



Is Spain an Influential Country?

Soeren Kern

Analysis n° 258

February 4, 2008

Spanish Prime Minister José Luis Rodríguez Zapatero recently boasted that the average Spaniard is now richer than the average Italian. Referring to [new economic data](#) published by Eurostat, the European statistics agency, Zapatero proclaimed that: “Spain has overtaken Italy. I told Romano [Italian Prime Minister Romano Prodi] it would.” Zapatero went on to say that Spain is now hot on the heels of France and Germany.

In light of Zapatero’s triumphalism, Spaniards are asking themselves why their prime minister was not invited to a [mini-summit about the global financial crisis](#) that was held in London on January 29. That meeting was limited to the leaders of Europe’s ‘major’ powers: Britain, France, Germany and, yes, Italy. The reaction in Spain to the perceived snub was swift. [Mariano Rajoy](#), the

leader of Spain’s center-right opposition Popular Party, said: “It’s a slap in the face for Spanish foreign policy and it’s a slap in the face to our country.” Many Spaniards agree.

The non-invitation of the Spanish prime minister highlights what analysts have pointed out for a long time. Although Spain is now in its 15th year of uninterrupted economic growth, and is benefiting from the longest period of expansion in its modern history, Zapatero has not been able to translate his country’s strong economic performance into increased geopolitical influence. Indeed, Spanish influence—both in Europe and elsewhere—has waned precipitously during the four years that Zapatero has been in power.

This was highlighted by the fact that only five heads of state showed up

to participate in the [First Alliance of Civilizations Forum](#), which was held in Madrid on January 15-16. The event was supposed to have been Zapatero's shining foreign policy achievement.

Why doesn't Spain command more respect on the global stage? Analysts inside and outside of Spain have spilled a considerable amount of ink documenting [Zapatero's foreign policy foibles](#), which when taken together, leave no doubt as to why Spain has lost clout around the world. But other factors are also at play.

On the surface, it would appear that Spain has all the necessary ingredients to be a leading '[middle power](#)', which is often determined by national capabilities, economic or otherwise (and the willingness to use them). However, an analysis of Spain's relative standing in the international rankings game shows that Spain lies far behind many of its European peers in a wide variety of indicators. Indeed, as the rankings below will show, Spain is exceptional for not being exceptional in much of anything except for tourism, gastronomy, executive MBAs and the consumption of cocaine.

Spanish analysts agree that mediocrity at home is unlikely to generate respect abroad. The paradox is that Spain has all the ingredients to be a major player in Europe. But what Spain seems to lack, analysts say, is the leadership and vision to channel its strengths toward meaningful geopolitical ends.

Spain has long been the butt of jokes that Europe ends at the Pyrenees, that is to say, on the French border. The implication, of course, is that Spain somehow belongs to Africa. Although Spain is clearly part of Europe, the expansion of the European Union to Eastern Europe has, in fact, left Spain on the geographical periphery of Europe. Moreover, the reality is that in practice, the major European countries do not perceive Spain to be in their league, as evidenced by the fact that Brown did not invite Zapatero to his mini-summit in London.

Former Spanish Prime Minister José María Aznar clearly understood Spain's predicament. He also understood that Spain, by capitalizing on its history and geographic location, has an Atlantic vocation as well as a European vocation. He reasoned, correctly, that a geopolitically marginal country like Spain could increase its international influence only by having strong ties to the United States. Indeed, no country understands this reality better than Britain. The practice is sometimes called 'middle power bandwagoning': It is the strong link to America that allows Britain to play far above its weight in international politics.

But many observers say Zapatero has led Spain into the geopolitical wilderness largely because of his pathological dislike of the United States. He believed that if he would cut Spain's ties with America, former German Chancellor Gerhard Schroeder and former French President Jacques Chirac would embrace Spain as an equal member of an

anti-American axis. That did not happen. Today Chirac and Schroeder have been replaced by pro-Americans, and Zapatero, who in 2004 promised to bring Spain 'back to Europe', is arguably the most isolated leader in Europe. Moreover, he is the only leader in Europe who is not on speaking terms with the United States.

A glance at Spanish newspapers on any given day leaves one with the distinct impression that Spaniards are preoccupied with Spain's position in the world—with status, influence and power. But many Spaniards also overestimate Spain's international standing. Part of the problem is due to the fact that Zapatero has not been able to define what Spain is and where its interests lie. Indeed, the prime minister's postmodern worldview rejects the nation state as an outmoded concept of modernism, which renders moot the idea of the 'national interest'.

Perhaps Spain would benefit from following the example of other middle powers like Australia and Canada. These countries have maximized their geopolitical influence by carving out narrow niches that enable them to use their relative diplomatic skills in the service of international peace and stability. Australia and Canada have earned respect around the world because of strong leadership and especially for their contributions in Afghanistan, for example. Unlike Zapatero's Spain, they are not afraid of international commitments.

What follows is a brief summary of Spain's position in 25 select global rankings in a variety of categories. The survey data confirm that Spain is an average middle-sized power, and that its current level of influence abroad is largely congruent with its domestic reality.

1. Competitiveness. The World Bank survey titled [Doing Business 2008](#) reports that Spain is far behind on the road to international competitiveness. Spain ranks 118th worldwide in ease of starting a business; 46th in dealing with licenses; 154th in labor regulations; 42nd in registering property; 93rd in paying taxes; 47th in importing and exporting; and 55th in enforcing contracts. It takes 47 days to open a business in Spain compared to 6 in the United States. It costs 15 percent of per capita yearly income in Spain to open a business; 0 percent in the US. It costs an average of 56 weeks' pay to fire a worker in Spain; 0 weeks' pay in the US. Non-wage labor costs are 33 percent of wages in Spain; 8 percent in the US.

2. Competitiveness. Spain ranks 29th out of 131 countries in The World Economic Forum's [Global Competitiveness Index 2007-2008](#). Spain ranks especially poorly in innovation and in labor market efficiency. The rankings are calculated from both publicly available data and the Executive Opinion Survey, a comprehensive annual survey conducted by the World Economic Forum together with its network of partner research institutes and business organizations in the countries covered by the report. Over 11,000

business leaders were polled in a record 131 countries.

3. Competitiveness. Spain ranks 24th out of 61 countries in the Economist Intelligence Unit's [IT Industry Competitiveness Index 2007](#). This is the first global effort to benchmark industry environments for IT production—hardware, software and IT services—and the first attempt to compare countries' performance in building an environment for IT industry competitiveness. The study was conducted in more than 60 countries covering seven regions.

4. Competitiveness. Spain ranks 20th out of 28 European countries in the [European Information Society Index 2007](#) published by Fundación Orange.

5. Competitiveness. Spain ranks 30th out of 55 countries in the [IMD World Competitiveness Yearbook 2007](#). The yearbook analyses and ranks the ability of nations to create and maintain an environment that sustains the competitiveness of enterprises. Considered the worldwide reference point to world competitiveness, it ranks 55 national economies using 323 criteria.

6. Competitiveness. Spain ranks 13th out of 16 countries in the [Connectivity Scorecard](#) published by the London Business School. The ranking measures how well countries use telecommunications technologies to boost their social and economic prosperity.

7. Corruption. Spain ranks 25th out of 179 countries in Transparency International's [Corruption Perceptions Index for 2007](#), slightly worse than in 2006. The CPI ranks countries in terms of perceived levels of corruption, as determined by expert assessments and opinion surveys.

8. Demography. Spain has one of the lowest birthrates in Europe, according to the [Organization for Economic Cooperation and Development](#): 1.36 births for each woman of childbearing age. It is also on track to have one of Europe's oldest populations, according to the organization, which predicts that by 2050 there will be three people over 65 in Spain for every four between 20 and 64, compared to a 1-to-4 ratio in 2000.

9. Drugs. Spain has the world's highest cocaine use among 15- to 64-year-olds, outpacing the United States, according to the [United Nations World Drug Report 2007](#). The percentage of youths aged 14 to 18 using the drug has roughly quadrupled in the past decade.

10. Economic Freedom. The [2008 Index of Economic Freedom](#) produced by the Heritage Foundation and the Wall Street Journal ranks Spain 31st worldwide; in the Europe, Spain is ranked 17th out of 41 countries. Spain ranks especially low in labor freedom. The report says inflexible employment regulations hinder overall productivity growth and employment opportunities. The non-salary cost of employing a worker is high, and the rigidity of hiring and firing a worker cre-

ates a risk aversion for companies that would otherwise employ more people and grow.

11. Education. The annual flagship publication of the OECD, [Education at a Glance 2007](#), reports that in Spain, the proportion of people with an upper secondary education is below the OECD average for all age groups. Overall, less than half of people aged 25-64 have attained at least upper secondary education in Spain, compared with the OECD average of 68 percent. The report also says Spain spends less on education than the OECD average.

12. Education. Spain has only one university (University of Barcelona) that ranks among the top 200 universities in the world, according to the [Academic Ranking of World Universities 2007](#), published by the Institute of Higher Education at Shanghai Jiao Tong University. The ranking includes major institutes of higher education ranked according to a formula that takes into account alumni winning Nobel Prizes and Fields Medals (10 percent), staff winning Nobel Prizes and Fields Medals (20 percent), "highly-cited researchers in 21 broad subject categories" (20 percent), articles published in Nature and Science (20 percent), the Science Citation Index, Social Sciences Citation Index, and Arts and Humanities Citation Index (20 percent) and the size of the institution (10 percent).

13. Education. Spain has four business schools in the upper ranks of the top [100 Global MBA Rankings 2008](#) published by the Financial

Times. Spain also has four schools in the [European Business School Rankings 2007](#).

14. Environment. Spain is the European country with the biggest increase in so-called greenhouse gas emissions since 1990; they increased by 40 percent. The hike in Spain is far greater than in other industrialized countries. According to [United Nations](#), emissions in Canada went up 20 percent, Australia 18 percent, Japan 11 percent and the United States 14 percent.

15. Environment. The [Center for Global Development](#) reports that Spain gives only a small share of its income in foreign aid and has one of the worst environmental records in the [Commitment to Development Index 2007](#) from the perspective of poor countries. Spain ranks 15 among 21 wealthy countries when it comes to supporting development in poor nations and it ranks 20 on environmental policy.

16. Gastronomy. Six Spanish restaurants are included in Restaurant Magazine's [World's 50 Best Restaurants](#) in 2007. Ferrán Adrià's El Bulli is ranked as the best restaurant in the world.

17. Gender Equality. There are two Spaniards on the Forbes ranking of the [World's 100 Most Powerful Women 2007](#). They are: Ana Patria Botin, the chairman of Banesto (40) and Rosalia Mera, the co-founder of Inditex (76).

18. Global Brands. Spain has one global brand (Zara, 73) in the [Best](#)

[100 Global Brands 2006](#) published by Business Week.

19. Military Spending. Spain ranks 15th in annual worldwide military spending, according to the [Stockholm International Peace Research Institute](#). It ranks at the bottom of per capita defense spending among NATO allies.

20. Piracy. Nearly half of all software used in Spain is pirated, according to the [IDC Global Software Piracy Study 2006](#). Spain has a piracy index of 46 percent, well above the European average, which is 36 percent, and the world average, which is 35 percent.

21. Press Freedom. Spain ranks 33rd out of 166 countries in the [Annual Worldwide Press Freedom Index 2007](#) published by Reporters Without Borders.

22. Privacy. Spain has one of the worst rankings in the [2007 International Privacy Ranking](#) published by Privacy International. The survey

says there is a systemic failure to uphold privacy safeguards in Spain.

23. Prosperity. Spain ranks in the upper half of the [2007 Legatum Prosperity Index](#), which measures the drivers of both material wealth and life satisfaction. Spain is tied with Belgium for 19th place in the overall index. It ranks 26th out of 50 countries in Material Wealth and 19th out of 50 in Life Satisfaction.

24. Quality of Life. Mercer Human Resources Consulting reports in its [Worldwide Quality of Living Survey 2007](#) that Barcelona and Madrid rank far behind most other major European cities. They rank 41 and 42, respectively, among the top 50 Quality of Living cities. Neither city ranks in the top 50 in Mercer's Worldwide Health and Sanitation Ranking 2007.

25. Weapons Sales. Oxfam International (known in Spain as Intermón Oxfam) in a study titled [Analysis of Spanish Arms Exports](#) reports that Spain is the world's [top supplier of weapons](#) to Sub-Saharan Africa.

[Soeren Kern](#) is Senior Fellow for Transatlantic Relations at the Madrid-based [Grupo de Estudios Estratégicos / Strategic Studies Group](#)