

## Inside Spain 67

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### Foreign Policy

#### *Biden Visits Madrid, Confirms Spain's Participation in Nato's Iraq Mission*

Joe Biden, the US Vice-President, made an official visit to Madrid where he confirmed that Spain will participate in the Nato Training Mission in Iraq (NMT Iraq) and thanked Prime Minister José Luis Rodríguez Zapatero for Spain's increased troop presence in Afghanistan. Spain will have a maximum of around 1,500 peacekeeping troops in Iraq, up from about 1,000 last year.

Spain participates in the EU's Rule of Law Mission for Iraq (EUJUST LEX), which since January has been headed by Francisco Díaz Alcántud, a Colonel in the Spanish Civil Guard. EUJUST LEX trains police, judges and prison staff. Almost all of its courses, unlike those of the NMT Iraq, are held outside war-torn Iraq. Civil guards will train Iraqi frontier police under the NMT Iraq.

Rodríguez Zapatero withdrew Spain's 1,300 peacekeeping troops from Iraq soon after first taking office in April 2004, plunging US-Spain relations at the very top into crisis. George W Bush never once received Rodríguez Zapatero on a bilateral basis in the White House. The relation between Rodríguez Zapatero and President Barack Obama is much more cordial.

Biden addressed 500 soldiers of the Spanish Parachute Brigade, who will go to Afghanistan in July. He also met with King Juan Carlos.

#### *Report on the EU's Future led by Felipe González Urges Reform*

A report on the EU's long-term future, written by a group of 12 experts headed by Felipe González, the former Spanish Prime Minister (1983-96), paints a bleak picture and says the choice is between reform or decline (see [www.reflectiongroup.eu/wp-content/uploads/2010/05/reflection\\_en\\_web.pdf](http://www.reflectiongroup.eu/wp-content/uploads/2010/05/reflection_en_web.pdf)).

The report, published in early May at the height of the Euro zone's crisis and so overlooked amidst so many dramatic developments, begins with a worrying observation: 'Our findings are neither reassuring to the Union nor to our citizens: a global economic crisis; states coming to the rescue of banks; ageing populations threatening the competitiveness of our economies and the sustainability of our social models; downward pressure on costs and wages; the challenges of climate change and increasing energy dependence; and the eastward shift in the global distribution of production and savings'.

The report was the brainchild of President Nicolas Sarkozy of France, who wanted limits set on the EU's enlargement –he opposes Turkey's full membership of the EU

and instead wants the Muslim country to have an ill-defined 'privileged partnership'-. The report, however, says the EU 'must stay open to potential new members from Europe' and 'must honour its commitments with regard to the current official candidates, including Turkey'. Both the current and previous (Popular Party, PP) governments actively support Turkey's EU bid.

The remedies proposed in the report, such as stronger economic governance and tougher fiscal rules, are the same as those suggested by the European Commission but have yet to be implemented.

The other members of the team that produced the report include Mario Monti, the former EU Commissioner, Jorma Ollila, Chairman of Finland's Nokia, and Lech Walesa, the former Polish President.

#### *US Joins the 'Alliance of Civilizations' Initiative, launched by Spain and Turkey*

The US became the 120th member of the 'Alliance of Civilizations' project established in 2005 by the governments of Spain and Turkey under the auspices of the UN to foster better relations between cultures. The US State Department said the Alliance's aims coincided with President Barack Obama's world vision. Washington will participate at the next meeting of the Alliance in Brazil on 28 and 29 May.

## **Domestic Scene**

#### *Judge Garzón Suspended from his Post*

The General Council of the Judiciary suspended the controversial judge Baltasar Garzón from his post ahead of his trial on charges that he knowingly exceeded his powers by opening an inquiry in 2008 into crimes committed during the Franco dictatorship (1939-75). The decision was unanimously adopted.

Garzón was forced to drop the investigation into the alleged crimes as they are covered by the 1977 amnesty. He appealed against the ruling, saying his inquiry was legitimate.

The writ against Garzón was first brought by *Manos Limpias* ('Clean Hands'), a small far-right trade union, and then backed by the Falange, the successor to the Franco regime's fascist party.

His suspension was widely criticised by international human rights organisations. He was greeted with applause and some tears by his colleagues when he left the *Audiencia Nacional* where he has worked since 1988 on many high-profile cases involving drug trafficking, terrorism and corruption among politicians including the ongoing Gürtel case involving the Popular Party.

In 1998 Garzón ordered the arrest and extradition of Chilean dictator Augusto Pinochet for crimes against humanity in the 1970s, and he also unsuccessfully tried to prosecute the Italian Prime Minister Silvio Berlusconi on charges of tax fraud and breaching anti-trust laws in Spain.

#### *Population Growth Slows, Immigrants Share of Population Surpasses 12%*

Spain's population increased by almost 206,000 in 2009 (+0.4%), the smallest rise in a decade. Foreigners accounted for 12.2% of the total population of 46.95 million on 1

January 2010, according to provisional figures from the National Statistics Office (see Figure 1).

**Figure 1. Spain's Population and Foreigners' Share, 2000-09**

	2002	2003	2004	2005	2006	2007	2008	2009	2010
Population (million)	41.8	42.7	43.2	44.1	44.7	45.2	46.1	46.6	46.9
Foreigners' share (%)	4.7	6.2	7.0	8.4	9.3	10.0	11.4	12.0	12.2

Note: the figures at 1 January of each year are based on those registered with local town halls. Foreigners have an incentive to do this as it entitles them to public health care and education, although not everyone does so. Failure to register leaves individuals with no legal recourse and no access to state services or aid.

Source: INE (National Statistics Office).

The net number of foreigners registering in their local town hall was 60,269 (+1.1%), much lower than in previous years and reflecting the slowdown in the arrival of immigrants and the departure of some as a result of Spain's recession. The total number of foreigners was 5.7 million (+1.7%).

The EU-27 accounted for 41.1% of foreigners, followed by South America (26.6%), Africa (18.4), Asia (5.4%), the rest of Europe (4.0%) and Central America and the Caribbean (3.5%). Rumanians continued to be the largest country bloc. Their number rose by 30,823 to 829,715, 14.5% of the total, and the Moroccan community increased by 28,705 to 746,760 (see Figure 2). The number of Ecuadoreans, Bolivians, Argentines and Brazilians declined by 67,783.

**Figure 2. Foreign Population by Main Countries of Origin**

	1 January 2010	% of total
Rumania	829,715	14.5
Morocco	746,760	13.1
Ecuador	395,069	6.9
UK	387,226	6.8
Colombia	289,296	5.1
Bolivia	210,624	3.7
Germany	195,579	3.4
Italy	183,999	3.2
Bulgaria	169,195	3.0
China	156,607	2.7
Total	5,708,940	100.0

Source: INE.

By age, 15.6% of the total population was under 16, 42.6% between 16 and 44 and 41.8% over the age of 45. The foreign population is considerably younger than the Spanish one: 62.0% of them were between the age of 16 and 44 on 1 January 2010 compared to 39.9% of Spaniards.

#### *Muslim Girl's Expulsion from School for Wearing a Headscarf Triggers Debate*

The expulsion from a state school in Madrid last month of a 16-year-old Muslim girl for wearing a headscarf ignited a debate in political and civic circles over the stance that should be taken on religious symbols.

Najwa Malha was sent home for wearing the *hiyab* that covers her head but not her whole face (*burka*). The school's council voted 15 to 2 to bar her from the school. Muslim associations in Spain (there are up to one million people of this faith in the country) defended its use and they were backed by the Roman Catholic Church, which defends the wearing of crosses.

After a long period during the Franco dictatorship when Catholicism was the official religion and the Church was given a privileged position in matters such as education and taxes, Spain, since its 1978 democratic constitution, is a non-confessional state, although the Church maintains some of its privileges. Spain is still far from the secularism practiced in France, tightened in 2004 when the Islamic headscarf and all other conspicuous religious symbols were banned from state schools. In Germany and the UK, however, headscarves can be worn in the classroom.

An opinion poll published in Spain three weeks after Malha's expulsion showed that 43% of respondents thought it was a very good or good idea and 47% a bad or very bad idea (see Figure 3). Opinions over the wearing of the *burka*, which covers the whole body, are more divided: 56% versus 37%, respectively.

**Figure 3. Is it Good or Bad to Expel a Female Student from School for Wearing Islamic Veils (%)?**

	<i>Hiyab</i> (headscarf)	<i>Burka</i> (covers the whole body)
Very good	11	22
Good	32	34
Neither good nor bad	8	4
Bad	34	26
Very bad	13	11
Do not know/unanswered	2	3

Source: Metroscopia, 2 May, 2010.

Malha is the second Muslim girl in Spain to hit the headlines for wearing a headscarf. Fátima Elidrisi was expelled from a school in 2002 when she was 14 and moved to another one whose headmistress reluctantly agreed to take her. Malha was transferred to another school, but the night before she was due to start its council met and changed its rules. She is now at another school where she is allowed to wear her headscarf.

Juan Ferreiro, the person responsible in the Justice Ministry for relations with Muslims, was dismissed after he sent out a note supporting Malha's right to wear the headscarf. The Ministry said his departure was the result of a loss of confidence in him and had nothing to do with the Malha issue.

#### *Confidence in Political Leaders Declines to Low Levels*

The confidence levels of both Prime Minister José Luis Rodríguez Zapatero and Mariano Rajoy, the leader of the Popular Party (PP), the main opposition, reached their lowest levels in May (see Figure 4). Seventy seven per cent of respondents said they had little or no confidence in Rodríguez Zapatero and 82% in Rajoy.

**Figure 4. Do Zapatero and Rajoy Inspire Confidence (%)?**

	Zapatero	Rajoy
A lot	4	3
Quite a lot	19	14
Little	38	33
None	39	49
Don't know/unanswered	0	1

Source: Metroscopia, 2/5/2010.

Political scientists said these figures for the head of government and of the main opposition party were unprecedented in a European country and clearly demonstrate that the political class is viewed as part of the problem and not part of the solution of Spain's problems.

The Socialists and PP are at permanent loggerheads: for Soraya Sáenz de Santamaría, the PP's spokesperson in parliament, the government is 'the real risk premium of the economy' and for María Teresa Fernández de la Vega, the Deputy Prime Minister, the PP is 'the worst enemy of recovery'.

Among self-declared Socialist voters, 54% said they had little or no confidence in Rodríguez Zapatero and 49% of PP voters said they had little or no confidence in Rajoy. The government's handling of the country's economic crisis was disapproved by 81% of respondents.

#### *King Juan Carlos Successfully Undergoes Surgery to Remove Growth from a Lung*

The 72-year-old monarch, who became King in 1975 after the death of General Franco, was successfully operated on in a Barcelona hospital. Laureano Molíns López-Rodó, the doctor who headed the surgery team, said there were 'no malign cells' in tissue removed from the upper part of the King's right lung and that he would not need any post-operation medical treatment on his lungs.

The King is much respected in Spain after he defended the country's parliamentary democracy from an attempted right-wing military coup in 1981.

### **The Economy**

#### *Rodríguez Zapatero Responds to Market Jitters by Taking an Axe to Public Spending*

Prime Minister José Luis Rodríguez Zapatero bowed to pressure from the markets, the European Commission and the International Monetary Fund (IMF) and announced major cuts in public spending in a bid to lower the budget deficit and boost international confidence in the ailing Spanish economy. Trade unions reacted angrily, saying they would stage strikes in the public sector on 8 June.

The austerity drive, including an average 5% cut in the salaries of 2.8 million civil servants as of June (a freeze in 2011), a €6 billion reduction in public sector investment, a freeze on payments for 5 million pensioners, abolition of a one-off €2,500 childbirth allowance and a €600 million cut in foreign aid, followed similar moves by Greece, Ireland and Portugal and represented a sea change in the Spanish government's economic policy and its adamant defence of social expenditure.

The Spanish package came hard on the heels of the €750 billion emergency plan, unveiled by the EU and the IMF, to shore up the euro zone and prevent the Greek crisis spreading to other countries. The Spanish economy is four times larger than Greece's and the impact on the Euro zone of a sovereign debt crisis in Spain would be far greater than that of Greece. Spain's public debt level is far lower than Greece's (see Figure 5).

**Figure 5. Key Data on Spain, Portugal and Greece**

	<b>Spain</b>	<b>Portugal</b>	<b>Greece</b>
Budget deficit (% of GDP), 2010	9.3	7.0	8.7
Gross public debt (% of GDP), 2010	60.1	82.0	119.9
Bond spreads over German Bund (% points)			
First 7 days of 2010	0.55	0.65	2.27
May 17	+1.14	+1.94	+5.35

Source: Barclays Capital, OECD, Thomson Reuters Datastream, IMF.

The financial ‘bazooka’, following on from the €10 billion rescue package for Greece, produced a short-lived euphoria in the stock markets –Spain’s Ibx-35 surged 14.4% on 10 May, the biggest rise in Europe– but then the country was back in the eye of the sovereign debt storm. The Ibx-35 has fallen the most among European markets so far this year (see Figure 6) and is very volatile, while spreads on Spain’s bonds over Germany’s Bund (a key indicator of the confidence of international markets in Spanish debt) have also widened. The yield on 5-year Spanish government bonds, which has an inverse relationship with prices, rose from 2.84% in April to 3.58% in the first week of May, pushing up the cost of debt. Spreads over German bunds reached a 14-month high of 181 basis points on 7 May and on 17 May had dropped to 1.14 basis points.

**Figure 6. Stock Market Indices (% change) (1)**

<b>Index</b>	<b>% change</b>
<b>Ibex-35 Spain)</b>	<b>-22.2</b>
Dax (Frankfurt)	+1.8
FTSE 100 (London)	-2.8
Euro Stoxx 50	-11.1
Dow Jones	+1.9
Nikkei (Tokyo)	-2.9

(1) 1 January to 17 May.

Source: Markets.

President Barack Obama phoned Rodríguez Zapatero and urged him to take ‘resolute action’. Only one week earlier, Rodríguez Zapatero rejected a demand from Mariano Rajoy, leader of the conservative Popular Party (PP), to accelerate budget deficit cuts, saying this would damage economic growth.

Spain technically emerged from recession in the first quarter as growth was 0.1% positive on a quarterly basis after six consecutive quarters of contraction. The IMF said it did not expect the Spanish economy to reach 2% growth until 2016, later than the government’s forecasts. As we went to press, the government was revising its growth predictions downward.

The rating agency Standard & Poor’s (S&P) downgraded its long-term rating on the Kingdom of Spain to AA from AA+. S&P said Spain is ‘likely to have an extended period of subdued economic growth, which weakens its budgetary position’.

In a separate report, S&P said Spain’s 17 regions will this year ‘post the worst consolidated budgetary performance in recent history’. Their overall deficit would represent about 20% of total revenues. The regions account for approximately one-third of general government expenditure, 55% of the total number of civil servants and 15% of general government debt. The bulk of their budget (about 60%) is devoted to essential responsibilities like health care, education and social care, which represent the core of the Spanish welfare state and a politically sensitive area.

Underlying inflation –which excludes volatile energy and fresh food prices– was 0.1% negative in April, reviving fears of a deflationary trend. This was the first such fall since 1986. This was bad news because deflation, if it takes hold, encourages consumers to stop spending as they await further declines and also increases the real cost of debt for all sectors of the economy, squeezes profit margins and discourages investment. José Manuel Campa, the Deputy Finance Minister, described the data as ‘one-off’.

The government's additional budget savings of €15 billion are aimed at reducing the deficit from 11.2% of GDP in 2009 to 9.3% this year and 6% in 2011 (see Figure 7). The original target for this year was 9.8% and 7% for 2011. The government is committed to reaching 3%, the Euro zone ceiling, in 2013. The IMF predicted –before the government announced its emergency measures– that Spain's budget deficit in 2015 would at 7.7% of GDP still be well above the 3% ceiling.

**Figure 7. General Government Budget, 2009-13 (% of GDP)**

	2009	2010	2011	2012	2013
Central government	0.8	-6.2	-2.5	-3.8	-1.9
Social Security	-2.0	0.2	0.2	0.2	0.2
Regional governments	-0.5	-3.2	-4.2	-1.5	-1.1
Local governments	-9.5	-0.7	-1.0	-0.5	-0.2
General government	-11.2	-9.3	-6.5	-5.3	-3.0

Source: Spanish government.

Rodriguez Zapatero said the measures were needed to 'reinforce confidence in the Spanish economy and to contribute to the financial stability of the Euro zone. The situation is difficult and it would be nonsense to hide it'. The trade union allies of the Socialist government reacted angrily to the measures. Ignacio Fernández Toxo, leader of *Comisiones Obreras* (CCOO) said there was 'total rejection' of the austerity plan. CCOO and the *Unión General de Trabajadores* (UGT) said workers were being asked to bear a disproportionate share of the cuts. The strike called for 2 June will affect the public sector (see Figure 8).

The government has apparently not ruled out rises in income tax (it lowered the rates in 2007 and abolished wealth tax in 2008). The general VAT rate rises from 16% to 18% in July, a measure approved last year.

**Figure 8. Employees in Public Administrations**

	1998	2008
Central administration	886,037	583,447
Regional governments	677,160	1,345,577
Local governments	440,972	627,092
Universities	89,874	102,894
Total	2,094,043	2,659,010
% of labour force (1)	12.2	11.6

(1) There were changes in methodology between 1998 and 2008 in the labour force survey and other issues which mean that the comparison between the two dates could give rise to errors. However, they are not significant. Although the number of civil servants has increased substantially in absolute terms, their share of the labour force has declined because of the large rise in jobholders.

Source: Ministry of Territorial Policy.

Meanwhile, the stated unemployment rate surpassed 20% for the first time in almost 13 years. The rate, based on a quarterly labour force survey, was 20.05% at the end of March compared with an average of 10% in the Euro zone. The jobless rate varied between 10.9% in the Basque Country and 27.2% in Andalusia. The number of unemployed reached 4.6 million, 602,000 more than a year earlier.

#### *Santander Bucks the Downward Profit Trend...*

Santander, the Euro zone's largest bank by market capitalisation, increased its net profit by 5.7% in the first quarter of 2010 to €2.21 billion compared with the same period in 2009.

The bank benefited from the diversification of its business. Only 47% of its profit was generated in Spain and the rest of continental Europe, with 35% coming from Latin

America (mainly Brazil), 16% from the UK (it owns Abbey, Bradford & Bingley and Alliance & Leicester) and 2% from its recent acquisition of Sovereign in the US.

Its non-performing loan ratio rose to 3.34% of total lending at the end of March, virtually unchanged from the end of 2009 and up from 2.49% a year earlier (see Figure 9). This remains a low figure by international standards.

BBVA's net profit inched up 0.2% to €1,240. It too was aided by its activity abroad. Spain and Portugal accounted for 47.3% of profit, Mexico 28% and South America 18.8%.

**Figure 9. Results of Spain's Two Main Commercial Banks in the First Quarter of 2010 (1)**

Bank	Net profit (€million)	NPL ratio (%)	NPL coverage (%)	Core capital (%)
Banco Santander	2,215 (2,096)	3.34 (2.49)	74.0 (80.0)	8.8 (7.3)
BBVA	1,240(1,238)	4.30 (2.80)	59.0 (76.0)	8.1 (6.5)

Note: NPL means non-performing loan. Figures for the first quarter of 2009 in brackets.

Source: National Securities Market Commission.

*... Rises in the BrandZ Ranking of the Top 100 Global Brands*

Santander, Spain's largest bank, rose seven places to 31<sup>st</sup> position in the latest BrandZ Top 100, the only ranking based on a brand valuation methodology that is grounded in quantitative customer research and in-depth financial analysis. BBVA, its rival, dropped one place to 56<sup>th</sup> and Zara, the fashion retailer, four places to 80<sup>th</sup> (see Figure 10). They are the only Spanish companies in the ranking.

**Figure 10. BrandZ Top 100 Most Valuable Global Brands, Selected Companies (US\$ million)**

Brand and ranking	Brand value 2010	% change 2010/2009	Brand contrib.	Brand momentum
1. Google	114,260	14	5	9
2. IBM	86,383	30	4	4
4. Microsoft	76,344	0	5	7
10. Vodafone	44,404	-17	3	4
14. Blackberry	30,708	12	4	8
15. Amazon	27,459	29	4	9
<b>31. Santander</b>	<b>18,012</b>	<b>12</b>	<b>3</b>	<b>9</b>
<b>56. BBVA</b>	<b>12,977</b>	<b>3</b>	<b>5</b>	<b>9</b>
<b>80. Zara</b>	<b>8,986</b>	<b>4</b>	<b>3</b>	<b>4</b>

Source: Millward Brown Optimor (including data from BrandZ, Datamonitor and Bloomberg).

The brand value is calculated in three steps. First, the proportion of a company's earnings generated 'under the banner of a brand' is determined. Secondly, only a portion of these earnings can be considered as being driven by brand equity. This is the 'brand contribution' (displayed as an index from 1-5, with 5 the highest). It is the degree to which the brand plays a role in generating earnings. In the final step, the growth potential of these branded earnings is taken into account. The brand momentum is displayed as an index from 1-10 (10 is the highest score).

Santander (7<sup>th</sup>) and BBVA (13<sup>th</sup>) are also in the Top 20 financial institutions by brand value (see Figure 11).



**Figure 11. Financial Institutions, Top 20 by Brand Value, Selected Companies (\$million)**

Brand and Rank	Brand value 2010	% change 2010/2009	Brand contrib.	Brand momentum
1. ICBC	43,927	15	4	7
2. Visa	24,883	52	5	9
4. Bank of China	21,960	4	3	6
<b>7. Santander</b>	<b>18,012</b>	<b>12</b>	<b>3</b>	<b>9</b>
9. Bank of America	16,393	6	2	9
12. Citi	13,403	-8	2	7
<b>13. BBVA</b>	<b>12,977</b>	<b>3</b>	<b>5</b>	<b>9</b>
17. Goldman Sachs	9,283	25	4	9

Source: Millward Brown Optimor (including data from BrandZ, Datamonitor and Bloomberg).

### *Rodríguez Zapatero and Rajoy Agree to Speed up the Restructuring of Savings Banks*

Prime Minister José Luis Rodríguez Zapatero and Mariano Rajoy, leader of the conservative Popular Party (PP), the main opposition, met for the first time in 18 months and agreed to finalise plans for the restructuring of the ailing savings bank sector by 30 June. They also agreed on a new law to govern the *cajas*, which are largely controlled by regional politicians.

The big savings banks, Caja Madrid and the Barcelona-based La Caixa, are basically in reasonable health, but a significant number of the 45 unlisted *cajas*, which account for around half of Spain's financial system, are in bad shape. According to some economists, some of the small ones are already technically bankrupt. So far, only one savings bank, Caja Castilla La Mancha, has had to be intervened by the Bank of Spain (the central bank).

Miguel Ángel Fernández Ordoñez, the central bank Governor, has been repeatedly calling for one-third of the *cajas* to merge, but the pace at which this has been happening is very slow. Many of the smaller *cajas* are weighed down by their bad loans to the collapsed property sector and they have been hit by the war for retail deposits sparked by the listed giant Santander, the country's main commercial bank, which makes their funding more expensive. Lending by all banks to the property and construction sectors accounted for 60.3% of total loans to the private sector in 2009, up from 38.8% in the mid 1990s. In absolute terms, loans to these sectors amounted to €1.11 trillion (105% of GDP) at the end of 2009.

The debt maturities of the *cajas* amount to €85 billion this year. Those that cannot refinance their bonds in the coming months will be forced to seek help from the state rescue fund known as Frob in return for mergers and cost cuts. So far only eight of them have used the bail-out safety net to restructure. The private sector commercial banks are barred from acquiring the *cajas*, because of their complex ownership structure. The *cajas*, however, can buy banks as they are listed.

### *FCC Wins €935m Railway Contract in Algeria*

FCC Construcción, the infrastructure division of international environmental services, infrastructure and energy group Fomento de Construcciones y Contratas, has been awarded a contract to build a 185-km long railway line running west of Algiers, and connecting the towns of Relizane, Tiaret and Tissemsilt. The joint venture project is in conjunction with Algerian company ETRHB Haddad.

This latest success joins FCC's rail projects around the world including the Singapore Metro, a New Delhi metro link and railway infrastructure for the Gotthard Base Tunnel in Switzerland.

*Spanish Business Schools among the Top 20 Executive Education Providers*

Spain's three leading business schools –Iese, Esade and IE– are ranked among the top 20 executive education providers in the 2010 league table of the *Financial Times* (see Figure 12).

**Figure 12. Top Executive Education Providers, Selected Rankings (1)**

<b>Rank and School</b>	<b>Country</b>
1. Harvard Business School	US
2. HEC Paris	France
3. IMD	Switzerland
<b>5. Iese Business School</b>	<b>Spain</b>
<b>7. Esade Business School</b>	<b>Spain</b>
8. Insead	
<b>13. IE Business School</b>	<b>Spain</b>
15. University of Oxford: Saïd	UK
21. Columbia Business School	US

(1) Ranking out of 50.

Source: *Financial Times*.