Working Paper



Spain's current standing in India: its image and political relations

Rubén Campos Palarea

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Rubén Campos Palarea | Programme Coordinator at Club de Madrid and expert on South Asia.

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Summary

This working paper forms part of an Elcano Royal Institute initiative aimed at analysing Spain's relations with key Asian countries. The initiative unfolds in the context of the region's growing importance on the international stage, especially in the political and economic spheres.

The aim of this Elcano Royal Institute initiative is to contribute to the debate on the position Spain occupies in Asia and the space that should be given to the Asian dimension in Spanish foreign policy, with special focus on ties with key countries in the region. In such a context, the aim of this working paper is to present a series of proposals to improve Spain's image in India and cement a new era in bilateral political relations.

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http://www.realinstitutoelcano.org/wps/portal/web/rielcano_es/contenido?WCM_GLOBAL_CONTEXT=/elcano/elcano_es/zonas_es/asia-pacifico/dt4-2015-campos-la-proyeccion-actual-de-espana-en-la-india-imagen-y-relaciones-politicas

(1) Introduction

(1.1) The study's objectives and methodology

This working paper forms part of an Elcano Royal Institute initiative aimed at analysing Spain's relations with key Asian countries. The initiative unfolds in the context of the region's growing importance on the international stage, especially in the political and economic spheres.

The absence of a strong national image in the most important Asian capitals, a lack of awareness of the technological and commercial capabilities of the most internationally-inclined Spanish companies and the traditionally low profile of political relations: these are the hurdles Spain must overcome in order to foster a new dynamic in its relations in this region. The Spanish government, aware of the importance of the challenge, announced via the Ministry of Foreign Affairs and Cooperation its Asia-Pacific Framework Plans in the year 2000. Successive versions of these plans have coordinated government efforts to increase Spanish presence and visibility in the region, seeking new ways to underpin Spain's image and performance in a part of the world that has brighter prospects than any other.

The aim of this Elcano Royal Institute initiative is to contribute to the debate on the position Spain occupies in Asia and the space that should be given to the Asian dimension in Spanish foreign policy, with special focus on ties with key countries in the region. In such a context, the aim of this working paper is to present a series of proposals to improve Spain's image in India and cement a new era in bilateral political relations.

This working paper is divided into three main parts: an introduction concerning India's importance as an object of interest for Spanish foreign and economic policy, followed by two longer sections focusing on Spain's image in India and political relations between the two countries.

The paper is based on the author's own personal knowledge of the Indian scene and relations between the two countries, backed up by reference to the most recent literature on these issues and in particular by a field study involving personal interviews and questionnaires undertaken with diplomats, civil servants, politicians, business people, academics, journalists and representatives of non-governmental organisations, both in India and Spain. The author would like to express his

¹ The author has written the following publications in the field of Spanish-Indian bilateral relations: Rubén Campos Palarea (2008), 'Una nueva etapa política para España en la India', Fundación Alternativas, Madrid; Rubén Campos Palarea (2012), 'La India emergente como asignatura pendiente de la política exterior española', ARI, nr 64/2012, Elcano Royal Institute,

http://www.realinstitutoelcano.org/wps/portal/web/rielcano_es/contenido?WCM_GLOBAL_CONTEXT=/elcano/elcano_es/zonas_es/asia-pacifico/ari64-2012_campos_india-espana_politica_exterior; and Rubén Campos Palarea (2014), 'Histórica victoria electoral de Modi abre un nuevo ciclo político en la India', ARI, nr 28/2014, Elcano Royal Institute,

http://www.realinstitutoelcano.org/wps/portal/web/rielcano_es/contenido?WCM_GLOBAL_CONTEXT=/elcano/elcano_es/zonas_es/asia-pacifico/ari28-2014-campos-victoria-electoral-modi-nuevo-ciclo-politico-india.

gratitude to all those who have shared their valuable time and knowledge with him in recent months, and in particular all those who have read early versions of this text and put forward suggestions and ideas for its improvement. They have all contributed in a decisive way to the development of this working paper.

(1.2) The 60th anniversary of the establishment of diplomatic relations between Spain and India and the challenge of cementing a new era

In July 1988 the then Prime Minister of India, Rajiv Gandhi, paid a three-day state visit to Spain. Over the course of the visit he expressed his admiration for Spain's political and economic evolution since the democratic transition and tried to convince his Spanish interlocutors, among them the leader of the government, Felipe González, to strengthen trade links, to set up mechanisms for political cooperation in such areas as the fight against terrorism and to encourage knowledge transfer in fields such as tourism and the process of European regional integration.

The Indian delegation was extremely interested in fostering greater commercial exchange and improving political relations with Spain. Alfred Gonsalves, the Indian Secretary of State for Foreign Affairs, told *El País* newspaper during the visit that 'the political weight that Spanish democracy has acquired in the international arena in recent years means it cannot afford to continue neglecting India in its diplomacy'. On a more sceptical note, other members of the Indian Prime Minister's delegation were quoted in the same newspaper as saying that relations between Spain and India were good, but only 'because they don't exist'. Despite the clear interest expressed by India and the fine words and good intentions on both sides, the visit did not produce any meaningful results and relations continued being 'good', albeit practically non-existent, in subsequent years.

Almost three decades later, however, the global importance India has attained from an economic and political perspective has brought about a very different scenario vis-à-vis the bilateral relationship. The Asian country's growth has aroused enormous interest on the part of other players on the international stage, including Spain, eager to deepen and extend diplomatic and commercial relations; now the constant stream of diplomatic missions beating a path to New Delhi wanting to gain the attention of its government and business leaders and strike deals with the new Asian giant are invariably high-level delegations.

From the Indian point of view, Spain continues to be a relatively unknown country in the south of Europe playing a very minor role in its foreign affairs, although comparable to the role played by other States in the region such as Italy and the Netherlands. It is crucial to bear this in mind because it makes the relationship asymmetrical: India is highly attractive to Spain and the vast majority of European

² Georgina Higueras (1988), 'España tiene que llenar el vacío indio, asegura el secretario de Exteriores de Rajiv Gandhi', El País, 18/VII/1988.

countries, which, fundamentally for economic reasons, are extremely interested in improving relations with New Delhi over the short and medium terms.

From the Spanish perspective it is also important to locate this situation in the context of a key dilemma for Spain's foreign policy in the 21st century. On the one hand, Asian countries such as India do not form part of the 'hard core' or, by extension, the traditional priorities of Spain's foreign policy, which since the advent of democracy has focused on Europe, Latin America and North Africa. They do, however, make up part of the most economically and politically vibrant region in the world at the moment, a phenomenon that is forecast to continue over the short and medium term. As Mario Esteban, Senior Asia-Pacific Analyst at the Elcano Royal Institute explains, 'the great problem of Spanish foreign policy towards Asia is the serious imbalance between the resources that are assigned to the region and what is at stake for Spain. There is no greater imbalance anywhere else in the world, hence the pressing need to increase the Spanish presence in Asia'.³

One possible response to this dilemma involves a realistic approach that manages existing resources from a strategic and qualitative point of view, prioritising innovative and high-impact proposals. Mario Esteban cites a clear example in this regard: it makes little sense to keep 10 consulates open in France while Indian cities as important as Kolkata (formerly Calcutta), Chennai (formerly Madras) and Bangalore lack Spanish diplomatic representation.

Independently of their position on the political spectrum, successive Spanish governments since the start of the century have tried, within the framework of the Asia Pacific plans, to abandon this bilateral dynamic with India characterised by lack of awareness and a low level of relations. A series of initiatives have been developed in the last decade to usher in a new era in bilateral relations that would overcome what the Spanish Prime Minister, José Luis Rodríguez Zapatero, referred to in his state visit to New Delhi in July 2012 as 'courteous mutual ignorance'. The setting up of such institutions as Casa Asia, with offices in Madrid and Barcelona, and Casa de la India in Valladolid, the inauguration of the Instituto Cervantes in New Delhi and the Spain-India Market Plans drawn up by the Secretary of State for Trade all exemplify this strategy.

The Spanish government's new, more active and more ambitious approach to this important bilateral relationship cannot be understood without the pressure that has emanated from private enterprise. Its development was at first preceded and then accompanied by growing involvement in India on the part of many large and medium-sized Spanish companies. The trade and investment figures have

³ Mario Esteban (2014), 'Asia-Pacífico: el mayor desequilibrio de la política exterior española', ARI, nr 10/2014, Elcano Royal Institute,

http://www.realinstitutoelcano.org/wps/portal/web/rielcano_es/contenido?WCM_GLOBAL_CONTEXT=/elcano/elcano_es/zonas_es/asia-pacifico/eee10-2014-esteban-asia-pacifico-mayor-desequilibrio-politica-exterior-espanola.

increased significantly from a very low base and there is great potential for the expansion to continue. Since 2009, the Spain-India Council Foundation, an institution set up by the Ministry of Foreign Affairs and Cooperation with the participation of more than 40 private entities to foster bilateral relations, has exemplified public-private cooperation in this arena and the interest of the Spanish business community in the commercial and investment opportunities India represents for their companies.

As a landmark in this phase of rapprochement, the Spanish government, working in cooperation with its Indian counterpart, is seeking to give a symbolic flavour to 2016 by commemorating the 60th anniversary of the establishment of bilateral relations between the two countries. Spain recognised India as a sovereign state following her independence in 1947, but full diplomatic relations were not established until nine years later, in November 1956. The anniversary is an ideal opportunity for the Spanish government to mark this new era of relations with India with a series of special events; it is hoped that these will include a visit to Spain by the Prime Minister, Narendra Modi, as part of an as yet unconfirmed European tour next year.

Indeed it was Prime Minister Modi's rise to power in mid-2014, with an ambitious programme of reforms and opening up to the outside world, which has provided fresh impetus to strengthening bilateral ties. Modi secured an historic electoral victory with a campaign focused on changing the Indian economic model from the traditional priority placed on the tertiary and services sector to one based on encouraging export industries, with significant investment in infrastructure, the energy sector and urbanisation, bringing it closer into line with the paradigm of East Asia. The positive GDP growth figures for the third quarter of 2014, in the region of 7.5%, have given an impetus to this new economic course, in which inflation has also fallen to 5.1% and the current account deficit is below 2% of GDP.

The reform programme presents Spain with an additional opportunity to strengthen its economic ties with India, because Spain has internationally-leading companies in the development of infrastructure and renewable energies, to highlight two key sectors for India. One of the overriding priorities of the Modi government is to improve infrastructure so as to avoid inadequate provision creating a bottleneck that in turn prevents the attainment of development targets, something that happened under the previous, Congress-led government. There are some striking shortfalls at the outset: major investment is needed in the electricity system, both in transport and in distribution, in wind and solar power, in modernising the railway network, ports and airports, in extending the road network and in reinforcing urban public services (drinking water, refuse collection and treatment, sewage systems, and so on). Spain and India need to take advantage of this context to work together. The next two sections of this paper seek to point the way to such cooperation by making proposals for improving Spain's image in India and developing bilateral political relations.

(2) Spain's image in India

(2.1) Analysis of Spain's image in India and the factors that sustain it

The film industry in Mumbai (formerly Bombay), also known as Bollywood, is one of the international highlights of India's cultural and economic output, with in excess of 1,000 movies made every year, more than any other film industry in the world. July 2011 saw the premiere of *Zindagi Na Milegi Dobara* ("You won't get another life"). This was the first time a Bollywood blockbuster was shot and set mostly in Spain. It was one of the most popular films of the year in India, attracting over 70 million cinema-goers, and had an enormous impact on Indians' perception of Spain, its qualities as a tourist destination and its customs and culture.

The film is a romantic comedy with a plot involving three Indian friends who visit Spain for a farewell bachelor party, after one of them gets engaged to be married. Their trip takes them from the beaches of the Costa Brava, to the Tomatina festival in Buñol (Valencia), to Seville and finally to the San Fermín bull-running festival in Pamplona. The characters also enjoy the nightlife and sample the local cuisine, including Spanish wine. Not only was it a hit at the box office, it also won prizes for best film, best director, best screenplay, best supporting actor, critics' choice, best director of photography (awarded to Carlos Catalán, a native of Barcelona) and best choreography at the Filmfare Awards, regarded as the Bollywood equivalent of the Oscars. The film's main song, *Señorita*, with lyrics in a mixture of Hindi and Spanish, the latter sung by the flamenco star María del Mar Fernández, was also a hit in the summer of 2011.

This significant milestone in raising Spain's profile in the mind of the Indian public did not come about merely as a matter of chance. The screenplay of the film, originally entitled *Running with bulls*, was completed in 2009 and Mexico was first chosen as the location for filming. The producers, Excel Entertainment, later opted for Spain however, thanks in part to a cooperation agreement signed with Turespaña, the official tourism organisation charged with promoting Spain's image abroad. 'When the producer had the film on the drawing board he explained the film to us and asked for our help, which we provided by offering logistic and economic support', explained Miguel Nieto-Sandoval, director of Spain's tourism office in Mumbai, in an interview he gave to the Efe news agency. 'It's a matter of increasing awareness, of reaching people who didn't even know Spain existed, as well as differentiating ourselves from the rest, which is crucial in building a brand. The film makes a case for visiting Spain rather than other places'.⁴

Zindagi Na Milegi Dobara was the first foreign film to receive financial support from Turespaña with the aim of promoting Spain as a tourist destination in India. The strategy used was an innovative one: instead of going down the 'infomercial' route, it

⁴ Moncho Torres (2011), 'Bollywood se rinde ante la fiesta', Efe news agency, 23/VII/2011.

showed the product, the Spain 'brand' known as *Marca España*, using a cinema movie as the vehicle. Speaking after the premiere, Enrique Ruiz de Lera, marketing director at Turespaña, emphasised that the aim was to push the idea that 'Spain is a place you have to get to know' in an emerging market such as India and 'the only way to convey a clear message to a fragmented audience is to use good stories' via a medium capable of reaching the greatest number of people, as is the case with a Bollywood blockbuster production.⁵ To drive this message home, a commercial entitled *You need Spain* was screened just before the film started.

India and Spain, similarities and differences

Some of the people consulted in the course of the interviews carried out for this report attribute the success of *Zindagi Na Milegi Dobara* to the fact that when Indian audiences are introduced to Spanish culture they find parallels and similarities with which they can identify. The most obvious of these is the extrovert and open character shared by both nations. The historical trajectories of the two countries are also deeply rooted in the past and they have inherited a major cultural heritage, both with a significant Muslim influence. Another more restricted but nonetheless important aspect is their affinity for and in interest in flamenco, with India thought to be the place where gypsies first originated.

On the other hand, the similarities that may be drawn in some areas should not obscure the huge differences that also exist. Some of Indian society's values, especially those of the Hindu majority, still to a large extent governed by the principles of the caste system, conflict with the Spanish world view. Clear examples include the way identities are formed, in many cases determined by birth within a particular group, and the prevalence of arranged marriages. Spaniards who have had a relatively extensive professional and personal relationship with India recommend adopting an approach that combines preliminary respect and taking the time needed to learn and understand the characteristic features of a culture with centuries of history and tradition.

Spain's image in India: a friendly lack of awareness

One essential area that needs to be worked on in order to underpin bilateral relations is to construct a sharper and more positive perception of Spain in the Indian subcontinent. The fact that significant political, economic and cultural ties have hitherto been absent has led to the existence of a vague, albeit friendly, perception of Spain in the minds of the key players in Indian society.

There is no well-delineated image of Spain in India, not even among the most highly-educated section of the population. Generally, among Indians who consider themselves to know something about Spain, relatively positive comments predominate in which Spaniards are viewed as friendly and hospitable people who know how to enjoy their free time; these are accompanied by classic clichés such as

bullfighting, flamenco, tapas and paella, football and, in general, the success of Spanish sports stars like Pau Gasol, Rafael Nadal and Fernando Alonso. Those who have a closer acquaintance due to personal or professional links also tend to mention the transition to democracy in the wake of the Franco regime, the institutional representation of the Spanish royal family and the importance of Spanish as a universal language as fundamental aspects in their perception of Spain.

In terms of the standard of living and the capacities of Spanish companies, some people's perception of the country remains bogged down in stereotypes dating back to the 1960s and 70s, when Spain was one of the most backward countries in Europe; in this respect the perception is yet to catch up with the present-day profile of a modern, well-developed country boasting a competitive commercial environment and undergoing significant international expansion in many areas of business, precisely the areas that are needed in fact for current Indian economic development.

Indians do not particularly think of Spain as a country with a high quality of life or a modern system of social services and infrastructure. Every year the Leaders' Programme run by the Spain-India Council Foundation invites Indians who are outstanding in a professional field to get acquainted with what Spain has to offer in that field at first hand, and one of the most frequent comments from the invitees is their surprise at the level of development and the sophistication of Spanish public services, not only the most conspicuous manifestations such as the high-speed rail network, but also for example the transport systems in large cities such as Madrid and Barcelona.

To make up for this lack of country-specific perception, and the under-appreciation of Spain's real capacities, Spanish businesses and professionals in India often position themselves as European, because Europe *is* generally associated with high quality, modern technology and high levels of professionalism. This solution has been beneficial in the short term, but limits Spain's competitiveness with other countries, such as Germany and France, which do have a more clearly-defined country brand, and hence it is essential to work on conveying Spain's own positive identity in a differentiated way.

India's image in Spain

It is also important to point out that Spain exhibits a reciprocal lack of knowledge about India. Among Spaniards, including political, economic and social figureheads, barring a few notable exceptions, there is no accurate picture of what Indian cultural, economic and political life involves. Here too there is a superficially positive evaluation and the stereotypes of the country include spirituality, hospitable people and sacred cows, but poverty and under-development also tend to prevail and cause Indians the same frustration as when Spain is portrayed as a country of bullfighters and flamenco dancers. If bilateral relations are to be improved therefore

it is also important to raise awareness of India in Spain and the enormous opportunities that closer ties with this centuries-old culture would offer.

In order to able to focus on this goal, an effort must be made to abandon the traditional dichotomy between India and China as the most attractive markets and countries for Spanish businesses and interests in Asia. Over the last two decades India has had to compete in the collective perception of Spanish businesses with the might of China, whose growth and importance began earlier and is still greater than that of India in terms of the majority of macroeconomic indicators and in its ability to attract foreign investment. The problem is greater in the Spanish case because, due to its geographical and cultural distance, Spain does not yet have a consolidated strategy in its bilateral relations with China and this sometimes generates questions about whether to devote additional resources or pay special attention to entering a large new Asian market.

While both China and India are notable for their major growth potential and their large size, each has its own particular characteristics and the view of them as mutually exclusive or as competitors obscures their potential complementary nature. The Spanish government and business communities should not feel the need to choose between the two, but rather seek the best strategy for creating a meaningful presence in both countries, destined as they unquestionably are to be two of the world's key hubs in the coming century.

The economic crisis and its influence on the image of Europe and Spain

Indian news media traditionally pay very little attention to what goes on in Europe. Their habitual preoccupation is South Asia and the difficult relationships with neighbouring states, particularly China and Pakistan. Next they look towards the rest of Asia, chiefly the member-countries of the Association of South-East Asian Nations (ASEAN), Central Asia, the two Koreas and Japan. Thirdly they focus on the great powers with influence in the region, especially the US, and, due to their geographical and historical ties, Russia and Australia. Indians also follow events in the Middle East with interest, not only because of their intrinsic international importance but also because of the influence of its Muslim population and because there is a significant population of Indian emigrants in this part of the world.

Taken as a whole the EU is India's largest trading partner, but this is barely reflected in the economy sections of the news media. Europe is relegated to a secondary position, with an amount of coverage that exceeds only Africa and Latin America, which also matches the status it enjoys in the political arena. A practical example of this hierarchy of interests can be found in the packed international agenda of the Prime Minister, Narendra Modi. The brand-new Indian leader, who has played an important role in large international meetings recently, such as the BRICS meeting in Brazil, the G20 in Australia and the General Assembly of the United Nations, has officially visited or received high-level delegations from all the neighbouring Asian countries including China and Japan, and has made important visits to such key

countries for India's foreign policy as the US, Russia and Australia. It was only in April 2015 by contrast, almost a year after coming to power, that he visited France and Germany in an international tour that also took in Canada, but not Brussels, the political capital of the EU.

With regard to the attention paid to Spain, the coverage is significantly thinner. In the past, Spain's rare appearances in news stories were linked primarily to sports subjects, with the occasional one-off colour piece covering a cultural story such as a flamenco festival in India. The scanty coverage of European and Spanish stories has been put into greater relief by all the news items generated by the recent economic crisis, which certainly has received greater attention from the Indian media.

One factor that accounts for this greater degree of attention, compared to the former neglect, is that Europe's economic woes are interpreted within a narrative of a change of influence at a geopolitical level. Asia and India in particular are perceived as emerging players that are regaining centre stage in the international scenario, a position they occupied up until the Industrial Revolution, while Europe and the West undergo a period of decline. The images of economic crisis and problems in certain European countries, of protests and public manifestations of discontent and disagreement between states about how to tackle their challenges fit very well with this narrative and have received proportionately much greater coverage in the media than other stories about the region.

In this context, Spain is portrayed as one of the places that has suffered most from the crisis, with few nuances to differentiate it from other countries such as Greece and Portugal. It is revealing that many Indian colleagues of Spanish expats in the subcontinent have expressed their concern for their workmates' families in Spain, prompted by the image of widespread economic and social crisis that the local media has conveyed.

In recent months, the resolution of the debt crisis and the improvement in macroeconomic indicators has led to a significant decline in news items in the Indian media relating to the most serious consequences of the crisis in Europe and Spain. In the interests of the Spanish brand therefore it is essential to work on counteracting this recent perception and underpin an image more in line with reality, one that more accurately reflects Spain's economy and political clout.

This new tendency is evident from analysing news items containing references to Spain in March and April 2015 in the online editions of *The Times of India* and *The Hindu*, two prestigious Indian newspapers published in English, and consequently with greater international reach. Such analysis clearly shows that articles related to the economic and social fallout from the crisis continue to occupy significant space. One example is the coverage of the marches that took place in a range of Spanish

cities against the austerity policies at the end of March, which 10 years ago would have been completely overlooked by the Indian media.⁶

There is also, however, significant potential for constructing a national image that runs counter to this. In addition to the habitual sporting references to Spanish football clubs and the national team, and the reviews of flamenco groups performing in India, there have also been various stories about Spain's innovation and technological capabilities: a Spanish company that is investing in the renewable energy sector in India,⁷ the Indian government's purchase of a latest-generation Spanish icebreaker vessel for polar expeditions,⁸ the appointment of an Indian to lead a major international agency concerned with the quality of university teaching, whose headquarters is in Spain,⁹ and references to cutting-edge entrepreneurial projects set up in Spain in the realm of new technologies.¹⁰ The foundations exist therefore to construct a new, modern and innovative image that would enable Spain to be seen as an attractive ally for the government, companies and the Indian population at large.

(2.2) Strategies for the future: what image should Spain convey?, what would help to improve Spain's image in India?

With the intention of bolstering Spain's image in India and increasing the country's visibility on a stage where it has hitherto been absent, it is important to promote a range of measures and instruments in the political, cultural and economic arena as a tool for raising awareness of Spain: a modern and vibrant country, a cultural powerhouse, an excellent tourist destination as well as a potential strategic partner in the political and economic spheres. The Spanish government ought to nurture encounters between leading figures in the business world, the news media, academia and think-tanks in both countries and active cooperation in areas such as culture and education so as to underpin the Spanish brand.

Proposals for making progress in this direction and to be explored further in the present section include the following: the promotion in India of those industries where Spain has a cutting-edge track record at an international level and are key to the future of the subcontinent; the underpinning of the capabilities of the Instituto

⁶ http://timesofindia.indiatimes.com/world/europe/Thousands-gather-for-anti-austerity-rally-in-Spain/articleshow/46649557.cms.

⁷ http://www.thehindu.com/todays-paper/tp-features/tp-propertyplus/wind-power-faces-rough-weather/article7091381.ece.

⁸ http://timesofindia.indiatimes.com/india/India-to-procure-ship-that-can-break-through-1-5-metres-of-ice/articleshow/46670585.cms.

⁹ http://timesofindia.indiatimes.com/city/kolhapur/NAAC-official-to-head-top-education-body-in-Spain/articleshow/46305411.cms.

¹⁰ http://www.thehindu.com/todays-paper/tp-features/tp-metroplus/making-do-with-less-for-more/article7102768.ece y http://timesofindia.indiatimes.com/tech/social/Twitter-can-reveal-political-polarisation-among-users/articleshow/46781677.cms.

Cervantes and other initiatives of a private kind as an institutional response to the growing demand for Spanish as a foreign language; cooperation projects with Bollywood, backed by new institutional agreements; the setting up of dialogue and exchange forums for representatives of Spanish and Indian civil society, for example universities and think-tanks; taking advantage of the media fascination with Spanish sport, particularly football, to establish points of contact as well as business opportunities; and greater cooperation in the educational, cultural, scientific and technological spheres.

Marca España for India

India is one of the 20 top-priority countries identified by the Annual Marca España Action Plan in 2014 and is also a geographical priority for the first Strategic Internationalisation of the Spanish Economy Plan 2014-2015, published by the Ministry of Economy and Competitiveness, and everything suggests that its growing importance will keep it as an object of particular interest in the future. The Marca España Target for 2020 according to the Annual Plan is to 'to underpin an image of Spain as an economic and political power; a traditional but simultaneously modern and innovative country (combining culture, technology and creativity); reliable and steadfast; supportive; diverse; flexible and open to change. These are the foundational values on which it is hoped a synthesis may be constructed, summarised in three key attributes: ingenuity/innovation; diversity/plurality; reliability/trust'. 11

In the case of India these general features perfectly match the country profile that needs to be conveyed, as far as possible emphasising the existing parallels with the image that Indian officials also want to project of their country at the expense of habitual stereotypes: a diverse, open and respectful place, with enormous linguistic and cultural wealth, steeped in tradition yet modern, oriented towards the future and with dynamic and innovative economic sectors linked with new technologies.

Spain is a player that lacks political weight in Asia, and hence its capacity for support and influence –for example, in the regional conflicts affecting India, such as Kashmir and the crises in Pakistan and Myanmar– is greatly restricted. Bearing this limited geopolitical relevance in mind, it is important to focus efforts on realistic objectives that can benefit Spanish exports and investments, the growth of tourism and academic and research cooperation projects in areas of shared interest. The next section will examine in more detail the possibilities for political cooperation; in the meantime, some ideas falling into the area known as 'soft power' are set out below. As Mario Esteban suggests in his analysis of Spanish foreign policy in the Asia Pacific region, 'it is undeniable that Spain's linguistic, cultural and tourist attraction greatly exceeds the lure it exhibits in other areas. Investments made in these fields will recoup huge dividends in terms of spreading a positive image of

¹¹ Government High Commission for Marca España (2014), Plan Anual de Acción Exterior Marca España, Madrid.

Spain and consequently for transmitting Spanish ideas and expanding the totality of Spanish goods and services, not only in the culture and tourism industries, thanks to the strengthening of Spain's image as a country'. 12

Reinforcing the impact and visibility of the presence of Spanish companies in India

In a recent presentation on the opportunities for cooperation between Spanish and Indian companies, the current Spanish ambassador to India, Gustavo de Arístegui, highlighted the fact that Spanish firms are world leaders in many of the economic sectors that the new Indian government has earmarked as priorities. Three of the examples he gave were renewable energy, infrastructure —where he emphasised that Spain is one of only five countries in the world capable of constructing a complete high-speed rail network— and transport management. He also pointed to urban planning, water treatment, waste management and transformation, health and tourism as areas of opportunity for Spanish firms in India. The ambassador urged Spanish companies to invest in India to take advantage of these opportunities and advised them to 'be patient, show the utmost respect for local norms, rhythms and history, show an interest in getting to know the country, send experienced professionals, apply imagination and seek out market niches'. ¹³

The growing internationalisation of Spanish companies, hitherto focused on regions with historic or traditional ties with the country, such as Europe and Latin America, needs to adapt to a new international order and thus venture out to certain more dynamic regions. India, with its vast possibilities, ought to become a key element in this diversification. The trade figures for the two countries start from a very low base. In the decade between 1995 and 2005, for example, India only accounted for 0.22% of the accumulated total of Spanish exports and a minuscule 0.04% of direct investments by Spanish businesses.¹⁴

These figures have been improving in recent years. According to the Spanish Institute for Foreign Trade, in 2011 the level of trade broke through the €4 billion barrier, almost double what it had been five years before. In any event, Spain retains a chronic deficit in its trade balance with India: over the last two decades Spain has been importing approximately twice as much as it has exported to India. Investment meanwhile reached €348 million in 2013, as opposed to €141 million in 2007, and there are now more than 200 Spanish firms established in India (compared with 61 five years ago). These figures have made Spain the 12th-largest investor in India (0.85% of the total), compared with the 21st position it occupied in 2008 (0.33%). ¹⁵

mundial.

¹² Mario Esteban (2014), op. cit.

¹³ Statements made at the Economic Diplomacy Encounters on Asia forum organised in Barcelona by Casa Asia in June 2014. More information at http://spain-india.org/en/news_article/gustavo_de_aristegui_india_es_un_mercado_emergido_y_la_decima_economia_

¹⁴ Rubén Campos Palarea (2012), op. cit.

¹⁵ Figures drawn from the Plan Integral de Desarrollo de Mercado 2014 para la India, ICEX, Secretary of State for

Acting in parallel to this improvement in the trade figures between the two countries, the government has allocated a significant part of its available resources to turning itself into a fulcrum enabling Spanish companies with international ambitions and scope to establish themselves in India, as a key market of the future. An essential factor in this process is to identify strategic sectors, as ambassador Arístegui emphasised. Leading Spanish enterprises are playing a very important role in the infrastructure arena: the Isolux group ranks alongside the foremost European investors and is in charge of constructing various toll motorways; Ayesa is overseeing the construction of the Agra-Lucknow motorway, the longest in India; Sacyr, OHL and San José also have major construction projects underway; ACS Group won the tender for the construction and 30-year management of a terminal in the port of Mumbai, which handles more maritime traffic than any other in India; the Cobra group has carried out part of the overhaul of New Delhi's electricity system; while Indra is renovating the Indian capital's air traffic control centre.

Elsewhere, Spain and India share a position of energy-dependence on foreign countries, especially in hydrocarbons, and thus Spain's leading capabilities in the field of alternative energy sources such as hydroelectricity, wind and solar power constitute another sector with clear economic and commercial potential. For two years running (2013 and 2014) Gamesa has been the top-ranked company by sales in the vibrant wind-power sector. Acciona and Iberdrola are also involved in major projects and even smaller companies such as T-Solar and Inmodo Solar have become pioneers in constructing solar power plants on the subcontinent.

In order to underpin and broaden this Spanish presence, the promotion of specific alliances with large Indian conglomerates such as Reliance Industries, Tata and Aditya Birla is a fundamental factor that could help companies break into a market with a complex bureaucratic and legal framework. A successful instance of cooperation with an Indian counterpart is supplied by Roca. In 2006 this Spanish manufacturer of sanitaryware purchased a 50% stake in the Indian company Parryware Glamourooms for €50 million, making it the largest sanitaryware company in the world, while its new Indian subsidiary, Roca Parryware, has increased its market share on the subcontinent thanks to the superior technology, better quality and greater international presence of the Spanish firm. The dominant position it now occupies in the market enables it to take advantage of business opportunities such as the one arising from the new Modi government's campaign known as Swachh Bharat ("Clean India Mission"), which aims to help the population acquire approximately 120 million lavatories. This initiative is a response to the critical health and hygiene situation in which 10% of the Indian population still have to defecate in the open air due to a lack of appropriate sanitary facilities at home. In their reporting of the initiative some Indian media outlets have highlighted the excellent position of Roca Parryware. Among its key projects, the Spanish firm's

Indian subsidiary has a new low-cost WC that may prove to be a perfect match with the government's plans. 16

It is crucial therefore that the Spanish government's efforts and its trade promotion plans in India should not focus exclusively on information and advertising campaigns designed to raise awareness of Spanish companies and products, but also spread a message on the subcontinent regarding the products and technological capabilities of Spanish businesses that are already operating there successfully: for example, that the largest European infrastructure operator in the country is Spanish, that 80% of the airspace and the extension of the New Delhi metro exist thanks to Spanish technology, and that Spanish companies are overseeing the most innovative renewable energy projects. It is equally important that Spanish brands with a significant presence in India, such as Zara and Mango, should be recognised as Spanish, with all the positive repercussions this will have for Spain's image.

Lastly in this section it is worth noting the importance of underpinning and broadening the industrial cooperation programmes for undertaking bilateral projects, led on the Spanish side by the Centre for Industrial Technological Development (CDTI in its Spanish initials) and the cooperation shown by the chambers of commerce of both countries to exchange economic and commercial information. In both cases these tools have been key to identifying opportunities for joint cooperation with particular reference to small and medium-sized companies, which sometimes lack access to, or the ability to obtain, this information on their own account. The presence of Spanish multinationals and the knowledge of how to conduct business in India accumulated by institutions such as the CDTI and the chambers of commerce have the potential to open up territory for smaller firms, but with significant added value in the Indian market, enabling them to take the plunge, as the following examples demonstrate:

- Spain has a significant presence in the car components industry, with firms such as Ficosa, which has three plants in operation.
- Within the automotive accessories field, Grupo Rinder, manufacturers of lighting systems, also have various installations and have managed to secure 30% of the Indian market, where more than 5 million motorbikes are produced every vear.
- In the low-voltage electronic engineering field (switches and commutators),
 Telergón also has production plants in India.
- Also operating in the electrical industry is another firm, Simón, the largest Spanish manufacturer of equipment for the electrification of houses and

¹⁶ For example in this *Times of India* article: http://timesofindia.indiatimes.com/business/india-business/Sanitary-ware-companies-bet-big-on-PMs-scheme/articleshow/41396789.cms.

buildings, which set up in India in 2006 through a joint venture, in a market where strong growth is forecast in the coming years.

In this regard it is worth noting the importance of political relations for cementing business and academic ties: thus in the wake of Prime Minister Rodríguez Zapatero's visit to India in 2006 and the signing of a scientific cooperation agreement, the CDTI, as the Spanish party to the agreement, launched various invitations to apply for financing that have facilitated collaborative scientific projects between the two countries.

These efforts to support the internationalisation of Spanish companies in India via joint initiatives in the tech field, with the possible participation of universities and specialist research centres, have borne fruit in areas such as renewable energies, clean technologies, water treatment, biotechnology, ICT and smart cities with counterpart institutions in India such as the Ministry of New and Renewable Energy, GITA (Global Innovation & Technology Alliance), the Indian government's Department of Science and Technology for cooperative R&D projects and the Department of Biotechnology.

Tourism as a key factor for the Spanish brand

Tourism is an industry with a far-reaching impact on the image of a country. Spain also offers substantial added value in this area on account of its years of accumulated experience and leadership. For its part, India is one of the potential sources of tourists with the best growth prospects in the world, thanks to the increase in purchasing power enjoyed by its burgeoning middle class. According to the World Tourism Organisation, the Indian tourist market will grow very significantly over the long term, sending as many as 25 million tourists abroad in contrast with the 7 million it currently sends.

At the moment the figures are modest, despite the notable impetus provided by a skilful tourist promotion campaign, the greatest achievement of which was the Zindagi Na Milegi Dobara film, which led to an increase of around 80% in the number of Indian tourists who visited Spain in 2012 compared with the preceding year. In 2013 Spain received rather more than 70,000 Indian tourists, which contrasts with the more than 200,000 who visit France and Italy. Spain has to continue making an effort to wrest greater market share from the countries that are currently the preferred destinations of Indian tourists, such as those of the Commonwealth, Switzerland, Thailand, the United Arab Emirates and Singapore.

The profile of Indian tourists is characterised by high income and a preference for high levels of excellence, which makes them potentially more attractive for Spanish tourism companies specialising in the upper end of the market. In order to compete, it is essential for Spanish companies to offer a product that is less focused on sunand-sand and more on cultural, shopping and luxury resort tourism. In general terms the key deciding factors according to information supplied by the Institute of Tourism

Studies¹⁷ are security, an attractive setting, landscape and a natural environment, a well-organised tour package with activities included and the quality of the accommodation. A crucial aspect is to offer special treatment in terms of dietary and cultural customs. The ability to supply services of this kind requires more market studies on the subcontinent and ensuring that the personnel selected to attend Indian tourists are appropriately trained and specialised.

In addition there are two hurdles that have prevented the number of Indian tourists from climbing more steeply. The first of these consists of the complexity and restrictions inherent in the visa system. According to a study carried out by the European Commission, Spain missed out on the visits of 24,000 tourists from India in 2012 due to difficulties in obtaining a visa. 18 Secondly, the paucity of scheduled flights between the two countries is an impediment to developing exchanges, not only of the tourist variety, between Spain and India. After years of talks, which included the signing of a new protocol between both countries' civil aviation authorities and negotiations with Spanish and Indian airlines, it is reasonable to expect that a solution may be found in the short term. In February 2015 the Spanish Secretary of State for Commerce, Jaime García-Legaz, met the Indian Civil Aviation Minister, Ashok Gajapathi Raju, in New Delhi with a proposal to support an initiative by Air India to open an air route between the two countries. If it is confirmed in coming months, this would provide significant impetus to bilateral relations, as well as the possibility of turning Spain into a link for transatlantic flights for Indian passengers travelling to Latin America, given that Spain boasts the most comprehensive offer on the market in terms of direct flights with Latin American countries.

The importance of Spanish language and culture

The appeal of the Spanish language is an increasingly valuable asset for supporting Spain's image in India. The demand for Spanish grows every year. The inauguration of the official headquarters of the Instituto Cervantes in New Delhi in 2009 represented an excellent opportunity to channel part of this exponential increase in demand for Spanish lessons, motivated in more than 70% of cases by professional and business needs according to student data collected by the Institute itself. This tendency is reflected in the 4,000 registrations recorded by the centre in the course of the last year and the more than 2,000 students who attend classes every day. A symbolic indication of the growing importance of Spanish is that it was the first foreign language into which the website of the Indian Ministry of Foreign Affairs was translated following a recent revamp.¹⁹

¹⁷ Instituto de Estudios Turísticos (2012), 'Balance del turismo en España en el 2012', Ministry of Industry, Tourism and Commerce, Madrid, p. 106-107.

¹⁸ European Commission (2012), 'Study on the economic impact of short stay visa facilitation on the tourism industry', Brussels.

¹⁹ The Spanish version of the Ministry's website: http://mea.gov.in/index-es.htm.

In the formal education system, especially at the secondary level, Spanish is becoming one of the most popular options as a foreign language subject in India, bearing in mind that for many Indians English is either a mother tongue or learnt in primary school. One of the underlying reasons for this preference is an awareness among many Indian students of the importance of Spanish as a second language in the US, as well as the considerable increase in trade with Latin America that has occurred over recent years.

If the Spanish language and culture are to be disseminated across a country on the vast scale of India, including the teacher-training that will be needed, it will not be feasible to rely exclusively on the Instituto Cervantes, even more so in the light of the budget cuts that have prevented it from expanding to such large Indian cities as Mumbai and Kolkata. It is crucial to support other initiatives, including those of the private sector, as has already been tried in other locations through the Cervantes classrooms and associated centres. A niche exists in India for creating more Spanish learning centres that could be exploited by Spanish companies. Indeed, the institution that has been working longest in this area is a private initiative, the Instituto Hispania, founded by the Spaniard Laura Benito. With more than 25 years' experience in the country, 130 employees and hundreds of students, it has centres in five of the country's key cities: New Delhi, Mumbai, Bangalore, Chennai and Pune.²⁰

Another key dimension of the new Cervantes centre is its usefulness in helping to disseminate Spanish culture in India, including art exhibitions, performances, cinema, gastronomy and literature, in a similar way to the work conducted in the Indian capital by the British Council, the Alliance Française and the Goethe-Institut. The first director of the Instituto Cervantes in India, Óscar Pujol, referred to this dimension in an article in 2012: 'The opening of the Instituto Cervantes in New Delhi has brought about a quantitative and qualitative change in the cultural panorama of Spanish-speaking countries in India. The availability of an iconic building in the centre of the city equipped with good infrastructure, especially one of the largest exhibition halls in New Delhi and a small but modern and well-equipped auditorium, enables continuity in the cultural programme'. ²¹ In fact it was the Instituto Cervantes itself that hosted an event that symbolises this strength of Spanish in February 2015 with the presentation of the first complete translation into Hindi of both volumes of *Don Quixote* since it was first published in Spanish in the Golden Age.

Spanish music, gastronomy, fashion and other artistic endeavours are more and more appreciated in India thanks to the showcase provided by the Instituto Cervantes. Indians are great admirers of flamenco in particular, which they consider to be intertwined with home-grown musical traditions through historical ties related to the origins of the gypsy people. In the city of Jodhpur, one of the foremost tourist

²⁰ More information about the Instituto Hispania at http://www.institutohispania.com/about-us.php.

²¹ Óscar Pujol Rimbau (2012), 'El español en la India', *Anuario del Instituto Cervantes*, Instituto Cervantes, Madrid.

destinations in the centre of India, a Flamenco Festival²² has been held since 2014; featuring a line-up of A-list Spanish artists, it has also received, thanks to the support of the Spanish government, advice from the organisers of the prestigious Cante de las Minas Festival.

In the cultural sphere, the boost given to the country's image by the filming of Zindagi Na Milegi Dobara on location in Spain paved the way to signing an agreement on cinematic co-productions in 2012, although this has not as yet resulted in any joint productions with the same degree of success. Films continue to be an area of great potential for disseminating the image of Spain in India and consequently the Spanish government should continue providing the legal and logistical conditions needed for shooting on-location films, television series and promotional videos. Especially important in this regard is to accelerate the process of obtaining visas and filming permits, and improve cooperation with local and regional authorities.

An excellent opportunity that arose recently was the possibility of Madrid being selected as the 2015 host city of the International Indian Film Academy Awards, a ceremony that takes place every year in a foreign city and mobilises thousands of Bollywood followers. Although the Spanish option did not finally win, it is important that the relationship with the Indian organisers be maintained so that future hosting bids can be made. If successful, it would demonstrate to the Indian public, who watch the gala show on television in their millions, Spain's organisational capabilities and the virtues of Spanish culture.

Exploiting the enormous interest that Spanish sport arouses in India is another excellent way of promoting Spain's image in the subcontinent. Big Spanish sports stars such as Rafael Nadal and Pau Gasol, as well as others who are less well-known in Spain but are stars of very popular sports in India, such as the world badminton champion Carolina Marín, would be excellent ambassadors for *Marca España*. Similarly football, despite not generating the same level of passion as in Europe and Latin America, is undergoing expansion on the subcontinent and Spanish clubs and its national team are the most followed. The Foundations of both Real Madrid and F.C. Barcelona have been carrying out projects in India for some years to raise awareness of the sport, especially among children from disadvantaged backgrounds; but the big event recently (with Spanish involvement) was the creation in 2014 of a new professional football league, the India Super League, backed by a consortium of Indian multinationals led by IMG and Reliance, which mimics the model of Major League Soccer in the US.

The winner in the first season of this new competition was Atlético de Kolkata, a team twinned with Atlético de Madrid, which bestowed its name and image to the team from India's third city. The directors of Atlético de Madrid, who struck an

agreement with the League's consortium of sponsors to share their knowledge in the main areas of running a professional football club, are fully committed to this innovative project, which included the participation of numerous Spanish players and trainers, opening doors to a market that is full of opportunities for football in a country the size of India. The growth and consolidation of this new professional league in India will offer considerable opportunities for raising the visibility of a key asset for *Marca España*.²³

Strengthening the ties between Spanish and Indian civil societies: forums for dialogue and the educational sphere

In order to foster greater awareness of present-day Spain, another key aspect in need of reinforcement is the forums for dialogue and exchange between representatives of the civil societies of the two countries. The creation in 2005 of the Spain-India Tribune, set up by Casa Asia and Casa de la India on the Spanish side and the Indian Council of World Affairs on the Asian side, with the backing of the governments of both countries, was a first step in this direction. After various encounters however, this management model started to show signs of fatigue, mainly because of the more traditional character of the Indian organisation, an institution with an important and prestigious history but whose modus operandi, focused on the organisation of formal and ceremonial events, does not connect with the more dynamic elements of Indian society; this led to overly-formal encounters that failed to establish either bilateral cooperation projects or the appropriate follow-up to the conclusions and results of the Tribunes. These limitations also restricted the range of representatives from the two countries.

After a period of transition, the meeting format was revamped with the holding in Madrid in 2014 of a new forum, organised by the Spain-India Council Foundation, the theme for which was *Sustainable cities and transport networks for the generations to come*. Innovative features of the encounter were a specific subject focusing on a key area for Spanish interests in India and guests from the Indian public and private sectors with relevant experience and positions in these fields. As well as round-table sessions for sharing both delegations' experiences of the forum subject matter, a significant part of the programme was devoted to fact-finding visits so that the Indian delegation could obtain first-hand knowledge of public and private enterprises at the cutting edge of the management of urban infrastructure. The preliminary assessment of this format has been largely positive, although it now raises the more difficult challenge of finding an appropriate Indian partner in order to repeat the exercise with a similar structure and level of participation, this time on the subcontinent.

²³ For more information see http://spain-india.org/es/noticia/nace_el_atletico_de_madrid_calcuta. The Indian Super League website is at http://www.indiansuperleague.com/.

Specialising in very specific subjects that are relevant to bilateral relations is also the focus of another important programmer run by the Spain-India Council Foundation, this time concerned with bringing Indian leaders to Spain.²⁴ Its goal is to enable Indian professionals with promising prospects to get acquainted with Spain at first hand, establish contacts and actively contribute to strengthening ties between the civil societies of the two countries. The last two programmes have invited journalists and people with connections to the education sector. The Carolina Foundation has also included Indian delegations and individuals in its international visitors' programme, notably a group of women journalists invited to Spain in September 2013. A desirable short-term goal would be to institutionalise and broaden these efforts, and look for Indian counterparts that would be able to offer similar experiences to groups of Spanish professionals in India.

One field yet to be explored but with a great deal of potential is to foster cooperation between the think-tanks of the two countries. Over the last 10 years a number of Indian think-tanks have built up a considerable international reputation. These include the Centre for Policy Research (CPR), the Observer Research Foundation (ORF), the Delhi Policy Group, the Institute of Peace and Conflict Studies (IPCS) and the Institute for Defence Studies and Analyses (IDSA). All of these organisations specialise in analysing India's bilateral relations with the various countries and regions of the world and may be interested, if given the appropriate platform, in cooperating with their Spanish counterparts such as the Elcano Royal Institute, CIDOB and FRIDE. This could give rise to joint studies and analysis in common areas of interest such as the free-trade agreement between India and the UE or the security challenges for Asia and Europe brought about by the rise in religious extremism. Cooperation of this nature would aid better understanding of the complementary areas and synergies that exist in Spain and India's foreign policies and strengthen ties between the two countries' institutions and experts.

Another challenge, this time in the educational arena, is to extend the cultural and academic exchanges between the two countries by means of a broader and better-funded system of grants and assistance, in which both the Spanish and Indian governments need to act as catalysts to get private foundations and enterprises involved. An additional effort should focus on linking first-rate training centres—such as Spain's prestigious business schools and India's technological research centres—with their respective counterparts, for the exchange of teaching staff and postgraduate students. There is already widespread recognition of the quality of Spanish business schools in India. A special educational supplement published by the *Times of India* in 2014, for example, listed the IE Business School and ESADE among the top 100 higher-education centres in the world and among the best in Europe.

An urgent task to be undertaken in this area is the setting up and consolidation in Spain of specialist courses on India and its region, especially in the fields of its international relations, politics and economy; the aim here would be to build a critical mass of experts in the country that would be able to play an essential medium-term role in conveying the reality of India to broader groups and also as a source of knowledge for the Spanish administration itself. Public institutions such as Casa Asia, with its offices in Barcelona and Madrid, and Casa de la India in Valladolid could channel part of this effort to cooperate with think-tanks, but it is also vital to get Spanish universities on board, introducing this subject matter into already-existing courses focused on Asian affairs and incorporating more specialist courses on India within their postgraduate curriculums.

Finally in the search for a more active cooperation between the civil societies of the two countries, there needs to be greater involvement from the Indian community resident in Spain, comprising approximately 35,000 people according to the 2011 census. These people could act as an excellent link between Spain and their country of origin.

(3) Political relations

(3.1) Spanish-Indian bilateral relations

Everything would have been very different for historical relations between Spain and India if the expedition led by Christopher Columbus at the end of the 15th century had fulfilled its initial goal and found a new route for reaching what was then called the East Indies, sailing towards the west. In a manner that mirrors the current situation, Columbus's voyage, sponsored by a recently configured Spanish State, came about because of the commercial interests at stake in establishing closer ties with India. In his case the hope had been to find a more direct maritime route than the one that skirted round Africa so as to facilitate trade with India, although in its stead he found America and started a colonial empire in another part of the world.

Several centuries down the line the interest in developing closer ties continues in the context of India's emergence as a political and economic actor on the global stage. Against this backdrop the Spanish government considers the 60th anniversary of the establishment of diplomatic relations as an excellent opportunity to give fresh impetus to this rapprochement, which is being celebrated with a series of high-level visits, led by Ministers and Secretaries of State, the culmination of which is the arrival in New Delhi of the Minister of Foreign Affairs and Cooperation, José Manuel García-Margallo, at the end of April 2015.

The purpose of the strategy revolving around 2016 is to underpin a bilateral process of political dialogue, a renewed impetus in investment and trade between the two countries and to foster more dynamic processes of exchange and cooperation between Spanish and Indian professionals and organisations. The finishing touch to

the anniversary would be provided by a bilateral meeting with Prime Minister Narendra Modi, preferably in Spain.

This phase in relations between the two countries, the most ambitious ever, is constructed on a meagre level of official exchanges in the past. In the first half of the 20th century, the most important Spanish state visit to India, still then part of the British Empire, was made by King Alfonso XIII in 1910. The presence of the Spanish head of state was more oriented towards shooting tigers than diplomacy, however.

The Congress Party's support for Republican Spain during the Civil War – Jawaharlal Nehru even visited Barcelona during his European tour to show solidarity– and the isolationism of the first phase of the Franco regime ensured that the lack of connection persisted until the regime's demise. In 1972, amid Spain's incipient political and economic opening up, the then Minister of Foreign Affairs, Gregorio López-Bravo, visited New Delhi, where he signed a trade and economic cooperation agreement.

The arrival of democracy did not lead to any significant changes. The first official visit by an Indian head of government to Spain took place with the arrival of Prime Minister Rajiv Gandhi in Madrid in 1988. Indian interest in bilateral relations was again expressed with a visit by Prime Minister Narasimha Rao in 1992, against the backdrop of a special year for Spain which included the 500th anniversary of arriving in America and the holding of the Barcelona Olympic Games and the Universal Expo in Seville. These visits were repaid by an official trip to India made by Prime Minister Felipe González in 1993, in which various bilateral agreements were signed, among them an agreement designed to avoid double taxation.

One of the ideas to emerge from these visits was that of holding periodic high-level meetings between the two countries, although these did not take place with any regularity until recent times. Indeed, no significant state visits took place between the two countries during the two governments led by José María Aznar (1996-2004).

Against the background of Spain's growing diversification of interests in Asia, and 13 years after the last visit of a Spanish premier to India, Prime Minister Rodríguez Zapatero, on a working visit to New Delhi, forecast that in the years ahead there would be 'an explosion' in the Spanish presence on the subcontinent and guaranteed the 'unconditional and enthusiastic' support of his government to promote it. In reality the results were rather meagre, but they paved the way to greater rapprochement: a memorandum for establishing a mechanism of political dialogue, an agreement on legal assistance in criminal matters and a technological cooperation pact between the CDTI and its Indian counterpart, the Technology Development Board; the latter development, as mentioned in the preceding section,

²⁵ Efe news agency (2006), 'Rodríguez Zapatero prevé una "explosión" de la presencia comercial española en la India', *El Mundo*, Madrid, 3/VII/2006.

opened the way to a positive dynamic of scientific cooperation and projects to promote joint initiatives between Spanish and Indian companies.

Greater interest has also been evident on the Indian side, after years of a low profile: in 2009, President Pratibha Patil made the first official visit by an Indian head of state since Indian independence and in the years that followed numerous Indian Ministers and Secretaries of State have visited Spain to secure political and economic ties. At the end of October 2012, King Juan Carlos led an official visit to India along with a considerable delegation of Spanish ministers, politicians and business people, with the goal of continuing to strengthen relations between the two countries. This dynamic of greater mutual interest has paved the way to the current state of harmonious relations that is expected to be given symbolic recognition during the celebrations in 2016.

(3.2) How can the political harmony between Spain and India continue to improve? Ways of invigorating bilateral relations

In order to continue building relations of greater trust and cooperation on the basis of which Spain can position itself as an ally of India in the international context, the government should continue committing itself to an ambitious and imaginative strategy focused on those political aspects offering the prospect of comparative advantages. The present section looks at some specific proposals and ideas in this respect.

Consolidation of an institutional process of annual bilateral consultations

From the political point of view, a key aspect is the formal and institutionalised process of dialogue at various levels, as befits expanding bilateral relations. One of the clearest examples of the lack of political will for strengthening ties in the past was the infrequency of official visits between the two countries. The level and frequency of official contacts has increased in recent years and as part of the preparation for the visit of King Juan Carlos in 2012 an official mechanism for bilateral political consultations was put in place, which has gone through two further cycles. The third round of India-Spain Foreign Relations Consultations took place at the beginning of March 2015 with the visit of the Secretary of State for Foreign Affairs, Ignacio Ybáñez, to New Delhi, where he held a working meeting with his counterpart, the Secretary of State for Foreign Affairs, Vijay Kumar Singh. Making such consultations and annual event would be an excellent development for the new phase in bilateral relations, because these meetings are highly important for following up the various exchanges and initiatives underway, as well as for preparing the ground for state visits, such as the one that is hoped to be confirmed for 2016, and ensuring that significant political and economic agreements can be sealed. A resource for forthcoming high-level visits is the possible participation of King Felipe VI, who as Prince of Asturias travelled to India on various occasions, most recently in 2009 to unveil the headquarters of the Instituto Cervantes in New Delhi.

An additional factor that is still something of an unresolved challenge consists of exploiting these official visits to India to generate more coverage in the news media. As Ramón María Moreno, Secretary General of Casa Asia pointed out in the context of King Juan Carlos's visit in 2012, 'an event with local news media and opinion-formers is absolutely vital for all types of visit. You have to take advantage of these trips to ensure that the local press pick up on it and emphasise the qualities, values, merits and importance of our country'. The title of Moreno's analysis –'Pasaje a la India, después el seguimiento'²⁶ ('Passage to India, then the follow-up')– published around this time by a Spanish newspaper, also underlines how fundamental it is to maintain channels of communication and continuity between visits to underpin the implementation of the agreements and strategies signed.

Cooperation in international forums

This bilateral strategy must in turn be complemented by greater cooperation in international organisations and other multilateral forums such as the United Nations and the G20, with a view to jointly addressing the global challenges that both countries share, such as the fight against international terrorism, energy security, the development of alternative sources of energy and multilateral operations for maintaining and building peace.

Spain has an excellent opportunity to take advantage of its current status as a non-permanent member of the Security Council of the United Nations to seek ways of understanding and cooperating with Indian positions in this arena, paying special attention to the topics that already are or are likely to be on the agenda of the Council. One example is the recent visit of the Secretary of State for Foreign Affairs, Ignacio Ybáñez, to New Delhi, where both countries' positions on Afghanistan were discussed: Spain takes the lead in drafting proposals on this country in the Security Council and what takes place in its neighbouring state is a top priority for India in its regional sphere.

Another organisation in which areas of cooperation may be found is the G20, where India is a full member and Spain has the status of a permanent guest. At the last meeting, held in Australia, Prime Minister Modi was one of the leaders who was most listened to and sought out by his colleagues. In advance of the next meeting, to be held in Turkey in November, Spain is already putting out feelers in the direction of the Indian government. The head of Prime Minister Mariano Rajoy's cabinet, Jorge Moragas, travelled to New Delhi in April to establish common ground with the Minister of Railways, Suresh Prabhu, who represents his country at the G20, and to plan a bilateral meeting between the two government leaders during the summit.

The European dimension

The other important arena for furthering political relations is the framework of cooperation between India and the EU. The EU is India's largest donor, trade partner and source of foreign investment. Despite the scope of bilateral India-EU cooperation and dialogue, the major political, economic and commercial decisions still come under the direct relations between States. There is no unified policy towards India; indeed, in the case of major European powers such as the UK, France, Germany and Italy it is markedly unilateral, and Spain should base its relations on this model. This should not however prevent it from seeking to increase its role, as yet limited, in the design and application of EU policy towards India, promoting Spanish presence in projects and initiatives underway, prioritising a free-trade agreement whose lengthy negotiation process has dragged on for years without bearing fruit.

As Gauri Khandekar, India analyst at the FRIDE think-tank, pointed out in a recent report, Prime Minister Modi and his Hindu nationalist party, the Bharatiya Janata Party (BJP), were very critical of the FTA negotiations and the concessions they claimed had been made by the Congress-led government. According to the BJP, the stance of the previous government seriously jeopardised the interests of small businesses, farmers and dairy producers. 'In power now, the BJP will be unwilling to push through the EU-India FTA to avoid appearing as hypocritical vis-à-vis its supporters and public opinion at large. Plus, a newly elected government with such a challenging election agenda will be less likely to pass a major international initiative anytime soon... That said, the BJP as a political party is not inherently opposed to foster [sic] relations with Europe and is genuinely interested in economic development and foreign relations'. Against this backdrop, Spain can offer the Indian government its good offices to facilitate a manageable return to negotiations with Brussels, possibly with a less demanding timetable within the period of Prime Minister Modi's mandate, which will last until 2019.

Triangulation with Latin America?

From the perspective of international cooperation there is a possible role that Spain can play as a facilitator of India's burgeoning exchanges with Latin America, in what has been dubbed a 'triangulation process'. This concept, which had already been floated in the government's Asia-Pacific Framework-Plan at the start of the century, involves Spain's capability of using its knowledge and experience in the region to act as a bridge between Latin American and Asian economies, in this case India, giving rise to collaborative dynamics that are positive vis-à-vis Spanish interests in both parts of the world.

The validity of the concept has been the subject of much debate. According to Pablo Bustelo, an economics professor specialising in Asia, triangulation was a brilliant idea, laden with good intentions but to a large extent devoid of real content: 'Spain's

mediation is not necessary for countries like India to strengthen their relations with Latin America'. Indeed, in an article he wrote in 2007, Bustelo pointed out that the Spanish experience in Latin America has focused on such areas as mergers and acquisitions, privatisations, the finance sector, telecommunications and energy, whereas at that time Asian companies were more interested in the manufacturing and mining sectors.

A recent study by the Elcano Royal Institute analysed India's growing presence in Latin America and concurred with this line of argument: the bulk of India's investment in the region has focused almost exclusively on the food and oil industries, although over time it has come to view these countries as significant markets for its manufactured goods, pharmaceutical products and software. Regarding Spain's possible role, the authors argue that 'it should not remain on the sidelines of this new love story between India and Latin America. It is not all a bed of roses for Spain, since India clearly aspires to dominate sectors in which Spanish companies are or want to be involved, such as hydrocarbons; but underlying this there is also the opportunity for jointly tapping into new sources of wealth in the future, in areas such as cultural productions and telecommunications, characterised by their high added value'.²⁹

This approach, which is in line with the spirit of the present working paper, places the emphasis on a cooperative relationship between equals in areas of shared interest, where the sum of experiences gives a comparative advantage.

Security policy and the international fight against terrorism

The fight against terrorism is an area of shared interest for the two countries; they have been longstanding victims of terrorism, both domestically (ETA and the various violent nationalist factions in India) and at the cross-border level, with the shared threat of jihadist groups linked to al-Qaeda and ISIS.

As far back as 1993 the two states signed a cooperation agreement on the fight against terrorism, repudiating this threat in all its forms and manifestations. The Spanish Ministry of Foreign Affairs and Cooperation has taken several steps forward in this direction, such as setting up a defence office at the Spanish embassy in India and the signing of an agreement to exchange classified information between the two countries' Ministries of Defence during the recent visit to Delhi of the Spanish Minister Pedro Morenés. An additional step would be to institutionalise these meetings and include more representatives of security bodies and members of both governments with expertise in this field to exchange information and share legal,

²⁸ Pablo Bustelo (2007), 'Un potencial poco aprovechado', Cinco Días, Madrid, 19/XI/2007.

²⁹ Carlos Malamud & Carlota García Encina (2014), 'El elefante indio desembarca en América Latina', Documento de Trabajo, nr 6/2014, Elcano Royal Institute,

http://www.realinstitutoelcano.org/wps/portal/web/rielcano_es/contenido?WCM_GLOBAL_CONTEXT=/elcano/elcano_es/zonas_es/america+latina/dt6-2014-malamud-garciaencina-elefante-indio-desembarca-america-latina.

political and intelligence strategies regarding how to tackle terrorism from the perspective of democratic legality.

Another aspect of security policy where the priorities of both states converge is their commitment to humanitarian military missions and peacekeeping. India is one of the world's largest contributors to the United Nations' peacekeeping forces and Spain, albeit to a lesser degree, also actively participates in peacekeeping, humanitarian and reconstruction missions sponsored by multilateral agencies and is a leader in this field at a global level. An example of this shared interest is the visit of Pedro Morenés, mentioned above, which covered the mission in Lebanon and the antipiracy mission in the Indian Ocean, where the Spanish and Indian navies are working together. At the same meeting it was also agreed to study new protocols for industrial cooperation stemming from Indian interest in Spanish companies' developments in the defence field, which underlines the connection that exists between good relations and possible trade agreements. Indeed the state-owned Spanish company Navantia, specialising in technology and shipbuilding, already works with its Indian counterparts as a strategic partner in the country.

Transfer of know-how and experience in cutting-edge sectors

A significant way in which political relations can be improved is the transfer of know-how in areas where Spain has a leading track record in the international context and that may be of interest to the Indian government and economic agents. Cases in point already alluded to are the renewable energies sector and the development of tourism in India, which could well benefit from Spain's lengthy experience in the field. This ranges from the *parador* system to external promotion through Turespaña, the management of heritage as a key added-value factor for the tourist offer and the extension of the offer to all the country's regions, not just the traditional destinations.

Another specific example is the potential for cooperation between the administrative elites of the two countries, given that the structure and training of Spanish officials is recognised for its quality beyond its borders. In the same area, transferring knowledge of the Spanish state export system, which has helped to bring about the internationalisation of Spanish companies, might also be considered. India is in the process of constructing a similar system to underpin the role its more internationally-inclined corporations are playing abroad. Another area in which Spain has been an international pioneer, namely its public organ-donation system, has also caught the attention of the Indian authorities. In October 2014, the then Minister of Health and Family Welfare, Harsh Vardhan, travelled to Madrid and Barcelona to see the organ donation and transplant protocols in person. As a result of this visit and the renewed interest it aroused on the Indian side, it is hoped that a memorandum of understanding will soon be signed for sharing methodologies and know-how regarding donations and other aspects of cooperation pertaining to health issues.

The need for greater human and technical resources

To meet all the challenges that have been set out, it is vital to bolster the number and specialisation of the professionals in the Spanish state sector, both at the Ministry of Foreign Affairs and Cooperation, which includes the staff working at the embassy in New Delhi and the consulate in Mumbai, and at the Ministry of Industry, Tourism and Commerce, especially in the trade department.

It is important to be realistic in the context of the prevailing budgetary constraints, but it is also unfair to expect that with the limited human resources with which it currently operates Spain can match countries in its vicinity such as Italy and the Netherlands, who have teams specialising in India in their ministries and a wider network of embassies and consulates and more professionals than Spain. Even if it is in a gradual way, narrowing the gap between the level of other European counties and Spain's own ambitions is a fundamental goal if Madrid is to improve its bilateral relations with India.

(4) Conclusions

To enable the 60th anniversary of the establishment of diplomatic relations between Spain and India to be a true turning point in the bilateral framework, this document has put forward a series of proposals and ideas, both in terms of creating a clearer country image, one that is more in line with Spain's current capabilities and level of development, and in terms of political relations.

To underpin Spain's image in India and raise its visibility it is vital to take steps in the political, cultural and economic domains that convey the message of Spain as a modern country, a cultural powerhouse, an excellent tourist destination and a strategic partner in the political and economic arenas. The promotion in India of industries where Spain is an international leader, the strengthening of the Instituto Cervantes and other initiatives of a private character as an institutional response to the growing demand for Spanish as a foreign language, collaborative projects with Bollywood, the setting up of forums for dialogue and exchange between representatives of Spanish and Indian civil society, tapping into media interest in Spanish sport, especially football, and greater cooperation in the educational field with cultural and academic exchanges between the two countries are some of the proposals that have been analysed.

In terms of constructing a first-class relationship in the political domain it is essential to cement a programme of high-level contacts between the leaders of Spain and India on a regular basis, enabling an institutionalised political dialogue to be established. The most important goal at this level for the year ahead is to lay the foundations for the commemoration of the 60th anniversary of bilateral relations with a state visit to Spain by Prime Minister Narendra Mori.

The development of this relationship should be backed by greater cooperation in international organisations such as the United Nations, taking advantage of Spain's

status as a non-permanent member of the Security Council, within the framework of the bilateral relations between the EU and India, and seeking joint projects and initiatives in Latin America.

Within this process of political cooperation and dialogue, Spain also has to make common cause with India on major global challenges such as the fight against terrorism and participation in multilateral peacekeeping operations. In addition, the transfer of know-how and experience should be encouraged in areas of common interest, such as tourism, renewable energies and the public organ-donation system.







