to maintain a forward-looking political dialogue, in order to en-

## CUBA

Relations between Spain and Cuba are of special sensitivity to the peoples of both countries. Our relationship with Cuba has an internal dimension that goes beyond questions of foreign policy. Many Spanish men and women are engaged with the situation in Cuba and with the bilateral relationship.

Dialogue with the Cuban people, with the authorities and with the opposition has always been fluid and should remain so in the future. Moreover, economic relations with Cuba, especially in the field of tourism, have always been very important.

The European Union recently decided to explore the possibilities of reaching a bilateral agreement with Cuba, as explicitly foreseen in the Common Position adopted in 1996. This agreement would include a “democratic clause” requiring scrupulous respect for human rights and the recognition of political pluralism.

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hance our bilateral relations and to resolve existing disputes with companies and individuals.

In **Paraguay**, the presence of Spanish companies and the good state of our bilateral relations provide an excellent basis on which to improve our political relationship. This country has one of the highest rates of economic growth in Latin America. Accordingly, the present bilateral framework to encourage investment, which has operated under a reciprocal investment protection agreement since 1996, should be complemented by a successful outcome to the present negotiations for a convention on double taxation.

The solution to the business disputes with **Bolivia** is going to allow us to intensify our political dialogue and agreement in multilateral forums. Bolivia will continue to be a priority country for Spanish cooperation and we will work with the Bolivian Government to ensure the best conditions for Spanish investment. Moreover, we hope that Bolivia will ratify the Hague Convention on the interna-

tional recognition of public documents to ensure faster legalisation of documents for Bolivian residents in Spain.

**Ecuador** has great interest in finalising the transition from traditional cooperation to one more focused on the transfer of knowledge. We must finalise the necessary agreements with Ecuador to facilitate this transition, which will strengthen bilateral dialogue. As the largest Latin American community in Spain, we maintain fluid communication channels with Ecuador that allow for the best management of the specific problems of the Ecuadorian community.

**The Dominican Republic** is a special focus country for bilateral dialogue due to its recent membership to SICA, its proximity to CARICOM, and its inclusion in the European Union list of Africa-Caribbean-Pacific group of States. Spain will continue to defend before the European Union, in the context of development cooperation (EDF funds), the Dominican Republic's special situation of vulnerability given its proximity to Haiti.

In **Central America**, Spain backs the intensification of regional integration such as the **Central American Integration System (SICA)**, and especially the Central American Security Strategy. The Spain-SICA Fund will be maintained and we will work towards fixing Spain's observer status in the SICA. Central America will continue to take a preferential seat in Spanish cooperation efforts especially in the three countries of the so-called the northern triangle: **Guatemala, El Salvador and Honduras**.

Organised crime and the lack of citizen security has negative effects on human development, economic growth, consolidation of democracy and rule of law in these three countries and makes it necessary to watch these problems closely both from bilateral and regional perspectives. **Nicaragua** will also continue to be a priority country for Spanish cooperation. **Costa Rica and Panama** are showing high rates of economic growth and the presence of Spanish businesses is growing and consolidating. Relations with these countries who are on the road to membership in the Pacific Alliance, must have more political content and address issues regarding talent mobility. A joint declaration is already in place with Panama that will open the door to reaching a broader political dialogue, a model that may also be extensible to Costa Rica.

Regarding the **English-speaking Caribbean**, we can highlight the re-launching of relations with the Community of Latin American and Caribbean States and improvement on relations with countries with traditional Spanish presence such as **Jamaica, Trinidad and Tobago**. In this sphere, we can note the political dialogues held on European Union and United Nations affairs, the Ministry of Foreign Affairs and Cooperation's participation in the latest CARICOM Ministers of External Affairs meetings, and the Spain-CARICOM meeting held in Antigua. With regard to **Haiti**, Spain is one of the largest donors contributing to its reconstruction, stabilisation and democratisation and we will continue our commitment to rebuilding the country.

## 7.4. The Transatlantic relationship

The transatlantic relationship is the second of our natural priority areas in the Americas. Our relationship with the United States is a bilateral one that is solid and rich; it takes place within the European Union framework, where it reaches an economic breadth that is unparalleled in the international community; thirdly, it is a security relationship, bilateral under the Atlantic Alliance framework and one that is crucial to our safety and welfare. The transatlantic relationship has always been one of the fundamental pillars of our external policy and will continue to be so in this emerging world. This also an increasingly balanced relationship and Spain can and must contribute more to improve it in all areas.

The United States continues to be an important political and economic partner, a principle ally in our security and defence scheme, and a country in which Spanish heritage and the influence of the Hispanic population blend and generate opportunities that we must maximise. This is one of the elements around which we can structure our presence on the Asian continent.

### The transatlantic anchor

Our relationship with the United States enables us to project our external action as a European country with American vocation in the broadest sense of the word. It is a priority in which points to the following objectives:

## THE ATLANTIC SPACE

Although the Pacific region receives a great deal of attention due to its economic strength and dynamism, the Atlantic Basin is also a major stage in globalisation where Spain plays a significant role.

The Atlantic space, with its four shores reaching Europe, North America, Africa and Latin America, is an increasingly interconnected subsystem. Its trade and investment flows surpass those of the Pacific Basin. Additionally, the Atlantic has political cohesion that pivots around the shared commitment to democracy. It is also a unique meeting point for the North/South and for growing South/South interaction. Common challenges facing the four shores are: environment, fight against poverty, commerce, energy and drug trafficking.

Spain must optimise its strategic location in this space, manifest in its presence in relevant institutions of the North and its cultural proximity to the South, which positions us in unparalleled conditions to contribute to development cooperation in an integrated Atlantic framework and to encourage the South/South cooperation needed to ensure growth and stability in the entire region.

1) **Improving political relations** so that they reflect the richness of our bilateral relations. To this end, we will strengthen bilateral contact with all levels of the American administration, both at the federal level and with those States that are most appropriate in terms of achieving our objectives; with their legislations; their businesses; think tanks and powerful civil societies, in which the Hispanic communities are highly visible.

2) **Economic relations** are reaching important magnitudes, both in terms of trade and investment. We can boost these relations by increasing cooperation on intellectual property protection; fostering cooperation in education, science and technology; and collaboration on energy security, especially in the field of renewables. It is important to note the relevant role of the Spain-US

## SPAIN-US FORUM

This Forum, which incorporates civil society from both countries, provides an invaluable sounding board, reflecting the special, close nature of our bilateral relationship. HM King Felipe VI, who chaired the inauguration of the last meeting of the Forum (which, as he recalled, he had regularly attended previously, as the Prince of Asturias), summarised the content of this relationship. It is instructive to note the number of fields, issues and ideas mentioned in this brief statement.

- The contribution to making our common history more widely known, through events such as the 500th anniversary of the discovery of Florida by Ponce de Leon, the third centenary of the birth of Fray Junipero Serra, the forthcoming 450th anniversary of San Agustín, the first European city in the present-day continental United States, and the tribute to the figure of Bernardo de Gálvez, whose contribution to the independence of the United States is becoming increasingly better known.
- Increased US investment in Spain, with growing economic recovery on both sides of the Atlantic. As King Felipe observed, “Spanish companies, which began their internationalisation in Latin America and then expanded through Europe and the Mediterranean, now seek global recognition in the US market. They are ready to compete with the best”.
- Cooperation on defence to strengthen mutual security.
- In the field of education and science, the King recalled the Fulbright Commission, which received the Prince of Asturias Award for International Cooperation.
- The development of energy markets on both sides of the Atlantic.
- The opportunities offered by a free trade agreement for the creation of wealth and employment in the European Union and in the United States.

Council Foundation and its Forums in these matters.

3) Boost **relations on defence matters**. We have a responsibility towards western security and a role to play in the Atlantic Alliance. These must be the starting points in a fruitful relationship on these matters with the United States, a country with whom Spain shares strategic interests. The base is the 1988 Convention between the Kingdom of Spain and the United States of America on Defence Cooperation.

4) The **European Union’s relationship with the United States is the most important of its strategic relations**. In the reshaping of our current world, the transatlantic relationship takes on increasing weight and can be perceived by the international community as one of the most solid anchors of peace, security and international cooperation. For these reasons, we must continue to strengthen these relations. It will be especially important in the long and medium term to include a treaty establishing a Transatlantic Partnership for Trade and Investment.

This agreement will increase trade and investment flows and bring along with them competitiveness, economic growth and the creation of jobs in Europe and the US. It will also serve as a guideline for a regulatory framework on international exchange that favours EU interests. Bilateral trade and investment sustain approximately thirteen million jobs on both shores of the Atlantic.

An exceptional and substantial relationship between Spain and the United States is a perfect complement to this strategic relationship, taking into account the important benefits that both countries can reap from an EU-US economic and trade partnership. This bond itself will also benefit from the interconnections with other free trade zones already underway, such as the North American Free Trade Agreement between the USA, Canada and Mexico, and the Comprehensive Trade and Economic Agreement currently being negotiated between the EU and Canada.

### Hispanic communities

Our objective is to boost **Spanish language and culture** in a country that is important for and open to our cultural action, Spanish as a second language to non-Hispanic citizens of the US. 16% of the US population is Hispanic and this proportion could reach





*The President of the United States talks with His Majesty the King during a meeting held in New York in September 2014.*

## 7.5. Sub-Saharan Africa

30% by mid-century. The recently created Observatory for the Spanish Language and Hispanic Cultures at Harvard University, in conjunction with the Instituto Cervantes network and both agreements signed with the North American Academy of Spanish Language, and with the Secretariat for External Relations of Mexico, are the main instruments by which we will continue supporting the presence of Spanish language and culture in the United States.

Together with these measures, we wish to promote relations with the **Hispanic community** in the United States, increasing the knowledge about its various heterogeneous components and bringing them closer to the public. Our goal is to incorporate the Hispanic element in our relationships with the US. To this end, we will work in three directions: firstly, creating networks between Hispanic leaders in the US and their Spanish counterparts, secondly, with the Emergence of a Community: identity, language, culture, market; and thirdly, by means of triangulation with Ibero-America.

There are 900 million people living in Sub-Saharan African countries in an ambiance of transformation and progression. A Sub-Saharan Africa beleaguered by famine, armed conflict and the violation of human rights is giving way to another where economic growth, democratic alternation and stability are beginning to be the norm.

The continent is increasingly turning its focus to purposes very different from the habitual ones predominated by negative images of violence, hunger and illegal emigration. African countries continue to be the least developed according to the Human Development Index and the region still has a high number of conflicts. But there is a new African reality. Many of the countries are in a transitional phase characterised by intense economic growth and democratic governments. This has awakened new political, economic, commercial and investment interest on the part of strong international community players, particularly the European Union, Brazil, China, US and India. In the international media, in one decade, Africa has gone from being “the hopeless continent” to “the emerging continent”.

Most Sub-Saharan African countries are pointing towards democratic systems. There are increasingly fewer authoritarian regimes and these are losing the support of other African States. The African Union has a policy opposing coups and

unconstitutional regimes. Sub-Saharan Africa is consciously and assertively the owner of its own destiny and takes on full responsibility for its present and future. In this regard, Africa seeks to guarantee its own peace and security and to this end, is building the African Peace and Security Architecture (APSA). Furthermore, Africa promotes its continental and regional integration as a factor for growth, development and stability. Above all, Sub-Saharan Africa has been growing in a way that turns its most recent history on its head. In 2012, while the crisis in European countries reduced growth to zero, Sub-Saharan Africa grew by nearly 5%. Six out of ten countries with the most growth in the last decade are in this region. And it needs and seeks direct foreign trade and investment to continue growing.

In terms of natural resources, Sub-Saharan Africa has a great strategic advantage for attracting direct foreign trade and investment. The region contains practically all the types of natural resources existing on the planet and those most important to cutting-edge technology industries, such as coltan and uranium. However, its most important resource is its citizens. In an aging world, this continent has the youngest population on the planet. It is a population that is increasingly more educated. If there were only one reason that the future would be African, this would be it. The challenge is to give young Africans the opportunity to surprise the world with their creativity, energy and work. The challenge facing each of the Sub-Saharan African countries is to offer jobs to the millions of young people that will increase the world's population in forthcoming years. The existence of a strong and firmly rooted private sector in Sub-Saharan Africa is the key to providing a response to these legitimate aspirations of African youth.

Given Sub-Saharan Africa's new circumstances, a paradigm shift has begun around how to promote growth and development. Although today several African countries depend on Official Development Aid to complement their budgets or improve the provision of some basic social services, there is a gradual shift to a stage of maturity in which the participation of private enterprise, commerce and investment will lay the foundations for development.

Spain is very aware of Sub-Saharan Africa's progress. Part of our future is bound to Africa's future. Spanish is recognised as an official language in the African Union and is the lingua franca in Equato-

rial Guinea, the Sub-Saharan African country with which we have special human and historical ties. Our country has a renewed commitment to Africa. The Prime Minister participated in the EU-Africa Summit and spoke as the special guest in the Malabo African Union Summit. This is a time-honoured commitment that was born decades ago with many countries of the region, in many cases starting with their independence. It evolves with time and has accompanied us through our country's transformations and especially, those of the African continent.

Our relations with Africa are based on three fundamental pillars:

1. -Respond to the need for peace and security, supporting African solutions to African conflicts
- 2.- Contribute to the progress of democracy and human rights
- 3.- Promote an economic association between Africa and Europe that will place all its instruments—from development cooperation to trade and investment—at the service of the growing prosperity of Africans.

## Objectives

In **Western Africa, particularly the Sahel**, we seek stabilisation and development by means of an intense involvement of the European Union and Spain.

In the **Gulf of Guinea** we will continue to combat piracy, terrorist groups and illegal trafficking networks that generate chronic instability.

Similarly, our main concern is the consolidation of a security architecture in the **African Horn** to guarantee maritime safety in the Indian Ocean and the reinforcement of coastal countries' own capacities, especially in the case of **Somalia**.

We wish to enhance relations with **Equatorial Guinea** both on economic and cultural levels. Dialogue with the authorities, based on mutual respect, will be focused around improving democratic progress and greater exchange between both of our peoples.

**South Africa, Angola, Mozambique, Tanzania, Nigeria, Ghana and Ethiopia** are becoming more important on a regional, and in some cases global,



*Crew of the frigate “Cristobal Colón” participating in NATO operation “Ocean Shield” in Somalia in March 2014.*

## 7.6. Asia-Pacific

scale. This must translate into creating more solid bilateral relations. There are myriad opportunities in these countries for Spanish businesses because of stability and economic growth that must be optimised.

We will continue to support **African regional integration processes**, especially in the African Union and ECOWAS, excellent instruments for guaranteeing the peace, security and development of the continent.

Regarding **migration policy**, we wish to continue to develop a global focus that includes, in addition to combatting irregular migration, support for legal migration and incentives for migration and development policy.

The **European Union** has a **comprehensive programme of relations with Sub-Saharan Africa** that includes areas that are extremely relevant to Spain such as peace; security; development; inclusive and sustainable growth; commercial and energy relations; regional integration; migration; environment and climate change. Our objective is to renovate this commitment and make it more ambitious and effective.

In the first section of this paper, we spoke of transfers of power and influence between States as one of the defining trends of the emerging international community. Some of the key players in this trend are several Asia Pacific countries that are transforming long-standing high economic growth rates into greater capacity for influence. Asia Pacific has already stepped into the 21st century as one of the gravitational centres of the world economy, recovering the leading role it had for centuries. This dynamism is felt by 60% of the world’s population living in Asia.

Since the year 2000, Spanish policy towards this region has been guided by the Asia Plan. Nearly fifteen years later, the Plan has surpassed its two main goals: towards the region, to lay the solid foundations of Spanish presence; domestically, to draw public attention to Asia Pacific’s importance to our country. Now is thus the time to conduct external action towards Asia Pacific in a less centralised manner and with a greater capacity to adapt to the changes which become more frequent and complex as this presence increases.

### Objectives

**1.- Step up Spanish presence** in the principle countries of the region, improving bilateral relations with these strategic partners. We will continue to



**Opening of the VII Spain China Forum with the presence of the Minister of Industry, Energy and Tourism and the Vice President of the Consultative Conference of China, Ma Biao, in 2013.**

fix a more ambitious calendar of bilateral contacts, which in this region are not only excellent added value but are also the most efficient way for private players, including our enterprises, to gain entry and establish themselves there.

**2.- Boost mutual understanding.** The Asian reality is extremely complex, and fruitful relations and a future together cannot be based on a partial or erroneous understanding. It is also necessary to make Spain better known in Asia Pacific: our potential, our capability. Public and civil society diplomacy instruments—Casa Asia and the Council Foundations—are essential in this regard.

**3.- Promote mutual trade and investment.** The main Asian countries are going to be the major contributors to the growth of the world economy in forthcoming years. The size of their markets makes them some of the most attractive. For this reason, the presence of our countries and attracting investment to Spain is a key element of the strategy's priorities: Spain's ongoing insertion into the international economy.

**4.- Strengthen the role of the European Union**

as a strategic player in the region. Spain's concerns for the security and strategic influence in this region of the world are the same as those of our European partners. If the consolidation of the European Union as a strategic global player has always been one of Spain's interests, this is particularly relevant in Asia Pacific. In this same vein, we must work towards a perception by the Asians as what we are, a key player in the design of European Union policy with a long-term bilateral interest in the region.

With this objective, Spain will promote the definition and update of the European Union strategy in the East Asia region and the agreement and update of contractual frameworks, with the aim of encouraging its presence in Asia. Moreover, we will promote high level strategic dialogues, including aspects of security and defence, economic dialogue and talks among civil societies with countries in the region. We will support the presence of the EU in Asia Pacific multilateral regional and subregional forums, stressing the bilateral complementarity angle that is needed to forward our interests. This is where Spain must encourage negotiations already underway to finalise commercial agreements between the European Union and Japan, India and ASEAN countries and on investments with China, so that they offer business opportunities to Spanish and European enterprise.

**5.- Foster and participate in the burgeoning Latin America/Asia/Europe triangulation.** Exchanges

between both shores of the Pacific are going to increase substantially and with them, strategic relations. Spain is already an observer country to the Pacific Alliance and is appropriately poised to participate in these developments and maximise the strategic, political and economic opportunities that will arise from them.

The continent's diversity forces us to emphasise different priorities on general objectives depending on the specific zone and country. We can mention **five specific areas and countries:**

1.- **Central Asia.** The five central Asian countries are members of the OSCE and growing interest points for the European Union and Spain. Their geostrategic placement between three countries of relevance—Russia, China and India—their vast energy resources and in a lesser and more temporary sense, their connections to Afghanistan, make this region a particular interest point for foreign policy. A prosperous, stable, democratic Central Asia would be an enormous factor to global stability.

Spain wishes to develop closer relations with countries of great potential, having already carried out important operations with **Kazakhstan** with whom there is already underway a sustained exchange of visits at the highest level. The same can be said about **Uzbekistan and Turkmenistan**. In all of these countries there is also an interest in improving the human rights situation, the only guarantee of real progress and stability in the medium term. **Kyrgyzstan** is the country that has made most progress in human rights.

2.- In **South Asia, India** is a strategic partner and reference country, in which we wish to increase Spain's presence in all domains. We will do this by means of periodical high level contacts, regular political and sectoral consultations and the signing of agreements that allow to optimise the potential of sectors such as the defence industry, technological and scientific cooperation, development of infrastructures and cultural relations.

3.- **East Asia. Relations with China** fall within the Comprehensive Strategic Partnership framework. The priority is to intensify regular consultations in all areas, establishing a permanent dialogue. Bilateral economic relations suffer because of acute imbalances. In order to correct them, we must establish new air links and make the only existing

## CHINA IN THE WORLD: INTERNATIONAL RESPONSIBILITY

The peaceful coexistence doctrine and its five basic principles have been the legal and political basis for China's peaceful, extraordinary and ongoing development across three decades. At the close of the fourth decade, following the success of the Olympic Games, China has climbed rank in leadership and international visibility. The qualitative leap in taking on international responsibility came about in 2013 with the arrival of new leaders emerging from the XVIII Congress of the Communist Party, summarised in the project of becoming more involved in the international community and from within, lead a transformation process of the rules of engagement. For years, China has been invited to assume a responsibility proportionate to its economic and demographic presence in the world. Everything points to this invitation becoming obsolete in a short period of time.

This is good news. Although the experience is limited, we can see that when China is involved in conflict resolution, its mere presence, working side by side with other relevant countries, lends legitimacy and added effectiveness to the agreed solutions. Syria, Iran and North Korea are examples that show that with China's cooperation, international cohesion is stronger.

connection more frequent. There must also be a greater deployment of our consular and commercial offices. China beyond the capital is a priority in the external action redeployment of human and material resources.

The launching in 2013 of the **Japan-Spain** Partnership for Peace, Growth and Innovation has been an extraordinary measure for intensifying and improving relations between the two countries. The Partnership addresses a wide spectrum of fields that range from political to security, economic, commercial, cultural and scientific and also includes the relations between both countries' civil societies. It stands for the strengthening of the instruments that have existed until now and fixes modalities for

contacts, consultation and agreement mechanisms with an established rhythm. This partnership will be in force for five years, until 2018, and will be revised on the occasion of the 150th anniversary of the Treaty of Friendship, Commerce and Navigation between Spain and Japan. It is the roadmap for developing our bilateral relationship.

**The Republic of Korea** is a democracy that has become Asia's fourth economy and put its efforts into technological innovation and the development of a knowledge economy heavily invested in export. We must enhance political and economic relations to maximise the entry into force of the first Free Trade agreement between the European Union and an East Asia country. In its first year, it has meant an increase in European export to a country that has traditionally been a difficult market.

4.- **South East Asia.** We have historical and cultural links with the **Philippines**. In recent years, a series of factors have been added to these that make our bilateral relations increasingly stronger. Among them, we can note the growing importance of contacts between our civil societies; the coincidence of interests and objectives in multilateral forums; cooperation, as Philippines is the only Asian country that is a Partnership Country for Spanish Cooperation; and the growing presence of Spanish companies there.

**Indonesia** is an active member of the G-20, the most populated Muslim country in the world, plays a key role in ASEAN and has a strong economy. Our interest in this great country is to strengthen political ties, increase number of agreements in multilateral forums based on matters of common interest: inter-faith dialogue; combatting terrorism; reforming the global financial architecture in the G-20; strengthening cooperation in defence and increasing entrepreneurial cooperation.

Spain has a strategic partnership established with **Vietnam** since 2009 that is enabling us to improve relations and open new cooperation fronts. We are now focused on creating connections that will united us, encouraging the presence of Spanish businesses in Vietnam and strengthening relations on defence matters.

5.- **Pacific.** Spain and **Australia** have a strategic partnership, the 2010 Action Plan, which is contributing to a political proximity with regular and fluid contacts; an entrepreneurial proximity that translates in the presence of large Spanish companies,

especially in the energy sector, infrastructure, shipbuilding and in defence, with a close collaboration between the two countries' naval forces and Spanish participation in the building of new ships for the Australian Navy. The efforts are now focused on strengthening and updating the bilateral Action Plan.

# 8. Instruments

Each policy, i.e., human rights, development cooperation, has its own instruments. Together with these are the traditional diplomatic instruments such as mutual visits, bilateral political contacts and multilateral meetings. But there are also others that are cross-cutting and when used, lend much greater effectiveness to external action. In some cases, these are instruments related to new realities in international relations and can bring in even greater added value.

## 8.1. Marca España

As early as the 18th century, Juan Pablo Forner warned that “Nearly all of Europe is today bubbling in a type of furore, each nation vying to elevate and enlarge its literary merit over that of its contenders.” (‘Oración apologética por España’).

More than 200 years later, image has increased in importance. A good image depends largely on a country’s prestige in the international community, its capacity to influence and persuade and to serve as a political or social model. This involves having the capacity to shape other experiences; attract foreign savings that help to finance the economy; it improves the sales of goods and services and attracts tourism as a destination country; all of this means that it influences a country’s potential for its economy to create employment.

Many countries have realised the truth in this and have launched initiatives to promote their image abroad. Spain launched a similar project in 2002, the Marca España (Brand Spain) Project. The mission was to show the country’s true face—econo-

mic potential, technological know-how, human capital and the clout of its multinational companies, to mention a few characteristics—and make it more consistent with its image or stereotype.

### Action Plans

The project is carried out by means of annual external action plans devised to promote Marca España, and ministerial departments and public and private bodies with competence in this area contribute to these plans.

In 2013, Marca España launched the first Action Plan in which sectoral and horizontal priorities were identified in fifteen countries or markets where 80% of our exports are destined, where tourists come from, and with whom we have reciprocal investments. To develop this Plan, we proposed including instruments such as an Internet portal; the external Embassy network; consulates; commercial offices; tourism bureaus; Spaniards abroad, foreign residents and visitors; and civil society volunteers.

The second Marca España Plan of 2014 further defines objectives and top priority action lines: public and economic diplomacy, language and education, culture and heritage, tourism, gastronomy, fashion, R&D&I, sport and armed forces. It introduces some novelties, noteworthy of which are in-depth study of our position in the principle international rankings and indexes, both global and sectoral. Depending on the findings, Marca España has created a detailed cartography of our country’s strengths and weaknesses. Together with this, we are improving instruments for monitoring and assessment, incorporating the MESIAS system (Marca España Applied Intelligence and Follow-up System) to the



**Information file produced by the Ministry of Foreign Affairs and Cooperation with the title “Spain, country of technology”.**

Image of Spain Observatory of the Elcano Royal Institute to offer a disaggregated assessment and follow-up of each of the values or attributes of the Marca.

### Improving the reality, improving the image

Although Marca España will bear its fruits in the medium and long terms, some findings—such as those from the Barómetro Imagen de España, conducted by the Elcano Royal Institute—show that the image is steadily recovering. The image of Spain abroad is thus good and has maintained stable in general terms despite the economic crisis, and is improving steadily. Nevertheless, there are still aspects of our country that give off an image that does not live up to reality, for example in cultural heritage matters, technology and innovation and business leadership.

## MENTAL MAP OF BRAND SPAIN



His Majesty the King	↔	Health
Sport	↔	History
Fashion	↔	Art and culture
Innovation	↔	Language
Creativity	↔	Kindness
Credibility	↔	Sympathy
Design	↔	Happiness
Cooking	↔	Cooperation
Patrimony (artistic)	↔	Armed Forces
Lifestyle	↔	Multinational Spanish comp.
Product quality	↔	Multinational comp. in Spain
Education	↔	Science/investigation
Tourism	↔	

Fuente: ESIC / Programa MESIAS

## 8.2. Public diplomacy

In the first decade of the 20th century, international relations changed considerably. After WWI and the combination of secrecy and diplomatic incompetence which, among other factors, led to that tragedy, the international community pressed for the abolition of secret diplomacy and agreed to the publicity of international accords.



In the early years of the 21st century, we are witnessing a phenomenon that has previously been mentioned in this paper: the capacity that individuals have to influence; something that arises from the possibility they have of conveying their actions and opinions to audiences of hundreds of millions of people who can react by changing the course of the national or international political agenda.

These two developments, separated by nearly one century, are closely linked to public diplomacy. The first is known as the clear antecedent to public diplomacy: public opinion must have knowledge of the agreements forged between States. The second, closely tied to globalisation and the dissemination of information technology, has reaffirmed the power of public opinion and furthermore, the role of citizens, either individually or in groups, in the external sphere. This leads to a variable geometric configuration of actors, a diplomacy of guided alliances. Alliances between and with citizens, alliances with businesses, civil society representatives and relevant players on the international scene. It is not only our public opinion but that of others on the outside that can also have a bearing on our policy.

In this context, as we have observed with Marca España, public diplomacy is an instrument of utmost importance. It promotes and encourages interests towards third country public opinions; it fosters mutual understanding and the establishment of alliances in the medium and long term, with a view to obtaining greater influence in the world. Communication, alliances and influence are thus the three essential strands of public diplomacy.

Public diplomacy is indeed a very important asset to bolster the power to influence and persuade that we have previously mentioned. Our country's image is strong because of our long history, our language, our artists, sports persons, chefs, fashion designers, our citizens. We have an ample network of public diplomacy instruments that range from the Instituto Cervantes, the Casas network, Cultural Councils, the Fundación Carolina, the Council Foundations and the Spanish International Cooperation Agency itself. It is a beautiful job coordinating the interests we wish to defend and the values we seek to convey among all the players involved in the management of Spain's image; together we are able to influence the citizens of other countries' perception of Spain.

We have at hand several public diplomacy tools. Two in particular have gradually become excellence markers outside our borders.

## The Casas

Initially created in the 1990's, the six public diplomacy Casas are instruments of first rank (see table). They join together three singular features. Firstly, they are an example of cooperation between administrations, as all of them include the Ministry of Foreign Affairs and Cooperation and respective Autonomous Community and City Councils. Secondly, they enable a closeness to be reached with civil society representatives from Spain and abroad. The Casas have gradually become international reference centres on certain matters. Finally, they offer a broad scope of activities by uniting cultural events and economic diplomacy actions.

CASA	HEADQUARTERS(S)	YEAR OF FOUNDATION
América	Madrid	1992
Asia	Barcelona y Madrid	2001
Árabe	Madrid y Córdoba	2006
Sefarad-Israel	Madrid	2006
África	Las Palmas	2006
Mediterráneo	Alicante	2009

The goal is to continue to improve in this direction, working with more concrete objectives; unite cultural and economic diplomacy; support Marca España, place more emphasis on public-private collaboration and foster new forms of communication. The idea is for each Casa to carry out useful activities for citizens and businesses that have an impact in the media and engage in greater collaboration among themselves.

## The Council Foundations

The Council Foundations are private entities that are supported, coordinated and managed by the Ministry of Foreign Affairs and Cooperation. They are an instrument for public-private collaboration in which businesses, cultural and educational agents and other figures from civil society join efforts with the central administration and regional and municipal councils to further their legitimate interests in certain countries.

The pioneer foundation was established with the United States, followed by others with Japan, China, Russia, Mexico, India, Australia and Brazil. All of these countries are essential to our external policy. All of them have accredited professionals on their boards, especially those from business, economic and financial spheres, whose contribu-



***His Majesty King Juan Carlos in the opening ceremony of Casa América on the 25 July 1992, in the presence of Heads of State and Government who took part in the II Ibero-American Summit held there.***

tions have added to the improvement of the existing Council Foundations (see table).

COUNCIL FOUNDATION	YEAR OF CREATION
España-Estados Unidos	1997
España-Japón	2001
España-China	2004
España-Rusia	2008
España-México	2008
España-India	2009
España-Australia	2010
España-Brasil	2011

Our aim is to support them and examine the possibilities of creating others in our countries that are key to our external action.

### **Think tanks**

More than ever before, the world we face is configured as a knowledge society in which the capacity to influence is nourished by the power of ideas. Spain has its own elaborated vision of the world and poised to make substantial contributions to the international strategic debate. Together with this, there are various centres of thought in Spain which, although small in number, are working on international questions, bringing a great deal of

quality, independent reflection to all the big issues concerning external policy. We must harness this potential to better define our guiding policies.

In this respect, we propose the possibility of drawing up a collaboration programme together with think tanks, aimed at incorporating them more closely and on a more regular basis in the medium and long term planning of external policy.

## **8.3. Diplomatic information and digital diplomacy**

In order for it to be effective and coherent, external policy must go hand-in-hand with adequate communications efforts that will carry it to society and the media. There are a variety of goals embodied in this task, such as explaining the content of our foreign policy and making public our assessments of international actions that need to be known; providing quick response, allowing our partners and allies to know on what topics we take a public stance and what the content of this stance is; and provide detailed and extensive information to citizens who need it on diverse topics related to their jobs or travel safety. All of these are part of the higher objectives of diplomatic information: providing Spain with a globally recognisable and well defined identity.



*Image of the information campaign “Travel safe”, developed on social networks by the Diplomatic Information Office of the Ministry of Foreign Affairs and Cooperation.*

### **Diplomatic communication**

Transparency in external policy requires the appropriate dissemination of what external action does, its strategies, priorities and objectives. To this end, we will improve on the tasks of:

- Conveying useful and precise information to the media
- Analysing Spain's presence in foreign media and studying how it is dealt with. In consequence to this, if necessary, take actions to correct the views that blur a proper projection of Spain in concrete countries.
- Serving citizens, providing useful information to Spanish citizens who are travelling or living abroad, and to foreigners interested in our country: travel alerts, country profiles, and others.
- Give more coverage of our foreign policy through a solid presence in social media.

### **Communication with our representations abroad**

The economic crisis and its repercussions in Spain are frequently accompanied by a distorted and

partial perception abroad of Spain's real situation, something that has negative effects on our country's image. In this context, it becomes especially necessary to improve communication and emphasise this as one of the basic tasks of our Embassies. The Communications Plan for Diplomatic Missions, Permanent Representations and Consular Offices has allowed us to pin-point best practices and improve outreach instruments. This will be complemented by better online communication training and digital branding for those in charge of our representations' online presence.

The Internet and information technologies are instruments used to obtain the objectives of external policy. Digital diplomacy carries with it great opportunities to influence; it allows direct and frequent address to broad audiences; it allows the reception of opinions, suggestions and information that was previously out of the reach of those in charge of external policy.

We will continue to support improvement of new information and communications technologies, seeking a communications policy that revolves around interaction with citizens and civil society. Strengthening digital diplomacy equals better service for citizens. The proof of this is the constant increase in hits and interest in the official administration sites on the social networks.

## 8.4. Parliamentary diplomacy

Relations, exchanges and interaction between representatives of the popular vote is a key dimension to external policy. Parliamentary diplomacy is a fundamental instrument that incorporates the defence and projection of Spain's interests with the added value of reflecting a greater range of social sensitivities and policies. For these reasons, we wish to submit to the consideration of the Cortes Generales the joint drafting of a parliamentary diplomacy plan to improve our external policy.

# 9. The external policy system: Resources

This paper contains an analysis and as a consequence of it, a reorientation of external action. The essence of this response is that the economic, social and institutional regeneration of our country requires greater internationalisation of Spanish society. In this vein, our new strategic reflection takes citizens and their projection abroad as its springboard. Our conclusion is that providing our citizens with a more advantageous position to maximise the opportunities of globalisation is the great challenge of a renewed external policy.

To reach this objective, diverse reorientations have been examined in terms of certain policies, topics and geographies. We have also identified the need to make better use of some instruments that are particularly appropriate for this new approach.

However, beyond these actions, there is an imperative to undertake **two more substantial reforms**:

- Firstly, it is necessary to reform some aspects of the decision making process, particularly those that reinforce coordination on external action issues, the role of the Prime Minister and the quality of democratic oversight of this policy.
- Secondly, it is necessary to redeploy human and material resources at the service of external action, situating our diplomatic, consular, commercial and cultural action network closer to the new centres of power and influence in the world.

## 9.1. Strategic planning

The decision making process in external policy

goes from including strategic planning of the policy to the assessment of results and necessary oversight by the Cortes Generales.

In an uncertain and complex world, external policy strategic planning has fresh importance and must be built on more solid foundations. To this end, we will strengthen resources at the service of this planning process and the collaboration with our country's think tanks. With this goal in mind, we will establish cooperation programmes and the support that will provide these programmes with what they need to continue. Lastly, we will also seek the collaboration of non-governmental businesses and organisations that have a certain trove of experience, knowledge and interest in certain geographic zones or on issues that are particularly relevant to external policy.

## 9.2. The Foreign Policy Council

Globalisation—the most complex feature of the international community—and a decisive will to internationalise Spanish society, both determine an enormous variety of actions abroad. These emanate from the most diverse bodies of different public administrations and from civil society. All of this demands a closer, more continuous and effective coordination.

Moreover, this variety of international actions and its increasingly high impact on the domestic situation make it necessary for the Council of Ministers to be more deeply involved and in particular, at its head, the Prime Minister. The growing role

of heads of State in international relations is the logical and desirable consequence of the greater importance that these relations have acquired for the welfare, security and stability of a country.

For all of this, we need a structure within the decision making process that will unite this dual need for greater and more efficient coordination and integration of the diverse players and at the same time, give better consulting and support to the Prime Minister. The body that is most appropriate to carry out these functions is the Foreign Policy Council. The Council was created in 2000, and although it has scarcely been used, it is the most effective framework for undertaking the tasks stated and indeed boost and support the external policy decision making process.

The Spanish External Action and Service Act officially established this body and defined it in Article 38:

"The Foreign Policy Council is an advisory body that provides support to the Prime Minister in his

functions of direction and coordination of Foreign Policy."

This body, together with the Executive Council of Foreign Policy defined in Article 39 of the Act, will be the primary forum for reflecting on, debating and adopting the most important decisions regarding our external policy.

### 9.3. Evaluation and democratic oversight of external action

The diversity of actions carried out abroad calls for close monitoring to ensure efficiency and coordination. For this, we will establish target criteria to evaluate the different fronts. This criteria will be presented in the framework of the forthcoming review of the External Action Strategy, in accordance

## NEW LEGISLATIVE FRAMEWORK

The Spanish Act which grants authorisation for Spain's ratification of the 2012 Treaty on Stability Coordination and Governance in the Economic and Monetary Union.

### 1. Spanish External Action and Service.

The Spanish External Action and Service Act 2/2014, of 25 March regulates, for the first time, State external action and organisation, with the inclusion of the multitude of bodies which, by virtue of the Constitution, project their activity abroad: Autonomous Communities, local entities and constitutional bodies.

Regulation of the Diplomatic Career, approved by the Council of Ministers of 25 July, 2014.

**2. Treaties and other international agreements.** For the first time, complex State action regarding international conventions is systematically regulated. This regulation establishes a difference between International Treaties that are reserved for the National Government and other international

agreements that can also be entered into by the Autonomous Communities. This was approved by consensus by the Council of Ministers on 25/10/2013. The bill is currently in parliamentary process.

### 3. Total prohibition of anti-personnel mines.

Legislation was adapted to the Convention on Cluster Munitions that entered into force in August of 2010. It is pending in the Cortes Generales.

### 4. Reform of the *Obra Pía de los Santos Lugares de Jerusalén*.

The *Obra Pía de los Santos Lugares de Jerusalén*, is a public body under the Ministry of Foreign Affairs and Cooperation, regulated by a law from 1940 that is behind the times and currently the source of doubt and controversy. The draft bill was approved by the Council of Ministers of 17/01/2014.

**5. Agreements on International Treaties and other issues.** In 2012, 156 Agreements were approved and in 2013, 125.

**6. Measures for the future.** Draft bill on immunities

with Article 35 of the Spanish External Action and Service Act.

As we have shown in the first section of this paper, external policy is a policy of the State. Reaching consensus between different political powers is one of the essential elements of this policy. An external policy that enjoys this majority support in Spanish society is a more stable, predictable and therefore more reliable policy for our partners, allies and the international community on the whole.

Majority support can only come about through closer cooperation between the diverse parliamentary forces on important external policy decisions, and a more continuous oversight of government

action on these issues. Part of the functioning of the renewed external policy will be a commitment to accountability on a more regular basis to the competent bodies of the Congress of Deputies and the Senate.

### **Improve the democratic nature of the configuration of Spain's external intentions.**

Placing citizens at the heart of external policy demands greater citizen participation in the process of configuring external intention. In this renewed external policy, political parties and citizen organisations of diverse walks of life must play a more relevant role. This will translate into more legitimate and democratic external action.

## DOING MORE WITH LESS

The most practical and realistic way of doing more with less is by searching for synergies. According to the Spanish Royal Academy definition, synergy is an action of two or more causes whose effect is greater than the sum of the two individual effects. In other words, it means attaining more with the same, or in this case, less budgetary resources.

This is what external action does to reinforce the deployment of staff, extend development cooperation and increase the activities of the Instituto Cervantes. Seeking and finding synergies with countries and organisations is the fruit of a foreign policy that has cultivated relationships and mutual understanding to the degrees necessary to effect continual action that obviously goes far and beyond mere technical agreements.

**Deployment abroad.** Spanish diplomats use EU Delegations in Azerbaijan, Yemen, Myanmar and South Sudan. Others use their own offices in the Gambia and in Monrovia.

A Memorandum of Understanding is being drafted with Mexico to effect an exchange of diplomats that will allow to temporarily deploy Spanish diplomats in Mexican embassies such as those in St. Lucia and Guyana.

### **Development cooperation**

A) Delegated cooperation, where Spanish

Cooperation undertakes projects with third-party financing such as with the European Union or third countries. Projects of this type costing over 125 million Euros are underway in Africa and Latin America. Projects costing a total of 40 million Euros, which include the Philippines, are in preparation stages.

B) Triangular cooperation, where Spain works with another country to carry out a project in a third country. These projects also take place in key cooperation recipient areas, Africa and Latin America.

**Instituto Cervantes.** Collaboration between the Instituto Cervantes with Ibero-American embassies and other institutions in these countries has contributed to maintaining a quality cultural programme in the Instituto centres themselves, even after cutbacks were effected in their cultural programme budgets. For this reason, 65% of activities taken place at the Cervantes centres in 2012-13 had Ibero-American content.

Furthermore, collaboration agreements with the Instituto Cervantes centres in Mexico, Colombia and other Ibero-American countries multiplied the Institutes' operations capacity—without having to increase resources—to reach common objectives of all collaborating institutions: promoting Spanish language and the disseminating cultural manifestations expressed in Spanish.

To reach this objective, we will work with political forces, non-governmental organisations and think tanks to define proposals in this realm.

### 9.4. Human and material resources redeployed

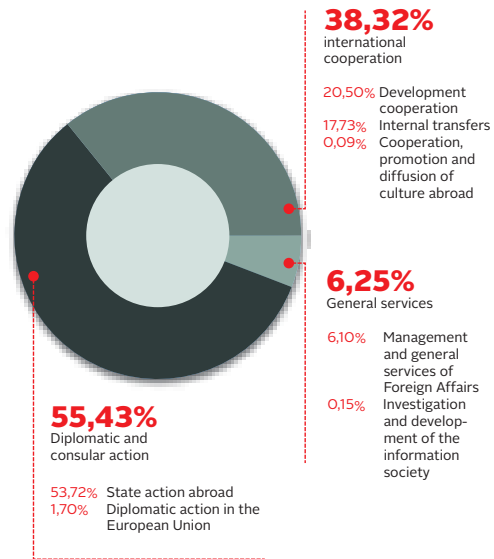
One of the greatest assets to Spanish external action is its deployment abroad. Currently, Spain has 118 bilateral Embassies, ten representations in international organisations, 88 Consulate Generals and four Consulates. Nearly six thousand people are working at the service of citizens in this network abroad. The professional calibre and devotion of these State officials and the insertion of these representations in respective local societies—some of them with centuries old traditions—constitute External Action’s most highly prized asset.

The prevailing trends in the international community stated at the beginning of this paper, especially the shifts in power and influence and the vitality of certain countries and regions in the world make it indispensable to redistribute human and material resources at the service of external action. We underscore the need for redeployment of and qualitative change in diplomatic activity, which currently focuses on managing networks such as the traditional relations with authorities and civil societies.

Efficiency and impact are the criteria that must guide this redistribution. In many cases, the objective will not be as much to enhance bilateral relations with a certain country as the presence and insertion into megacities and regions of special interest or where there are large numbers of Spanish residents. In others, the purpose will be prioritising some particular facet of external action such as cultural, commercial or consular assistance.

## MINISTRY OF FOREIGN AFFAIRS AND COOPERATION BUDGET

**1.246.825,53€**  
2014 budget data



## FOREIGN NETWORK

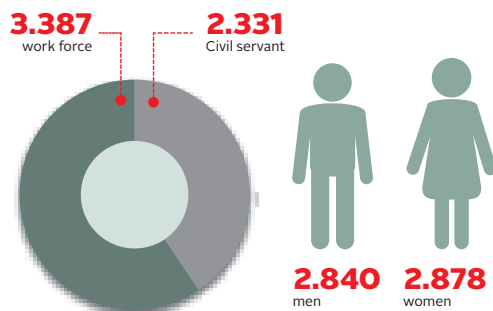




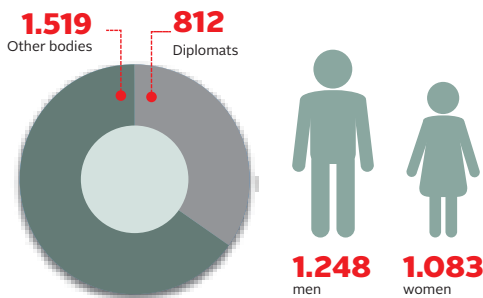
## PERSONNEL OF MINISTRY OF FOREIGN AFFAIRS AND COOPERATION



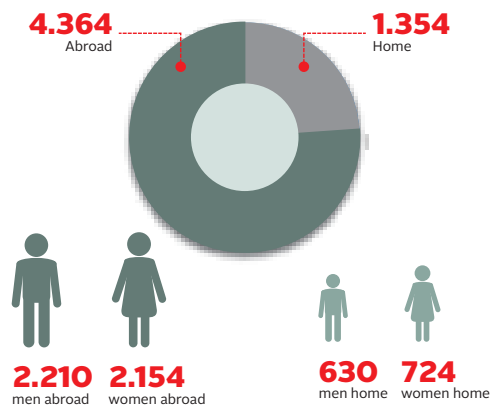
### Distribution between work force and civil servant



### Civil Servant personnel



### Distribution between home and abroad



## REDEPLOYMENT IN EMBASSIES AND CONSULATES 2014/2015

### A) Central and South America

- Mexico: Reinforce presence in Guadalajara through the appointment of a diplomatic officer as Consul General.
- Peru: Number of diplomatic staff has been increased at the Embassy in Lima with the incorporation of an Embassy Secretary, thus giving the Embassy four diplomatic officers. This measure reflects the growing economic and political ties with Peru.

### B) South East and South Asia

- Myanmar: Assignment of a chargé d'affaires to Rangoon, who will carry out their work at the EU Delegation thanks to a MoU signed with the EU.
- India: The New Delhi Embassy diplomatic staff has been reinforced with the edition of a new diplomat, an Embassy Secretary, taking the number of diplomats there to six.

### C) Maghreb

- Algeria: Diplomatic staff of the Embassy in Algiers has increased by one new diplomat, Embassy Secretary, raising the number of diplomats to four.

### D) Europe

- Germany: The diplomatic staff of the Embassy in Berlin has added one new diplomat, Embassy Secretary, raising the number of diplomats to seven.

### E) Caucasus

- Azerbaijan: In Baku, a diplomat has been assigned as chargé d'affaires and will carry out his duties at the EU Delegation facility.

**F) Closing of representations:** Processes of closure have begun for the Consulate Generals of Valença do Minho and Vila Real de Santo Antonio, in Portugal. Justification for this measure is the reduction of consular activity in both representations.

### G) Perspectives for 2015

Redeployment activity will continue in 2015, will a special focus on the Asian continent.

## INFORMATION AND COMMUNICATIONS TECHNOLOGY AT THE MINISTRY OF FOREIGN AFFAIRS AND COOPERATION (MAEC)

### **Deployment of the Visa Information System**

in 90 consular offices. VIS implements an automatic procedure in the Schengen space that includes handling of fingerprints and photographs. This interaction takes place in real time between Consular Offices, the National Authority (central services) and the European VIS Agency (Strasbourg).

### **Extension of operations of the Visa Information System (VIS) and the Spanish system for long-term visa arrangements (SIVICO II)**

for consular offices. Launching of subsystems for the National Visa Authority and for arrangements of long-term visas with access for other designated authorities.

**Partial VoIP phoning.** All representations have at least 3 VoIP terminals. For the representations that have these means, the phone calls made from any telephone to Central Services are free

of charge and calls to Spanish landlines and mobile devices have a reduced cost. Additionally, MAEC Central Service landline calls made to any number at a representation are also free of charge. The savings in 2013, still with a partial deployment, is estimated to be €800,000.

### **Installation of centralised systems**

**for videoconferencing.** This allows for videoconferencing between Central Services, representations abroad and other General State Administrations and bodies or businesses via the Internet, i.e., the UN.

Deployment of a **new diplomatic IP courier service** in the diplomatic missions.

### **Deployment of the ACID encryption system**

of the European External Action Service (EEAS) in 33 diplomatic missions.

Creation and implementation of a work-site **secure Internet navigation system**, meaning an enormous increase in security.

Finalise the electronic signature on cryptographic key cards.

# 10. One final reflection

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The international sphere, just as in any sphere where human beings relate, is complex, prone to change, uncertain and unforeseeable in all of its dimensions. These factors have only intensified since the end of the Cold War and the bipolar system. This proves that we are in a moment of transition to a new international system, based on the defining elements that we have examined here, one that is multipolar, more interdependent and more globalised. But this system is still far from being defined in its entirety.

The future of our country not only depends on the final shape this transition takes, but also on how it is managed. A country with the size, importance and international vocation of Spain can and must have an influence on this process. Spanish society has often shown its preference for a certain model of international relations, has expressed its convictions regarding how the international community should be organised and what values and principles must underpin this organisation. But not only have we a clear and articulate idea of what an emerging international community should be like, but also how to approach the tensions and conflicts that inevitably mark all transition, and what our country's place is in these difficult situations.

In order to have an influence, not only must we have a clear idea of what international community we desire, what role Spain—and now more importantly, what Spanish citizens—are to play; we need a strong and broad-based consensus on these points.

This External Action Strategy seeks that consensus. We launch an in-depth and articulate debate on the reasons that should lead us to agree on and equip ourselves with an explicit new strategy, on its content and operational consequences regarding

every aspect of external action.

The Strategy is included in an extensive paper, longer than usual for this type of document. We consider the detail and even the reiteration to be necessary in order to shape our thinking on the imperative reorientation of external action. It will take considerable time to fully implement, it must exist in harmony with domestic action and respond to global changes that we can only now glimpse. It is not enough to merely list a set of measures and goals to initiate a movement of this calibre. An entire narrative of whys and wherefores is needed. In this paper, we have attempted to answer these questions.

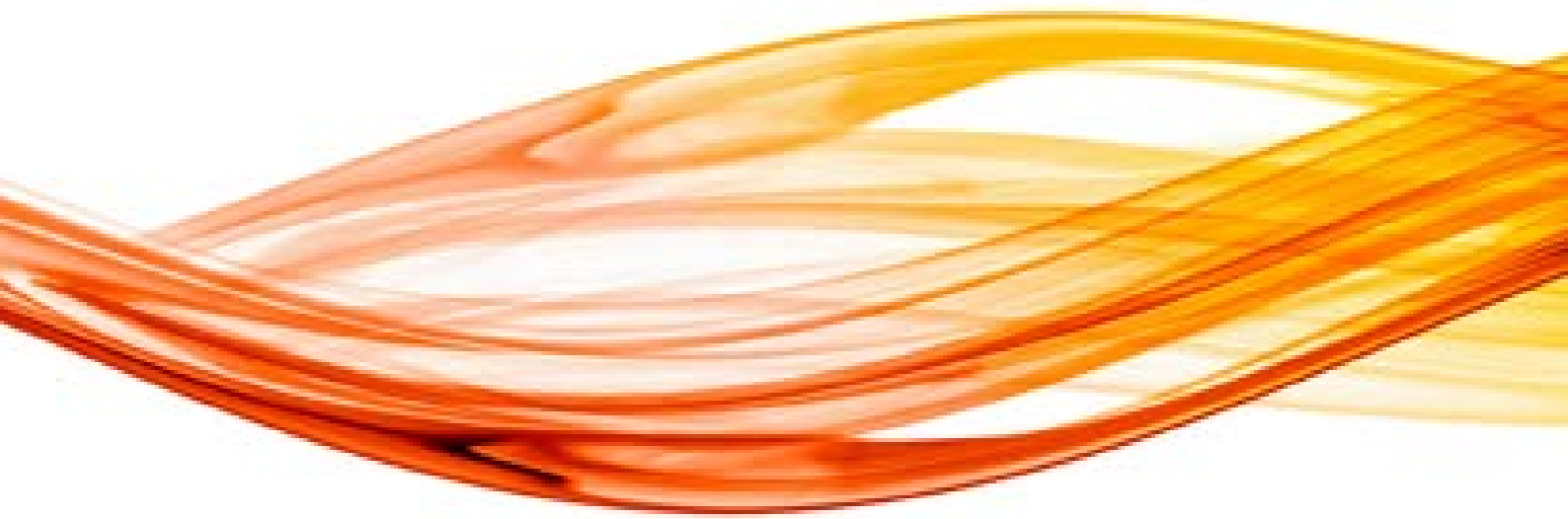
***“The measures stipulated in the Strategy and in its accompanying Action Plan will be implemented to the extent of budget possibilities and that of the personnel available to the different departments involved, and will be subject to the limits established in the Budget Act adopted each year.”***











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