

The distance between Spain's image and the country's reality

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Theme

Even before Spain's crisis and despite some notable political, economic and social achievements, the country's image abroad and within Spain was out of sync with reality. This situation worsened during the recession, which is now over but the gap persists.

Summary

The old stereotypes about Spain as a country of little more than flamenco, bullfights, fiestas and siestas persist. A study by the Elcano Royal Institute compares data on the reality of Spain with that corresponding to how it is perceived abroad. The results show that in some areas there is a significant gap between the image and the reality.

Analysis

Background

The Spanish Prime Minister, Mariano Rajoy, promised during his trip to China last month to shorten the time it takes to approve visas for Chinese tourists. Epitomising the stereotypes that have long characterised Spain, the English-language *China Daily* illustrated its article on the visas with a bull being fought by a 'flamenco dancer', which it confused with a matador.¹

In 2012, when Spain was in recession and threatening the continued existence of the euro zone, Richard Boucher, the deputy secretary-general of the Organisation for Economic Co-operation and Development (OECD) told a conference: 'Nobody wants to be like Spain today', because 'It is only good for flamenco and red wine'.

José Manuel García-Margallo, Spain's Foreign Minister, complained about Boucher's 'intolerable' words, and got an apology.

¹ See http://europe.chinadaily.com.cn/world/2014-09/26/content_18664802_3.htm.

These two examples illustrate the extent to which Spain is plagued by stereotypes.

The crisis has dented the country's image. Nevertheless, its fall from grace is exaggerated. The image is out of sync with reality, yet the perception, for many, is the reality.

The massive rise in the unemployment rate to 24.5% over the past six years, largely as a result of the collapse of the real estate and construction sectors, which generated a disproportionate share of GDP, hogs the headlines and obscures the achievements since the transition to democracy, most of which have not been eroded.

These achievements include multinationals with leading positions in the global economy (the stock of Spanish investment abroad is higher than Italy's), the world's ninth largest stock of inward foreign direct investment, the successful absorbing of some 6 million immigrants over the past 20 years (some of them are returning) and the longest life expectancy in the EU (testament to the creation of a welfare system and the generally healthier diet).

Yet, the old stereotypes of a country seemingly in permanent fiesta and siesta, which form part of Spain's nation brand, have not gone away and been replaced by images more in accordance with the reality of 'modern' Spain.²

Spain, unlike countries such as Belgium or Paraguay, has a very strong, striking and old image. It dates back to the 16th century when the Spanish Empire was the world's largest and the Inquisition was a force to be reckoned with. Other countries, such as Korea, have a much newer image.

Flamenco, bullfighting and fiestas –the predominant images that mark Spain– are fine for the tourism industry as it plays a vital role in the economy (generating around 12% of GDP and employing roughly one in every 10 people), particularly at a time of high unemployment.³ Close to 30% of Japanese respondents in a survey spontaneously associated the word 'Spain' with bulls and almost 20% with flamenco. This year will be another record one for tourists; their number is forecast to exceed 63 million.

² For a much fuller account of Spain's image and reality see my Working Paper published by the Real Instituto Elcano in 2008 at http://www.realinstitutoelcano.org/wps/wcm/connect/c2611c004f018b2fb05bf43170baead1/WP45-2008_Chislett_Image-Reality_Contemporary_Spain.pdf?MOD=AJPERES&CACHEID=c2611c004f018b2fb05bf43170baead1.

³ According to the Anholt Nation Brand Index, tourism is 'often the most visibly promoted aspect of a nation's brand, and tourism assets have a disproportionate effect on a people's perceptions of the country as a whole'.

Yet Spain also needs a more ‘serious’ image in order to boost exports and make the country known for other achievements and not just as a fun playground.

An image out of sync with reality

A report published last month by the Spain Image Observatory of the Elcano Royal Institute, based on surveys in the form of questions by the Reputation Institute in 57 countries, compares data on the reality of Spain with that corresponding to how it is perceived abroad. The results show that in some areas there is a significant gap between the image and the reality.⁴

For example, Spain’s participation in peace missions is ranked 18th in the perception ranking and 11th according to data produced by the International Institute for Strategic Studies –a gap of seven places (see Figure 1)–. In foreign direct investment (FDI), the distance is nine places as Spain is placed 20th and 11th in the respective rankings. By far the largest gap (19 places) is in the sphere of happiness (emotional wellbeing): Spain is ranked 11th by the Reputation Institute and 30th according to the UN’s World Happiness Report which attempts to measure this state with ‘objective’ data.

⁴ The report by Carmen González Enríquez and José Pablo Martínez Romera is available at: http://www.realinstitutoelcano.org/wps/portal/web/rielcano_es/contenido?WCM_GLOBAL_CONTEXT=/elcano/es/zonas_es/gonzalez-enriquez-martinezromera-sistema-indicadores-distancia-imagen-realidad-sidir-caso-espanol-1ed-2014#.VCla5ymSzwc. Other reports on the subject and presented at a meeting on 24 September, 2014 are available at http://www.realinstitutoelcano.org/wps/portal/web/rielcano_es/actividad?WCM_GLOBAL_CONTEXT=/elcano/es/calendario/actividades/espana-imagen-marca-como-nos-ven-como-somos.

Figure 1. Image and reality rankings of Spain and the distance between the two

	(A) Image abroad	(B) Reality	Distance (A) – (B)
Education system	18th	19th (1)	-1
Economic and social wellbeing	15th	16th (2)	-1
Development aid	18th	20th (3)	-2
Economic environment	21st	23rd (4)	-2
Tourists received	5th	4th (5)	+1
Contribution to global culture	10th	9th (6)	+1
Sporting success	10th	10th (7)	0
Happiness (emotional wellbeing)	11th	30th (8)	-19
Effectiveness of government	18th	24th (9)	-6
Juridical security	18th	21st (10)	-3
Security	15th	6th (11)	+9
Foreign direct investment received	20th	11th (12)	+9
Investment freedom	20th	15th (13)	+5
Attractiveness for foreign students	18th	15th (14)	+3
Exports	19th	12th (15)	+7
Recognised brands	19th	10th (16)	+9
Technological innovation	23rd	18th (17)	+5
Country recommendable to work in	18th	8th (18)	+10
Country recommendable to live in	11th	8th (19)	+3
Audiovisual production	10th	5th (20)	+5
Participation in peace missions	18th	11th (21)	+7
Multilateral treaties	18th	11th (22)	+7
Natural environment	11th	8th (23)	+3

(1) OECD, PISA tests and Shanghai university rankings. (2) UN Development Programme. (3) IMF and aidflows.org. (4) Index of Economic Freedom (Heritage Foundation) and World Economic Forum. (5) World Bank. (6) Nobelprize.org. (7) Olympic.org. (8) World Happiness Report (unsdsn.org). (9) World Governance Indicators (World Bank). (10) Index of Economic Freedom (Heritage Foundation). (11) United Nations Office on Drugs and Crime. (12) UNCTAD. (13) Index of Economic Freedom (Heritage Foundation). (14) UNESCO. (15) World Trade Organisation. (16) Brandierectory.com. (17) World Intellectual Property Organisation. (18) United Nations. (19) United Nations. (20) Global presence index of the Elcano Royal Institute. (21) International Institute for Strategic Studies. (22) United Nations. (23) UNESCO.

Source: perception ranking based on surveys by the Reputation Institute.

The big distance in the degree of happiness in Spain as perceived by foreigners and the reality as confirmed by Spaniards reflects the sorry state of the Spanish economy, particularly unemployment, but also the tendency of Spaniards to be much more pessimistic about their country than foreigners (and also much more optimistic when the going is good, see Figure 2). Furthermore, while the view of Spain abroad has improved over the last two years, which is reflected in the sharp drop in the risk premium on 10-year government bonds, in Spain it has worsened.

Figure 2. Spaniards' perception of the country's image abroad and the actual external image

	(A) Spanish perception of the external image	(B) The real external image	Difference (A) – (B)
Economy	2.8	5.6	-2.8
Culture	4.3	7.7	-3.3
Politics	2.4	5.8	-3.4
The country in general	4.3	6.9	-2.6

Source: Elcano Royal Institute, 2013 survey.

The Elcano report identifies various areas where Spain's public and private sectors need to concentrate their efforts in order for Spain to be better appreciated abroad. In all of them the reality is much better than the image abroad and so there is room to improve the perception of Spain. These areas include culture, personal security (Spain is the sixth safest country in the world), foreign direct investment, attractiveness for foreign students, exports and recognised brands.

In only two areas, government effectiveness and lifestyle, is Spain's image better than the reality.

The concern for the Spain brand and the country's image abroad began during the Socialist government of Felipe González (1982-96). As a project coordinated between the public and private sectors it failed to materialise, as it should have done, during the conservative Popular Party (PP) government of José María Aznar (1996-2004), though there were various initiatives to manage and improve Spain's image and brand. José Luis Rodríguez Zapatero, the Socialist Prime Minister between 2008 and 2012, publicly announced his desire to create a public diplomacy commission, along the lines of other countries that successfully rebranded such as the UK and Germany, but it was never constituted. Soon after taking office at the end of 2011, the government of PP Prime Minister Mariano Rajoy established the High Commission Office for the Marca España within the Foreign Ministry.

One problem is that Spain needs to speak with one voice. However, its 17 autonomous regions pull in different directions –one of them, Catalonia, is pushing ahead with holding an unconstitutional non-binding referendum on independence on 9 November– and create confusion abroad.

Conclusion

It is not easy for Spain to change its image and improve the perception of the nation brand. The country is viewed in surveys as 'hot' (creative, passionate and not very serious), as opposed to 'cold' (efficient, rigorous and serious) like Germany and the UK. The 'hot' image benefits the flourishing tourism industry, but not many other parts of the economy, and the way the country is perceived abroad.

Chile was so determined to impress upon the world its 'coldness' that it shipped a 60-tonne iceberg to Seville in 1992, and made it the centrepiece of its World's Fair pavilion.

Spain does not have to go to such extremes but it needs to be more proactive.

Improving a country's image so that it better reflects the reality on the ground is a long-term and never-ending task involving the government of the day, the opposition parties, companies and institutions. It can be compared to looking after a garden, which needs constant attention, as opposed to building something that then ends.