

# ELCANO GLOBAL PRESENCE INDEX



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# ELCANO GLOBAL PRESENCE INDEX 2012

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# INDEX

12

What is the Elcano Global Presence Index project all about?

Why a global presence project?  
What does the Elcano Global Presence Index project contain?  
What is the usefulness of the Elcano Global Presence Index?  
Frequently asked questions about the Elcano Global Presence Index

15

Heading South and East

21

The economy: driving force of the globalisation process



28

Economic presence via energy and  
manufactured goods

---

31

Emerging countries subscribe to soft  
presence

---

33

Towards a G-0 order?



46

What if there were a United States of Europe?

---

55

The external insertion of Spain requires a strategic redefinition

---

64

Methodological annex

Main elements of the Elcano Global Presence Index  
The incorporation of the European Union in the Elcano Global Presence Index  
Elcano European Presence Index



## LIST OF TABLES AND GRAPHS

<b>Page 14.</b> Table 1.	Frequently asked questions about the Elcano Global Presence Index
<b>Page 15.</b> Graph 1.	2012 Global presence ranking
<b>Page 16.</b> Table 2.	First 20 positions in the 2012 Global Index Presence and comparison with 2011 and 1990 positions
<b>Page 17.</b> Graph 2.	Differences in global presence between 1990 and 2012
<b>Page 18.</b> Graph 3.	Differences in global presence between 1990 and 2000
<b>Page 19.</b> Graph 4.	Differences in global presence between 2000 and 2010
<b>Page 20.</b> Graph 5.	Differences in global presence between 2010 and 2012
<b>Page 22.</b> Graph 6.	2012 Economic presence ranking
<b>Page 23.</b> Graph 7.	Economic presence: difference between 1990 and 2012
<b>Page 24.</b> Graph 8.	2012 Military presence ranking
<b>Page 25.</b> Graph 9.	Military presence: difference between 1990 and 2012
<b>Page 26.</b> Graph 10.	2012 Soft presence ranking
<b>Page 27.</b> Graph 11.	Soft presence. difference between 1990 and 2012
<b>Page 29.</b> Graph 12.	Evolution of the exports of energy products (in thousands of dollars)
<b>Page 30.</b> Graph 13.	Evolution of the exports of manufactured goods (in thousands of dollars)
<b>Page 31.</b> Graph 14.	Evolution of the tourism variable (in thousands of people)
<b>Page 32.</b> Graph 15.	Evolution of the sports variable
<b>Page 34.</b> Graph 16.	Evolution of the global presence share of China and the United States
<b>Page 35.</b> Graph 17.	Evolution of the global presence share of the United States and diverse groupings
<b>Page 36.</b> Graph 18.	Global presence and dimensions of presence of the United States and the rest of the world: difference in presence between 1990 and 2012
<b>Page 37.</b> Table 3.	Herfindahl-Hirschman Index (HHI) applied to the total as well as the dimensions of the Elcano Global Presence Index
<b>Page 37.</b> Graph 19.	Difference of the HHI and the economic and soft dimensions in the 1990-2012 subperiods
<b>Page 38.</b> Graph 20.	Global presence dispersion throughout the last two decades
<b>Page 40.</b> Graph 21.	2012 economic presence share
<b>Page 41.</b> Graph 22.	Variation of the economic presence share between 1990 and 2012



<b>Page 42.</b>	Graph 23.	2012 military presence share
<b>Page 43.</b>	Graph 24.	Variation of the military presence share between 1990 and 2012
<b>Page 44.</b>	Graph 25.	2012 soft presence share
<b>Page 45.</b>	Graph 26.	Variation of the soft presence share between 1990 and 2012
<b>Page 46.</b>	Graph 27.	2012 global presence ranking including the European Union
<b>Page 47.</b>	Table 4.	Global presence ranking (first 20 positions) including the European Union and variations regarding 2011 and 2005
<b>Page 48.</b>	Graph 28.	Contribution of each dimension to the European Union's presence
<b>Page 49.</b>	Graph 29.	Dimensions of presence in 2012 of the European Union, United States, and China
<b>Page 50.</b>	Graph 30.	2012 ranking of the Elcano European Presence Index
<b>Page 51.</b>	Table 5.	2012 European presence ranking and comparison with 2010 and 2005 positions
<b>Page 52.</b>	Graph 31.	Variation of European presence between 2005 and 2012 (in parenthesis, year of accession to the European Union)
<b>Page 53.</b>	Graph 32.	2012 economic presence ranking in the Elcano European Presence Index
<b>Page 54.</b>	Graph 33.	2012 soft presence ranking in the Elcano European Presence Index
<b>Page 56.</b>	Graph 34.	Simple variation share of global presence between 1990 and 2012
<b>Page 57.</b>	Graph 35.	Simple variation share of European presence between 2005 and 2012
<b>Page 58.</b>	Graph 36.	Evolution of the global presence shares of selected countries
<b>Page 59.</b>	Graph 37.	Evolution of the European presence shares of selected countries
<b>Page 60.</b>	Graph 38.	Contribution of specific dimensions to the global presence of Spain
<b>Page 61.</b>	Graph 39.	Modalities of the presence of Spain in the Elcano European Presence Index
<b>Page 62.</b>	Table 6.	Spain's global presence
<b>Page 63.</b>	Graph 40.	Strengths and weaknesses of Spain's global presence
<b>Page 64.</b>	Table A.	Countries listed in the Elcano Global Presence Index
<b>Page 64.</b>	Graph A.	Structure of the Elcano Global Presence Index
<b>Page 65.</b>	Table B.	Variables, indicators and sources of the Elcano Global Presence Index
<b>Page 66.</b>	Table C.	Weighting factors of the different areas and indicators
<b>Page 68.</b>	Table D.	Variables, indicators and sources of the Elcano Global Presence Index calculated for the European Union
<b>Page 70.</b>	Table E.	Variables, indicators and sources of the Elcano European Presence Index

# Executive summary

## **Measuring presence in order to compare it to influence or image...**

The Elcano Global Presence Index displays the current situation and evolution, since 1990, of the global presence of 60 countries and of the European Union in the world order. Furthermore, since 2005, an additional calculation has been performed for the member States of the Union –the Elcano European Presence Index–, which limits the presence exclusively to the intra-European sphere.

Global presence is divided in three areas which in turn are composed of diverse indicators: economy (energy, primary goods, manufactures, services, investments), defence (troops and military equipment) and soft presence (migration, tourism, sports, culture, information, technology, science, education, development cooperation).

These indexes to measure global and European presence allow us to make international and time comparisons and constitute a useful tool to analyse global trends in international presence (evolution of multipolarity and bipolarity, ascension or decline of certain powers and regions, or greater or lesser prominence of soft presence as opposed to hard presence). Furthermore, the indexes enable us to examine the foreign policy of the countries included in the calculation (assessment of the effort put forth as compared to the obtained results, sectoral analysis of presence, relationship between presence and influence, and distance between objective presence and subjective perception).

## **..or global trends**

In the last two decades the evolution of global presence shows the catching-up process of some emerging economies and, more recently, the crisis in the United States and in Europe (insofar as it is reflected in their global presence). Notwithstanding the foregoing, the first three positions of the 2012 Elcano Global Presence Index correspond to the United States, Germany and the United Kingdom. China comes in at the 4th position, rising from the 13th in 1990. Seven of the top 20 nations that compose this ranking are developing or emerging countries.

## **Quantity, 'quality' and deconcentration of global presence**

The variations in presence do not necessarily have the same base for all countries. The international presence of a country may be the result of very different combinations of economic, military and soft aspects. In the economic sphere, exporting countries such as China, the Netherlands, Saudi Arabia, South Korea and India hold the first positions. On the other hand, the United Kingdom, France, Japan, and Spain have supported their external projection with a stronger soft presence than the former countries. As regards military

presence, the United States holds unquestionable supremacy. On another hand, the low registers of military presence for the sum of the countries calculated in the index confirm how this dimension has lost relevance in the current configuration of international relations, in contrast to the end of the Cold War.

The Elcano Global Presence Index also enables us to calculate the share of presence each country has in the world order. The share of the United States has slowly decreased since the early 90s: dropping from 24.1% in 1990 to 16.6% in 2012. Meanwhile, the Chinese share has increased dramatically during the same period, jumping from 1.4% of global presence to 5.1%. The Herfindahl-Hirschmann Index (HHI), applied to the shares of presence, has descended from 934 in 1990 to 524 in 2012, which signifies a deconcentration of global presence in this period.

### **What would the presence of the United States of Europe look like?**

If the European Union truly became an economic and political union it would be in 2012 the political entity with greatest global presence (1,088.3) followed, however, very closely by the United States (1,012.3). In fact, these two States –one of them hypothetical– would accumulate a joint presence of 43.5%.

According to the 2012 Elcano European Presence Index Germany leads the member States in intra-European presence, followed by the United Kingdom, France, and the Netherlands. These four countries have maintained their positions since the index was first calculated in 2005.

### **What about Spain?**

Spain holds the 11th position in the Elcano Global Presence Index and the 5th in the Elcano European Presence Index. The global and European indexes also reveal the strengths and weaknesses of the external projection of the countries included in the calculation. Thus, in the case of Spain, the global index may reveal a more indiscriminate than strategic external insertion. This value has seen spectacular growth in the 1990-2012 period, nearly trebling from 41.8 to 162.8. Notwithstanding the foregoing, the variables that exhibit the best performance are symptomatic of a productive model and external insertion that provide little added value, thus conferring vulnerability to the entire country. For example, in the economic stage, internationalisation has mainly come about due to foreign investment instead of exports. In relation to soft presence, it is greatly dependent on tourism and sports, instead of relying on more strategic assets such as education and technology.

# 1. What is the Elcano Global Presence Index project all about?

The purpose of the Elcano Global Presence Index is to show the current situation and historical evolution of the external projection of a series of countries and groupings, both in the global, as well as in the European, stage.

## **Why a global presence project?**

The Elcano Royal Institute joins the effort put forth by the academic world, some international agencies, and diverse think tanks, to conceptualise globalisation and the capacity that different countries possess in moulding that process given their international positioning in different domains.

In the theoretical realm, this debate has focused on the new world balances since the Cold War, on the appearance of emerging powers in an economy that is increasingly interdependent, and on more complex power structures in international relations that include soft elements. Some attempts to operationalise some dimensions connected to these phenomena that would enable international comparisons, such as economic openness and competitiveness, the commitment to development, or image and reputation, are already in existence. To this end, the Elcano Global Presence Index project seeks to complement these analyses with a general and aggregated measure of the international positioning of countries in the globalised world.

In sum, it could be stated that the Elcano Global Presence Index is the first comprehensive, complete, and multidisciplinary attempt to measure international relations.

## **What does the Elcano Global Presence Index project contain?**

The main contribution of the project is a synthetic index that orders, quantifies, and aggregates the external projection of different countries.

Global presence is divided into three areas: economy, defence, and soft presence. The following indicators have been considered in these areas:

- Economic presence is measured through the flow of exports of energy products, primary goods, manufactured goods, and services, as well as through foreign direct investment.
- Military presence is measured through the troops deployed in international missions and military equipment.

- Soft presence is measured through migration, tourism, performance in international sport competitions, the exports of audiovisual services, the projection of information on the Internet, the number of international patents, the articles published in scientific journals, the number of foreign students, and finally, the gross flows of development aid.

This index has been calculated annually since 2010. Furthermore, global presence has been calculated retrospectively since 1990 every five years. 60 countries are measured: the first 49 world economies, the member countries of the Organisation for Economic Cooperation and Development (OECD), and the member States of the European Union.

Since the 2012 edition, it also measures the global presence of the European Union, aggregating to the selection of countries calculated in the index, an IEPG-EU that measures the external projection of the European Union beyond its borders for 2005 and, annually, since 2010. This measurement is complemented with the Elcano European Presence Index, which evaluates the internationalisation of the member States in the strict sphere of the Union, for the same years as that of the IEPG-EU and following the general methodology of the Elcano Global Presence Index.

### **What is the usefulness of the Elcano Global Presence Index?**

These indexes measuring global presence allow us to therefore make international and temporal comparisons and constitute a useful tool to:

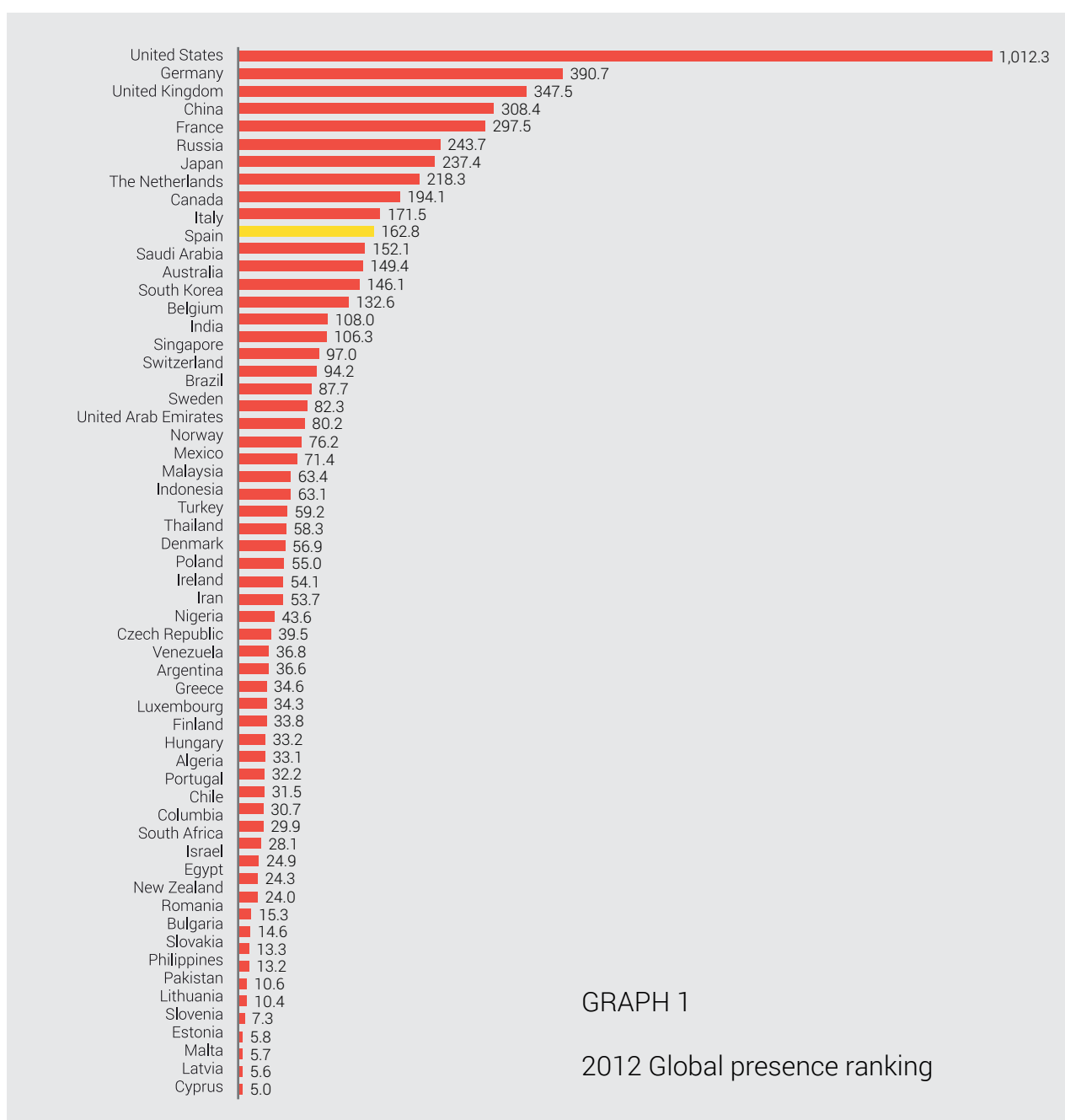
- Analyse the global trends of international presence (evolution of multipolarity and bipolarity, ascension or decline of certain powers and regions, greater or lesser prominence of soft versus hard presence).
- Examine the foreign policy of the countries included in the calculation (assessment of the effort put forth as compared to the results obtained, sectoral analysis of presence, relation between presence and influence, or distance between objective presence and subjective perception).

TABLE 1  
Frequently asked questions about the  
Elcano Global Presence Index

What does the Elcano Global Presence Index measure?	The index measures global presence. By global presence we understand the effective positioning, in absolute terms, of the different countries (products sold, tourists welcomed, victories in international sports competitions...).
Does the Elcano Global Presence Index measure power?	It does not. A country may have strong international projection and weak regional or global influence (or vice-versa). The relationship between presence and power depends on the foreign policy of each country or on the limiting factors of the exercise of influence, depending for instance, on the presence of another regional leader.
Does it reflect the effort of countries attempting to achieve greater internationalisation?	It does not. This index measures the results of internationalisation, not its means. For example, a country may have deployed a significant number of troops abroad with a defence expenditure that is relatively smaller than that of another country with smaller military presence.
Does it measure the openness of countries?	It does not. The Elcano Global Presence Index considers the external projection of the different countries and not so much the way in which they absorb the external action of other countries in their national territory. That is why the index considers the exports of manufactured goods but disregards the imports. It does not measure world interdependence, though it may help to analyse it.
Is it calculated with objective or subjective data?	Objective. Its purpose is not to ascertain how a country is perceived by certain elites or by the public opinion as a whole. This index is calculated to discover the effective external projection of the different countries, regardless of their reputation or image.
Does it measure merely the "quantity" of a country's presence or also its nature?	Both. The Elcano Global Presence Index is composed of three dimensions (economic, military, and soft presence) which in turn are composed of variables of different nature (ranging from energy to development cooperation, to the troops deployed or tourism). It is therefore useful in revealing not only how present countries are in the global order, but also, the nature of said presence.
How are the variables of the Elcano Global Presence Index selected?	First, presence is reflected in a single direction, what could be deemed its unidirectionality. Second, the results of presence are measured and not the means to achieve them. In addition, all the variables have an explicitly external component, in the sense that they reflect cross-border presence. Presence is given in absolute and not relative terms; in other words, the indicators are not proportional to the demographic or economic size of the country. Likewise, as for any other index, the best explanatory capacity is sought with the fewest variables or indicators possible. Finally, hard data on presence are taken and not data based on judgments or opinions.
And how are they combined in a synthetic index?	In 2012 a questionnaire was distributed to the 150 persons responsible for research at the most prominent international relations think tanks. The purpose of said questionnaire was to obtain the weighting factor of the indicators included in each area as well as the weighting factor of the areas included in the final configuration of the index.
What about missing cases? How are they estimated?	In these cases we have also referred to expert opinion, or hot deck. A total of 400 data items have been estimated from approximately 5400. The number of estimations represents 7.4% of the base.
The Elcano Global Presence Index has been calculated for what years?	For 1990, 1995, 2000, 2005, 2010, 2011, and 2012. Since 2010 the calculation is performed annually.
Why those years?	To reveal the transformations in the world order since the Cold War ended.
For what countries?	The Elcano Global Presence Index is calculated for 60 countries: the first 49 world economies and the countries not listed in these first positions that are nonetheless members of the OECD or the European Union.
Can the presence of European countries be combined and can it be assumed that that is the presence of the European Union?	It can not. We must bear in mind that the global presence of the member states is partially reflected in other member states of the Union. In order to apply the index to the European Union, intra-European presence has been deducted. The intra-European presence of the member States is precisely what the Elcano European Presence Index measures.

## 2. Heading South and East

Graph 1 and Table 2 display the classification of the 60 countries considered in this edition of the Elcano Global Presence Index. The 2012 results confirm that the United States still possesses the greatest global presence. Germany follows far behind in second place, and the United Kingdom holds the third position. After surpassing France, China comes in at the fourth position, thus continuing the uphill trend this Asian economy has experienced in the last decades. Russia also continues its steady ascent and occupies the 6th place in global presence, after passing Japan in 2012. Spain holds the 11th place, slightly behind Italy and followed closely by Saudi Arabia and it constitutes the 7th European country with greatest global presence.



GRAPH 1

2012 Global presence ranking

One way to look at this ranking (Table 2) is that the top 20 countries are more or less the same as the ones from the 90s. In fact, only two countries have abandoned this list –Austria and Mexico–, whereas others have entered –Brazil and Singapore–. Seven of the top 20 countries that currently compose the ranking are developing or emerging countries.

Table 2.

First 20 positions in the 2012 Elcano Global Presence Index and comparison with 2011 and 1990 positions

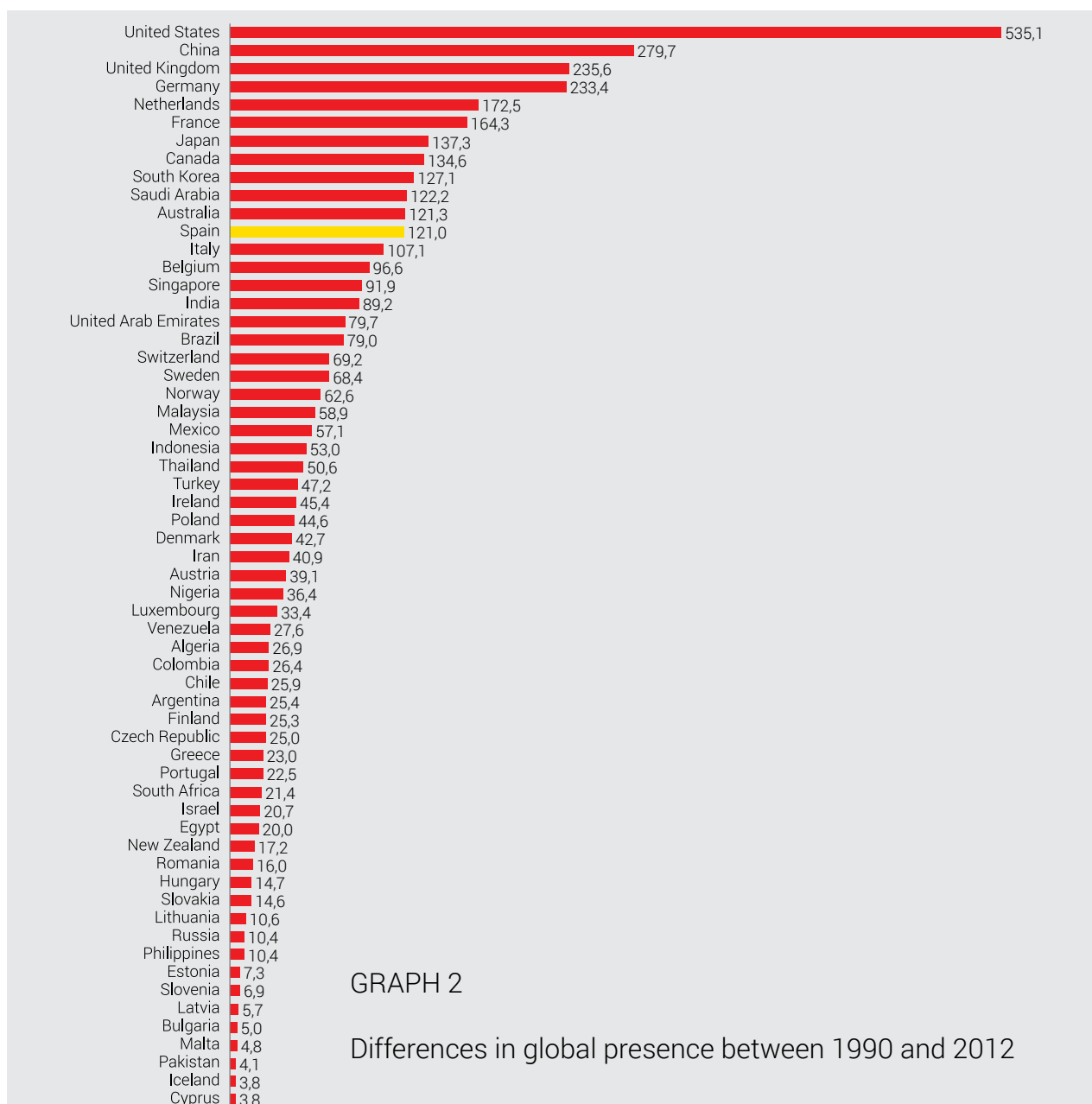
2012			2011		1990	
Position	Country	IEPG	Position	Variation	Position	Variation
1	United States	1,109.7	1	=	1	=
2	Germany	428.3	2	=	3	+1
3	United Kingdom	380.9	3	=	5	+2
4	China	338.1	5	+1	13	+9
5	France	326.1	4	-1	4	-1
6	Russia	267.2	7	+1	2	-4
7	Japan	260.3	6	-1	6	-1
8	The Netherlands	239.3	8	=	9	-1
9	Canada	212.8	9	=	8	-1
10	Italy	188.0	10	=	7	-3
11	Spain	178.5	11	=	10	-1
12	Saudi Arabia	166.8	15	+3	12	=
13	Australia	163.7	12	-1	14	+1
14	South Korea	160.2	13	-1	19	+5
15	Belgium	145.3	14	-1	11	-4
16	India	118.4	17	+1	20	+4
17	Singapore	116.6	16	+1	25	+9
18	Switzerland	106.3	18	=	15	-3
19	Brazil	103.2	20	+1	23	+4
20	Sweden	96.1	19	-1	17	-3

However, there have been significant changes in positioning within the group. China now holds the 4th position and Brazil, the 19th. Two emerging Asian countries, China and Singapore, have climbed nine positions. South Korea has ascended five steps and India and Brazil, four. Meanwhile, Russia has lost four positions, although it is worth remembering that the Elcano Global Presence Index in 1990 was calculated for the Soviet Union. Belgium has also backtracked. Italy, Switzerland and Sweden have each lost three places. While the United States still possesses the highest global presence, some emerging economies –particularly the Asian ones– have come to replace diverse European countries.

It seems that this ‘de-Westernisation’ process has accelerated with the economic crisis. Note that Belgium, France and Sweden have each lost a position between 2011 and 2012. This does not mean that all European countries have been equally affected. Germany and the United Kingdom have gained one and two positions respectively, in the last two decades.



In comparison to the 1990 results, all countries have increased their presence in the world, which appears logical after two decades of accelerated globalisation, but they have not all done so to the same degree. Graph 2 shows the difference between the value of the index in 2012 and the one registered in 1990 for each country. The United States, which started off in a position of leadership in the 90s, registers the greatest increase in presence since then. China holds the second place, ahead of the United Kingdom and Germany, who have also experienced similar increases. Spain is the 12th country that has most increased its presence since 1990, surpassing European partners like Italy, Belgium, and Sweden. It is noteworthy to mention the presence of some oil producing countries such as Saudi Arabia and the United Arab Emirates, as well Asian economies such as South Korea, Singapore, and India, in addition to the aforementioned case of China. On the other hand, Russia, which occupied a position of leadership in 1990, registers an increase in presence that is very low in absolute terms.

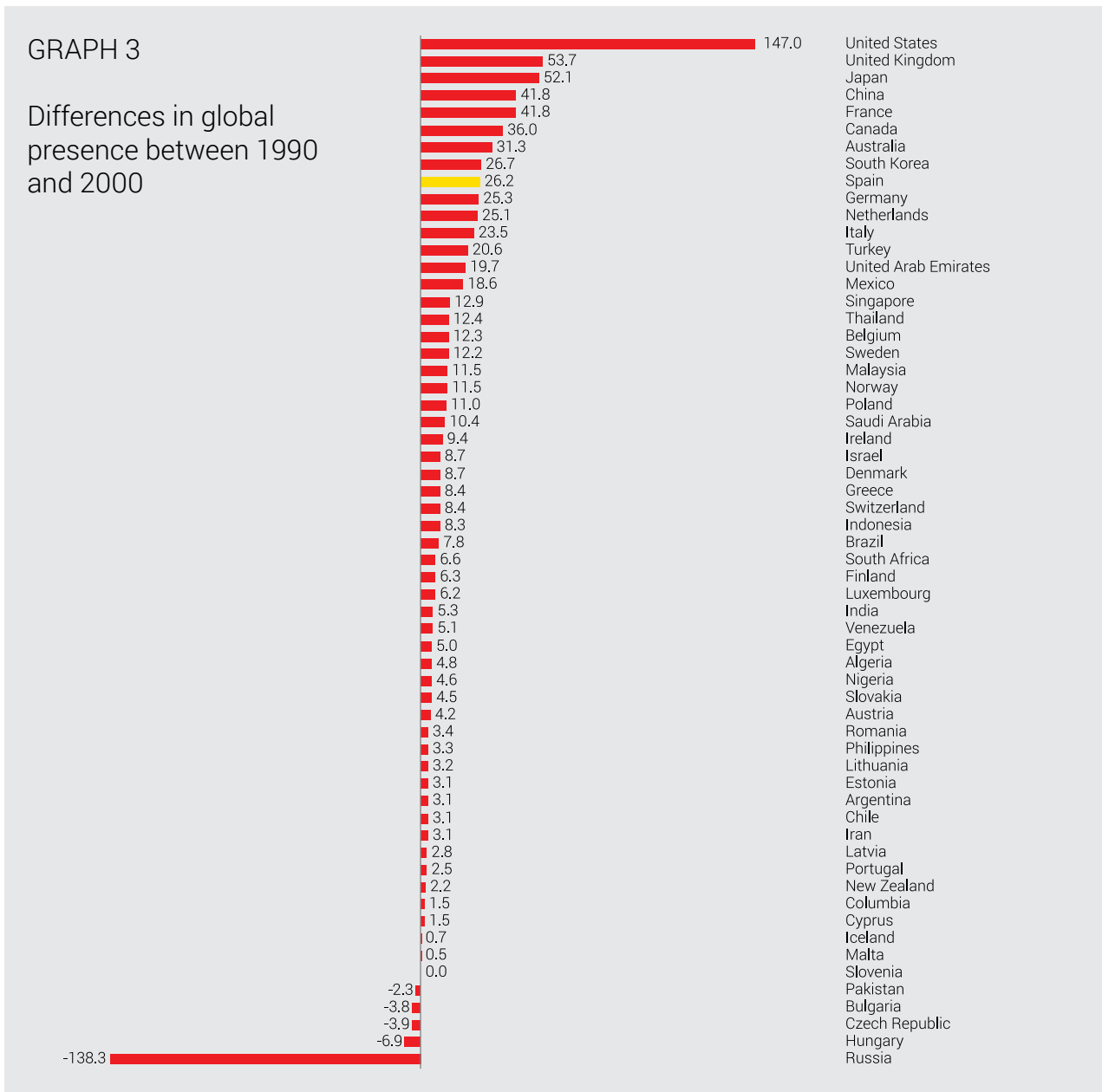


GRAPH 2

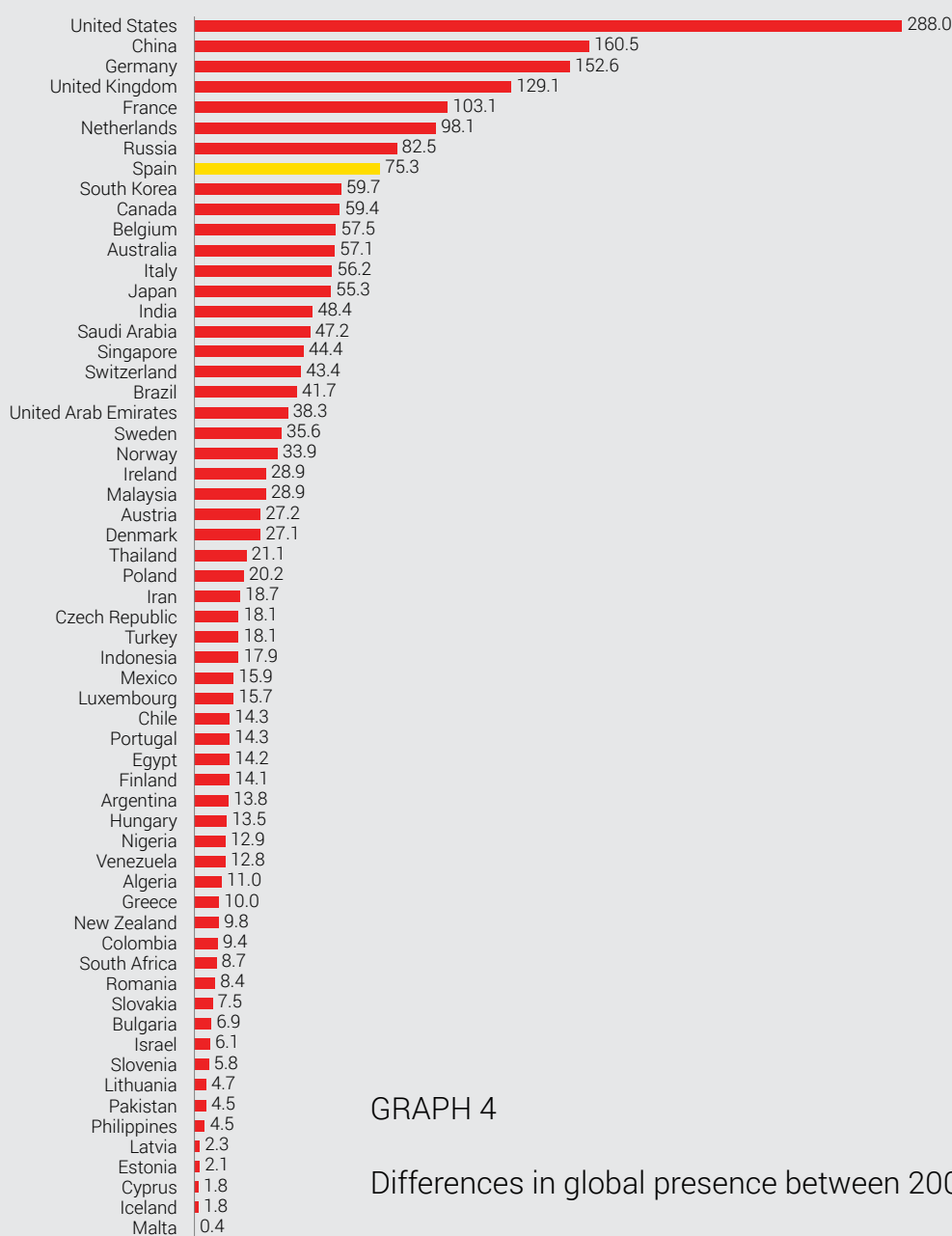
Differences in global presence between 1990 and 2012

Notwithstanding the foregoing, the growth in the 1990-2012 period is not homogenous. The Elcano Global Presence Index has been calculated for the years 1990, 1995, 2000, 2005, 2010, 2011 and 2012, thus allowing us to analyse the evolution of presence in the different moments throughout the period. For example, we are able to differentiate between the evolution during the 90s and what occurred in the 2000s, thus distinguishing the effect of the crisis on the global presence of each country.

If we compare the 1990 results with those measured in the year 2000 (Graph 3) we may observe how Russia has lost presence with the dissolution of the Soviet Union. The increases in presence registered in this decade are, generally speaking, low. In spite of the crisis endured in the 90s, Japan still shows results that are in line with other economic powers. Although for Asian countries the increase in presence experienced during these years has been timid, they are beginning to get ahead of other economies.



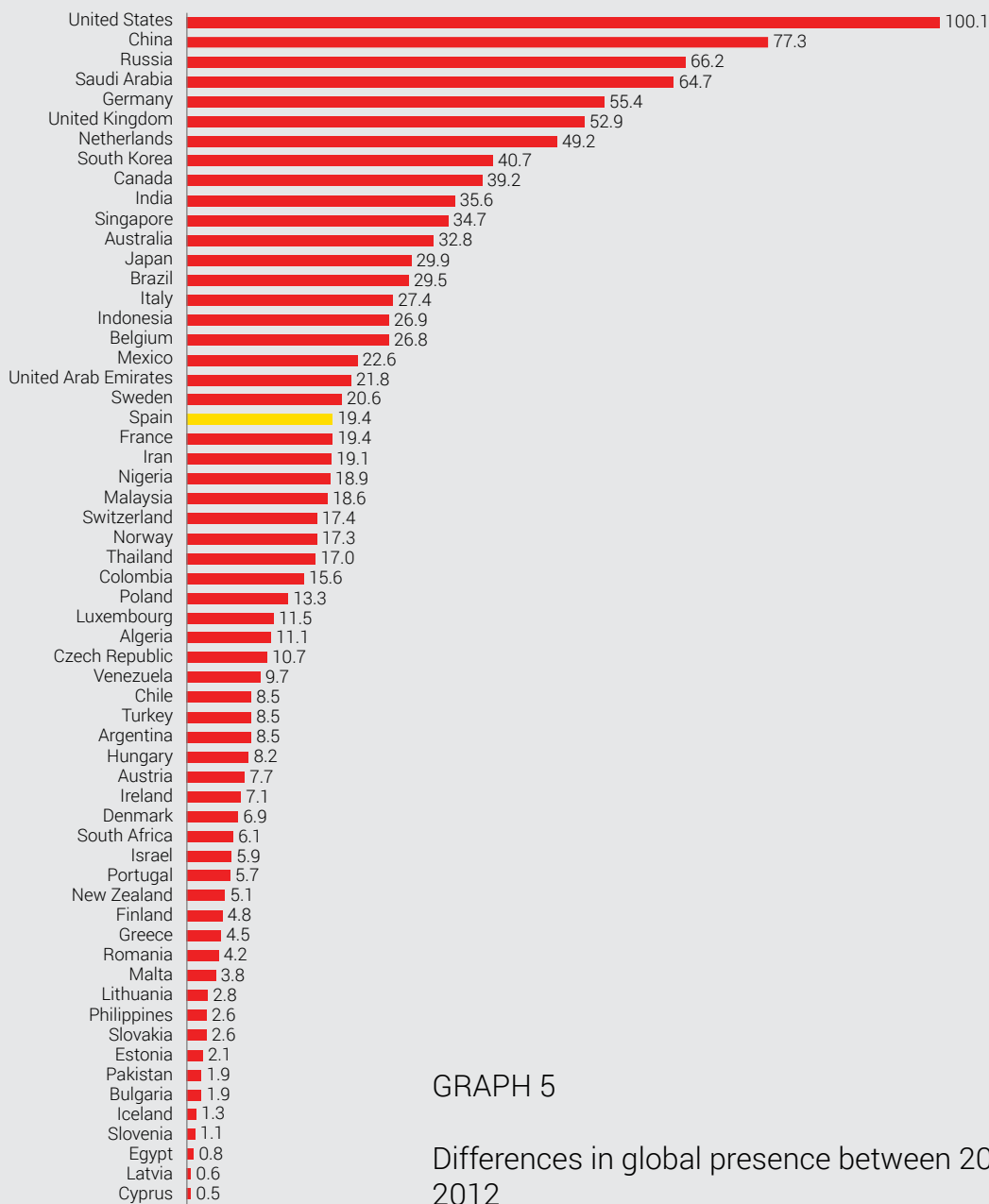
During the 2000s, the growth in presence is generalised and higher than the one observed in the prior decade. As can be noted in Graph 4, the United States still leads the way in the increase in presence, while the ascent of China and Germany can also be confirmed. The main European economies register notable increases in this stage of the euro mainly due to a significant trade vigour. Russia recovers presence in a world that, while not placing it in the values enjoyed in 1990, does confirm an upward path. In these years where the globalisation process has accelerated, emerging Asian and oil producing economies are gaining increasing prominence. Thus, we have witnessed the consolidation of the so-called BRICS thanks to the push of China and Russia and in spite of the exception of South Africa.



GRAPH 4

Differences in global presence between 2000 and 2010

Since 2010 global presence is calculated annually, thus enabling us to observe the impact of the economic crisis on the global presence. Although the United States reduces its pace of growth and registers a smaller difference with the rest of the countries than the one observed in decades past, European countries have been most affected (although with unequal intensity). Germany, the United Kingdom and the Netherlands still possess the greatest increases in presence, whereas the rest of the European nations exhibit slight increases in global presence. Spain reduces its pace of growth but stays at the level of France with results that are significantly superior to those of the rest of the peripheral European economies. Meanwhile, Asian and oil producing countries continue growing, increasing their positions in the ranking, as we saw in Table 2.



GRAPH 5

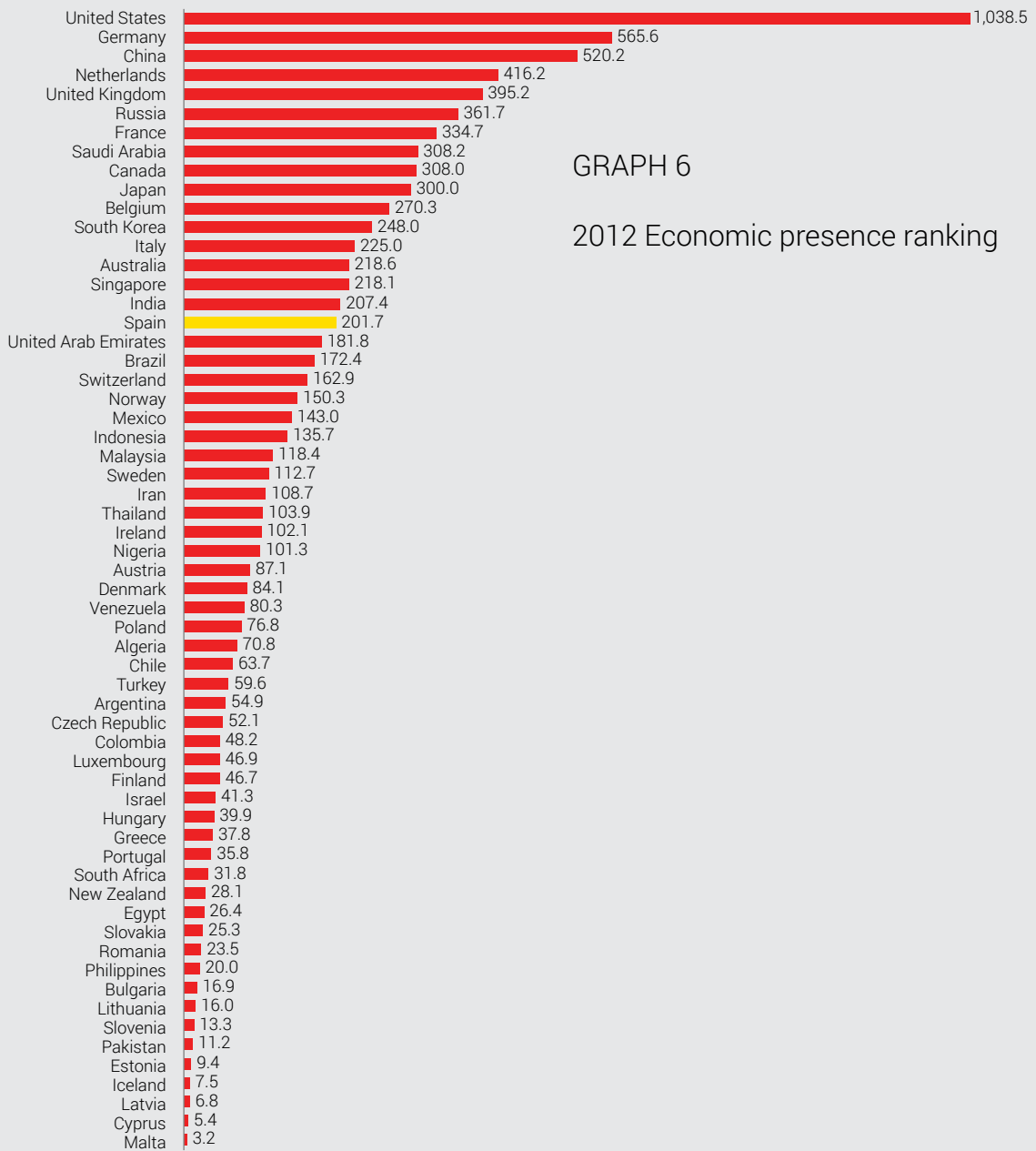
Differences in global presence between 2010 and 2012

### 3. The economy: driving force of the globalisation process

The variations in presence do not necessarily have the same base for all countries. The Elcano Global Presence Index distinguishes three types of presence: economic, military, and soft. This allows us to analyse the nature of the external presence of each country, detecting common patterns and differences among countries or groups of countries. Furthermore, it enables us to identify strengths and weaknesses of the diverse modalities of external insertion.

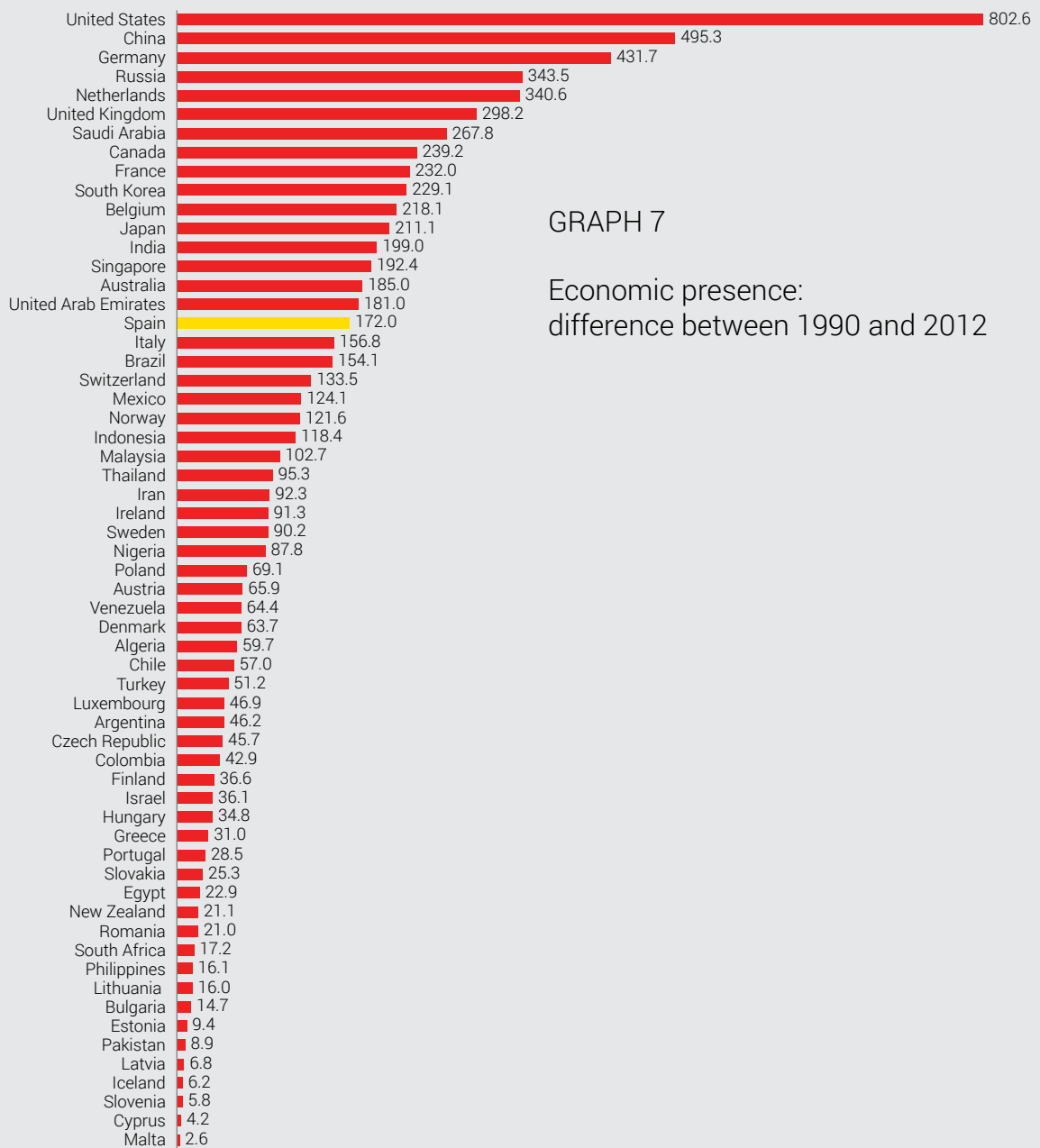
Economic presence is measured through the exports of energy products, primary goods, manufactured goods and services, as well as through foreign direct investment. Thus, countries with a greater focus on

exports or investments obtain a higher score of presence in this dimension. Graph 6 displays the results of economic presence for 2012. Firstly, the ranking is different from the Elcano Global Presence Index (Graph 1). Exporting countries such as China, the Netherlands, Saudi Arabia, South Korea, and India, hold higher positions. On the contrary, the United Kingdom, France, Japan and Spain descend ranks relative to their total global presence. In this case and as we will see further on, these countries display a stronger external presence in other dimensions.



GRAPH 6

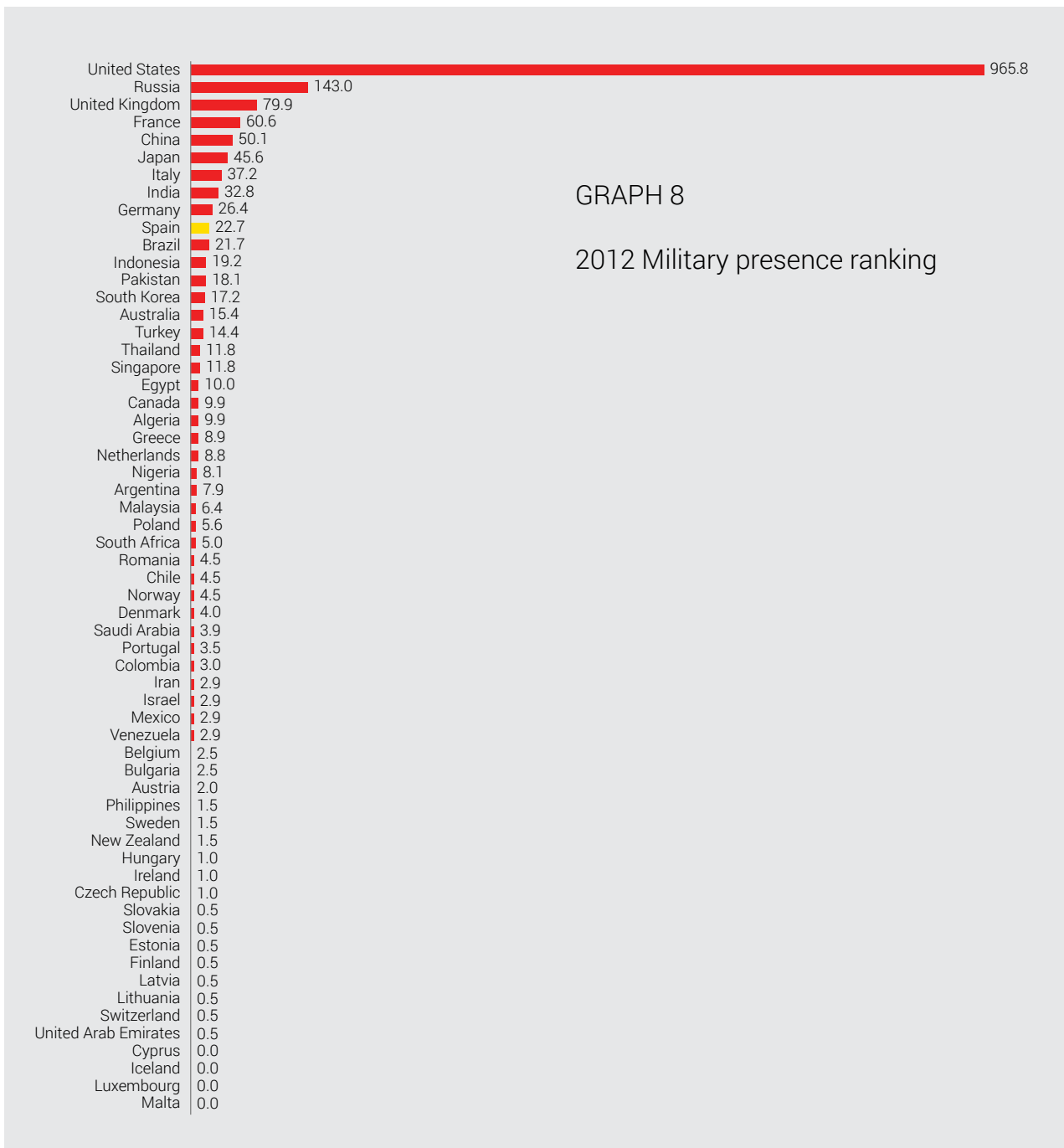
2012 Economic presence ranking



GRAPH 7

Economic presence:  
difference between 1990 and 2012

As regards military presence –a combination of troops deployed and the military capacity available for their deployment– Graph 8 shows that the unquestionable supremacy in this arena belongs to the United States. On the other hand, the low ratings in military presence of the rest of the countries, as compared to economic presence for example, confirms that this dimension has lost relevance in the configuration of the external presence of the sum total of countries in the current historical moment. The end of the Cold War along with the establishment of alliances among the main powers, have displaced military presence to a secondary position within the configuration of external presence strategies. Thus, the military dimension has the least weight in the total value of the index for all the countries considered.



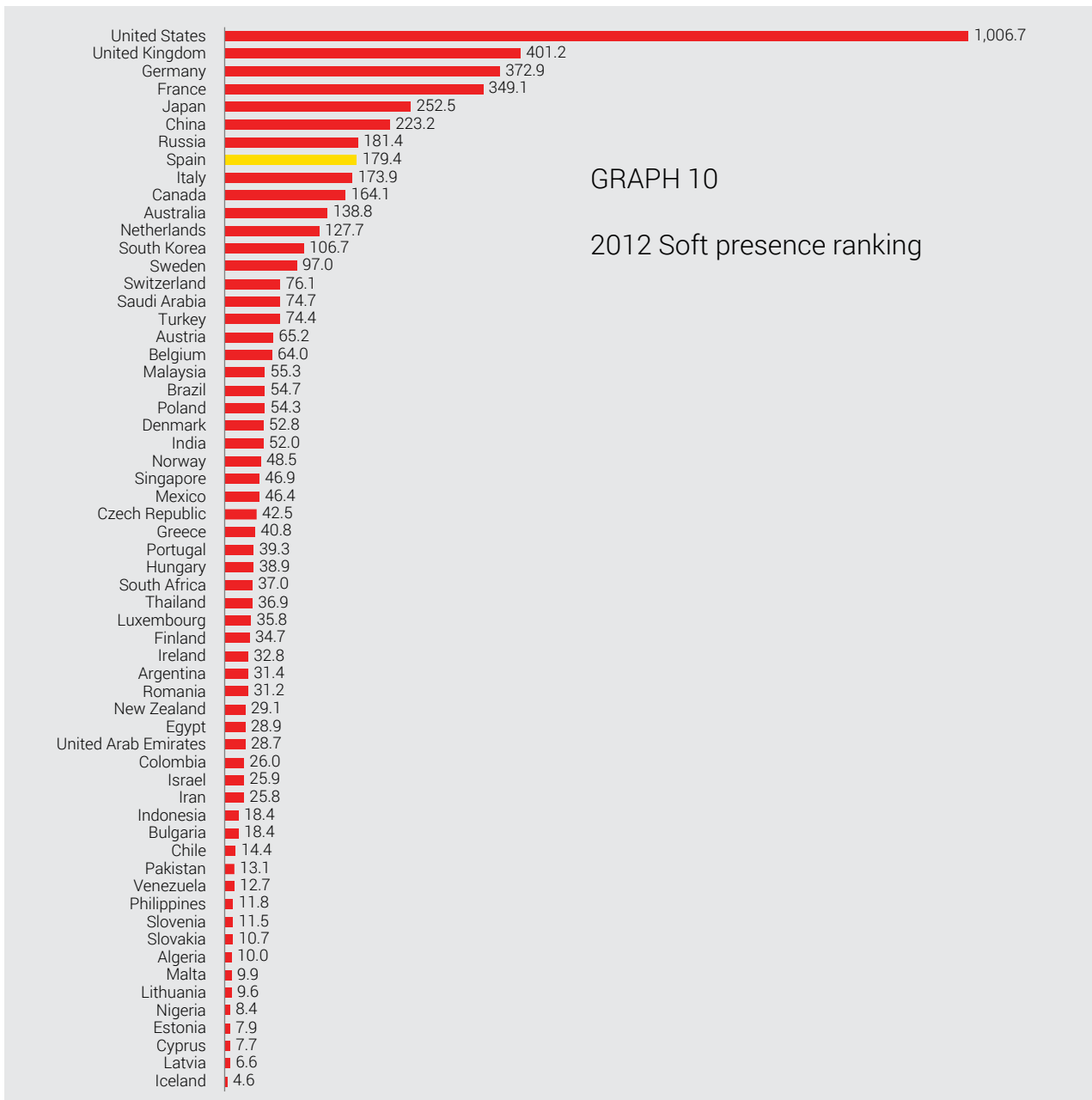


GRAPH 9

Military presence:  
difference between 1990 and 2012



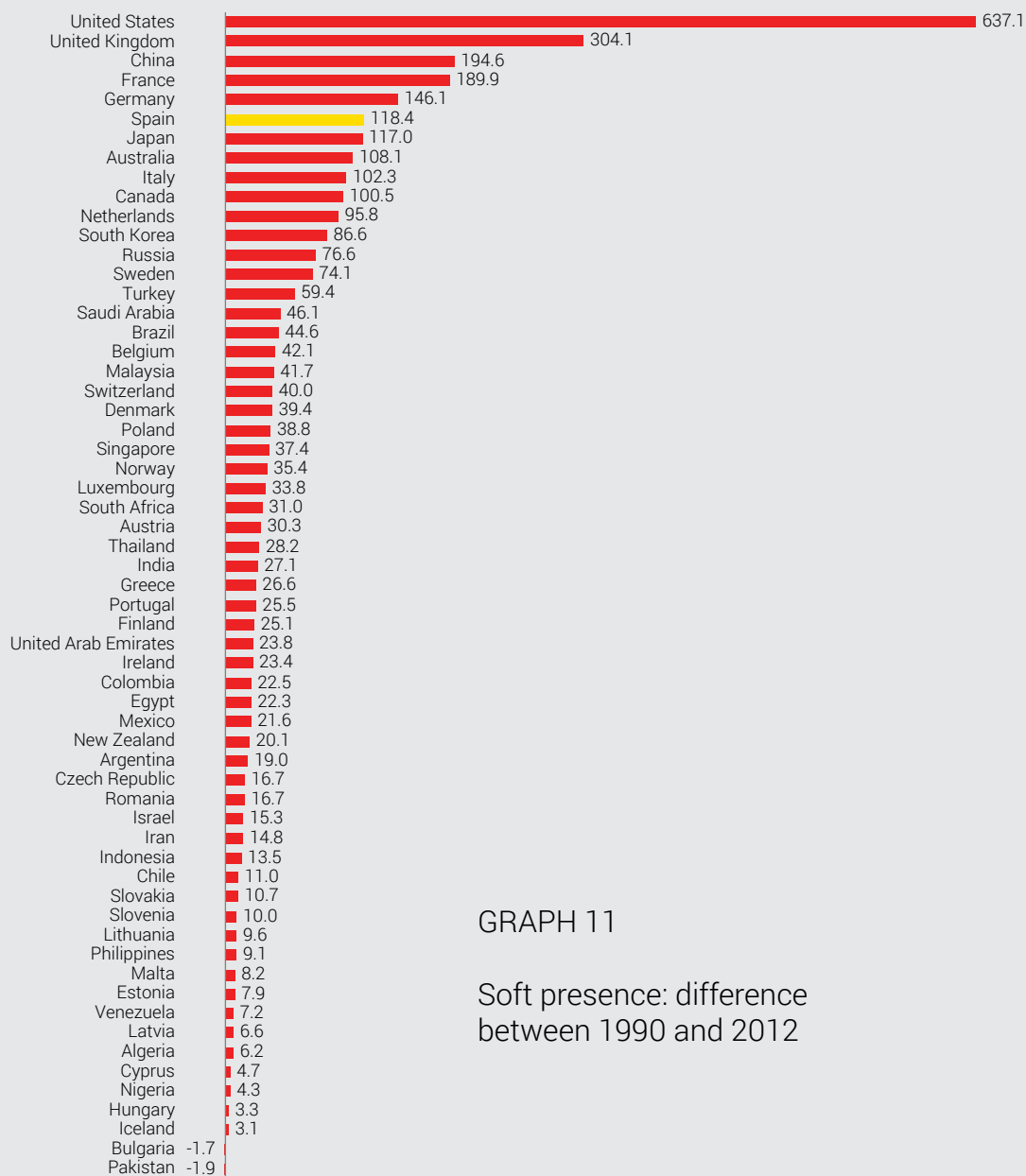
Since 1990 there has been a reduction, in absolute terms, of the military presence of Russia, the United States, the United Kingdom, and France (Graph 9). Since the fall of the Soviet bloc, the Russian demilitarisation process has been accompanied by the reduction, in absolute terms, of the military presence of the United States although, as Graph 8 shows, the latter retains an unquestionable supremacy in this sphere. In the case of the rest of the countries the variations, both positive and negative, are smaller.



GRAPH 10  
2012 Soft presence ranking

In general terms, the developed European countries have a stronger soft presence than emerging economies (Graph 10). Soft presence is measured through migration, tourism, international sport competitions, exports of audiovisual services, the projection of information on the Internet, the number of international patents, the number of articles published in scientific journals, the number of foreign students, and lastly, the amount spent on development aid.

These results may point to a pattern of change in the nature of external insertion associated to the level and process of development. Emerging economies launch their external insertion processes through economic variables, whereas mature, post-industrial countries direct their external insertion, to a greater degree, towards soft variables. Thus, relative to the ranking of the Elcano Global Presence Index, in the sphere of soft presence, the United Kingdom



GRAPH 11

Soft presence: difference between 1990 and 2012

climbs to the second position and China falls to the 6th. Meanwhile, countries with a strong economic presence like South Korea, Saudi Arabia and India, hold lower ranks in soft presence than in economic presence. On the other hand, the positioning of Japan - 5th country in soft presence - confirms that it maintains its global presence in this dimension.

In general terms the increases in presence are smaller in this dimension than in the economic one. This confirms the importance economic variables have in the globalisation process as they are the driving force behind the generalised increase in global presence. Secondly, in spite of being emerging countries, China, and to a lesser degree, South Korea, significantly increase their soft presence, thus transcending the merely economic plane in their external insertion.

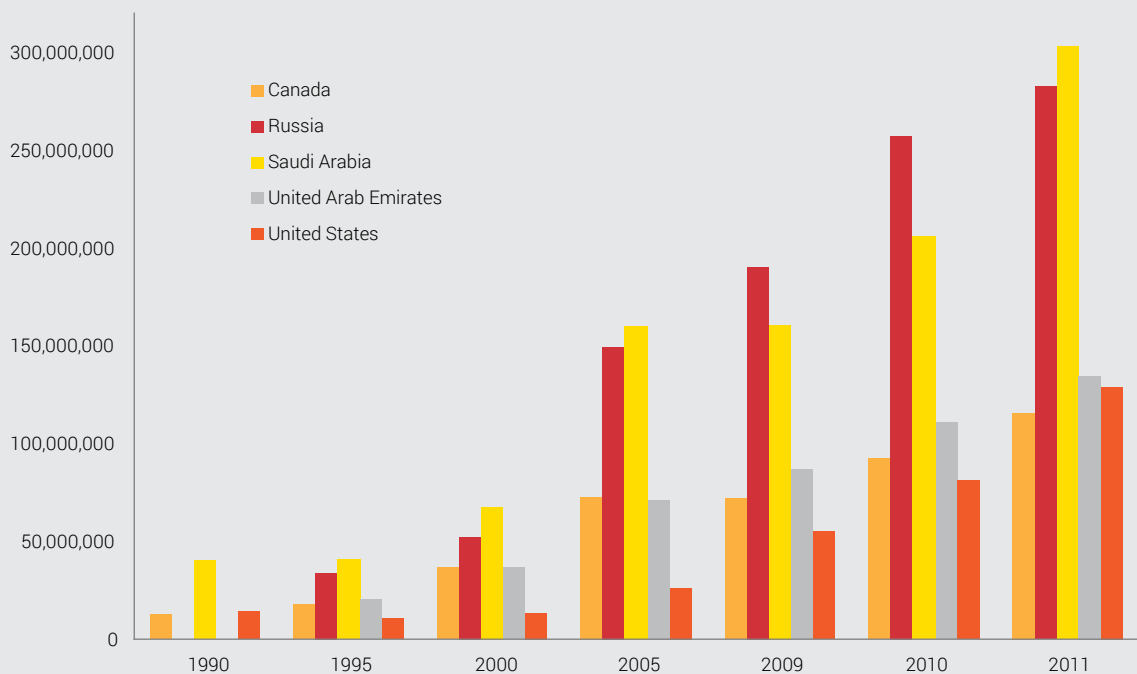
## 4. Economic presence via energy and manufactured goods

Each of the economic, military and soft dimensions are in turn composed of different variables that in the end determine the magnitude and nature of the evolution of global presence. Thus, an increase in economic presence may be brought about by an increase in the exports of energy goods, primary goods, manufactured goods or services, or through foreign investment, depending on the productive structure of each economy and its insertion in the world economy. The evolution of military presence can be explained by the number of troops deployed or the amount of military equipment, whereas soft presence includes aspects that range from tourism to development aid, education, sports and science.

As seen in the preceding section, the main increases in economic presence have clustered around countries with a high exporting trend, whether in energy or manufactured goods. The increase in the commerce of energy goods is one of the factors that explains the increase in presence of countries such as Saudi Arabia, Russia and the United Arab Emirates (Graph 12). The increase in oil prices in the 2000s has substantially raised the values in this variable, thus explaining one of the axis of the Russian recovery.

GRAPH 12

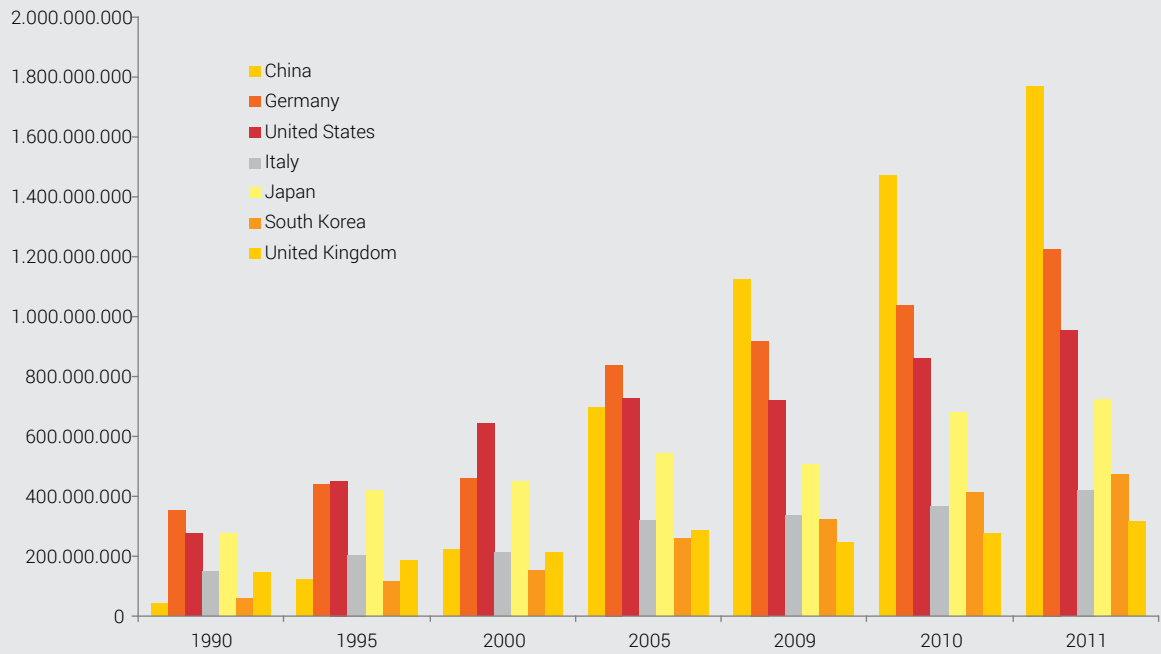
Evolution of the exports of energy products (in thousands of dollars)



As already mentioned, the trade dynamism of these decades marked by globalisation has contributed to an unequal increase of the economic presence of the different countries. Some of these have based their economic presence increase on the exports of manufactured goods. This is true for emerging Asian countries –particularly, China– and of some developed countries like Germany. As evidenced in Graph 13, this exporting takeoff began in the year 2000 and accelerated since 2005, and it explains both the intense growth in global presence of China in recent years as well as the sustained strength of the global German presence. Although the magnitude of the external presence of South Korea is not comparable to that of China, the pace of its exporting growth, added to the European crisis, places the Asian country ahead of economic powers like Italy and the United Kingdom.

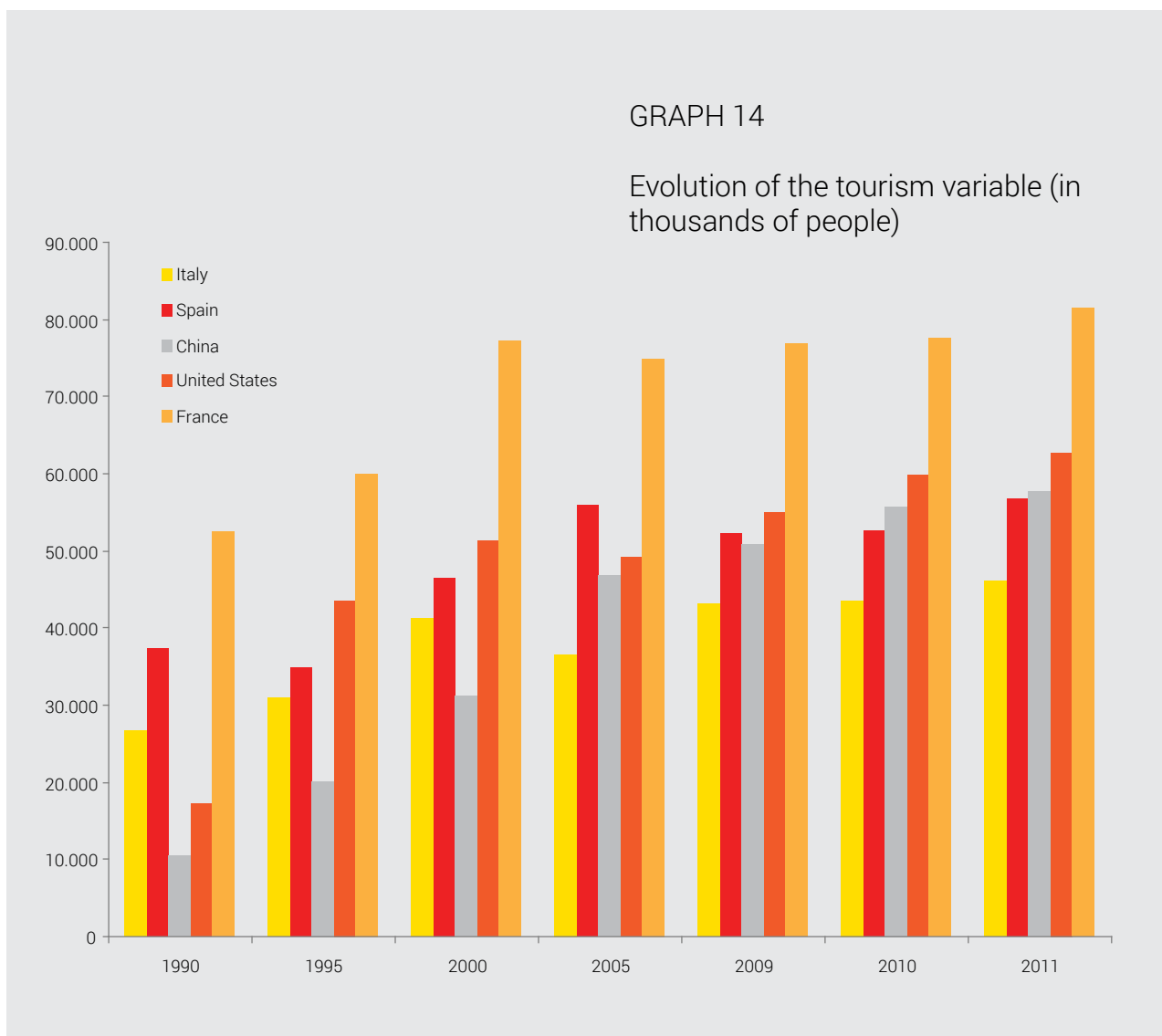
GRAPH 13

Evolution of the exports of manufactured goods (in thousands of dollars)



## 5. Emerging countries subscribe to soft presence

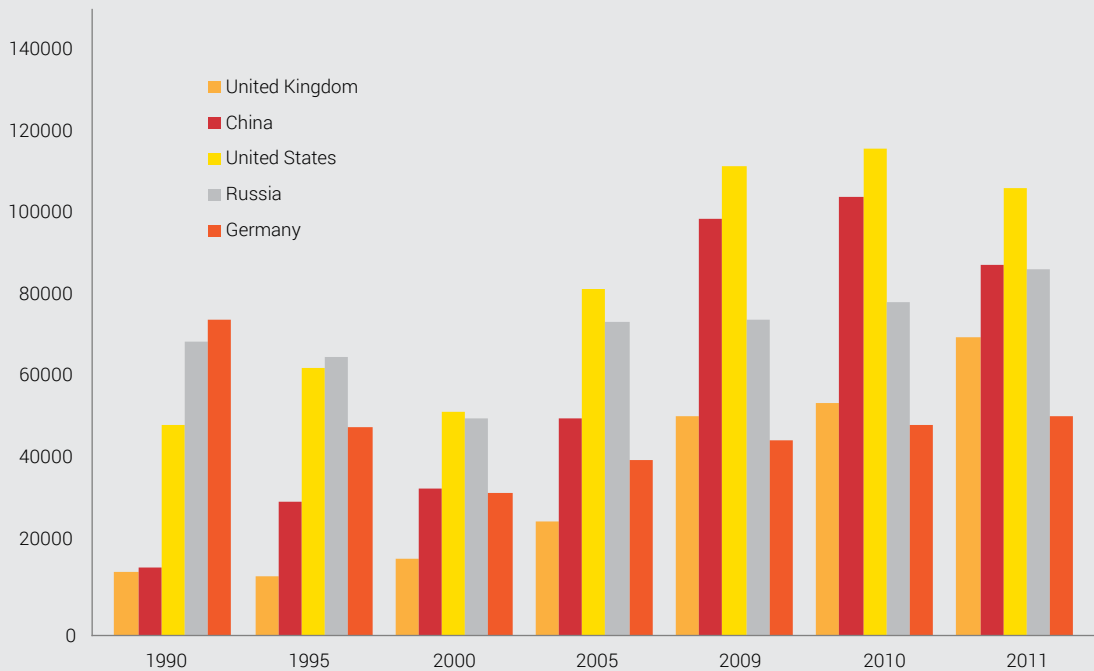
Section 3 shows that overall, even if it is at a slower pace than economic presence, the countries included in the calculation of the index have also increased their soft presence. The greatest increments are concentrated in developed countries, allowing them to maintain their positions in the ranking of the Elcano Global Presence Index in spite of the economic boom of emerging countries. For example, the United States, Spain and France retain their leadership in the number of tourists received (Graph 14). However, even in this soft presence variable, China has steadily ascended until reaching the third position in 2012.



Sport competitions also play a notable role in the configuration of the soft presence dimension. The United States remains at the top, occupying the first place in 2012 (Graph 15) but Russia and China are close behind. It is worth recalling that the sport value ascribes greater weight to the results obtained in the Olympic Games. This partly explains the exorbitant Chinese rise after the Olympics held in Beijing in 2008, whereas in the London 2012 games, the Asian country lagged behind the United Kingdom's sudden surge of presence.

GRAPH 15

Evolution of the sports variable





## 6. Towards a G-0 order?

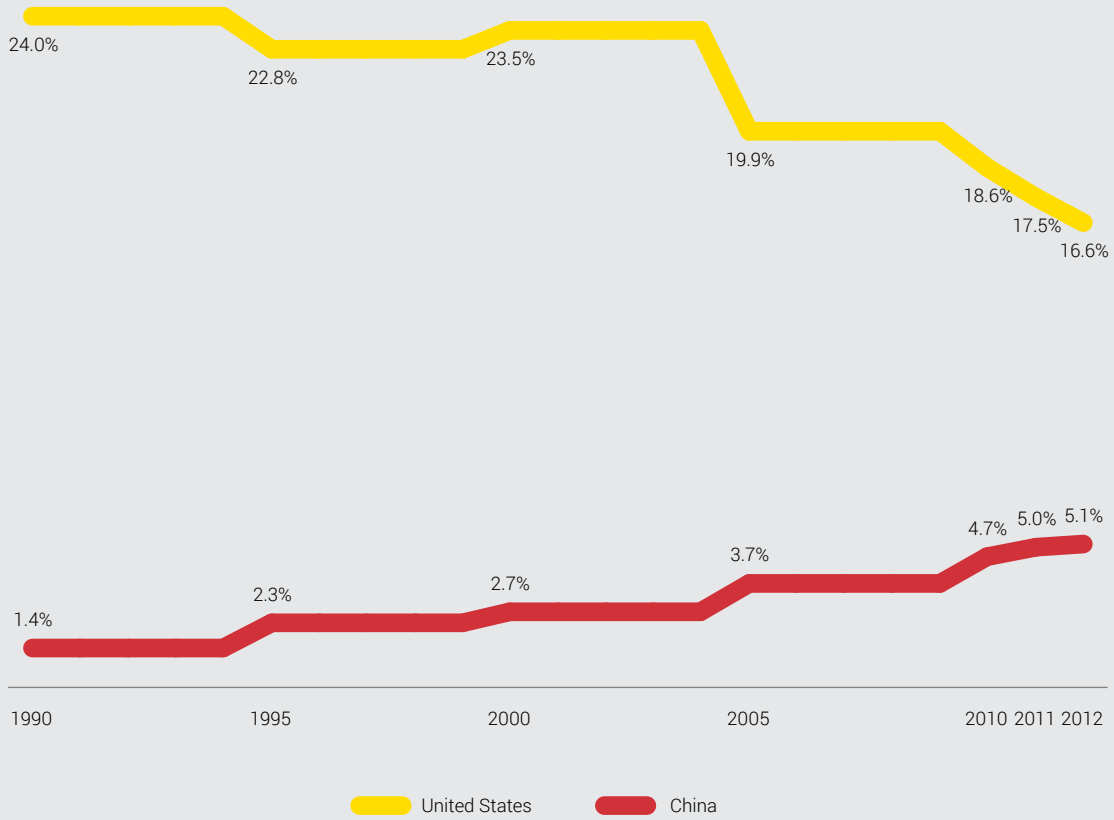
The United States retains its position as the world leader in global presence while China increases its external projection. Does this mean we are heading towards a new bipolarity led by both these countries? For now, and as far as global presence and the calculation of the Elcano Global Presence Index are concerned, the answer is no.

One of the possibilities awarded by the index is the calculation of the share of presence of each country in the global order. The share of presence of the United

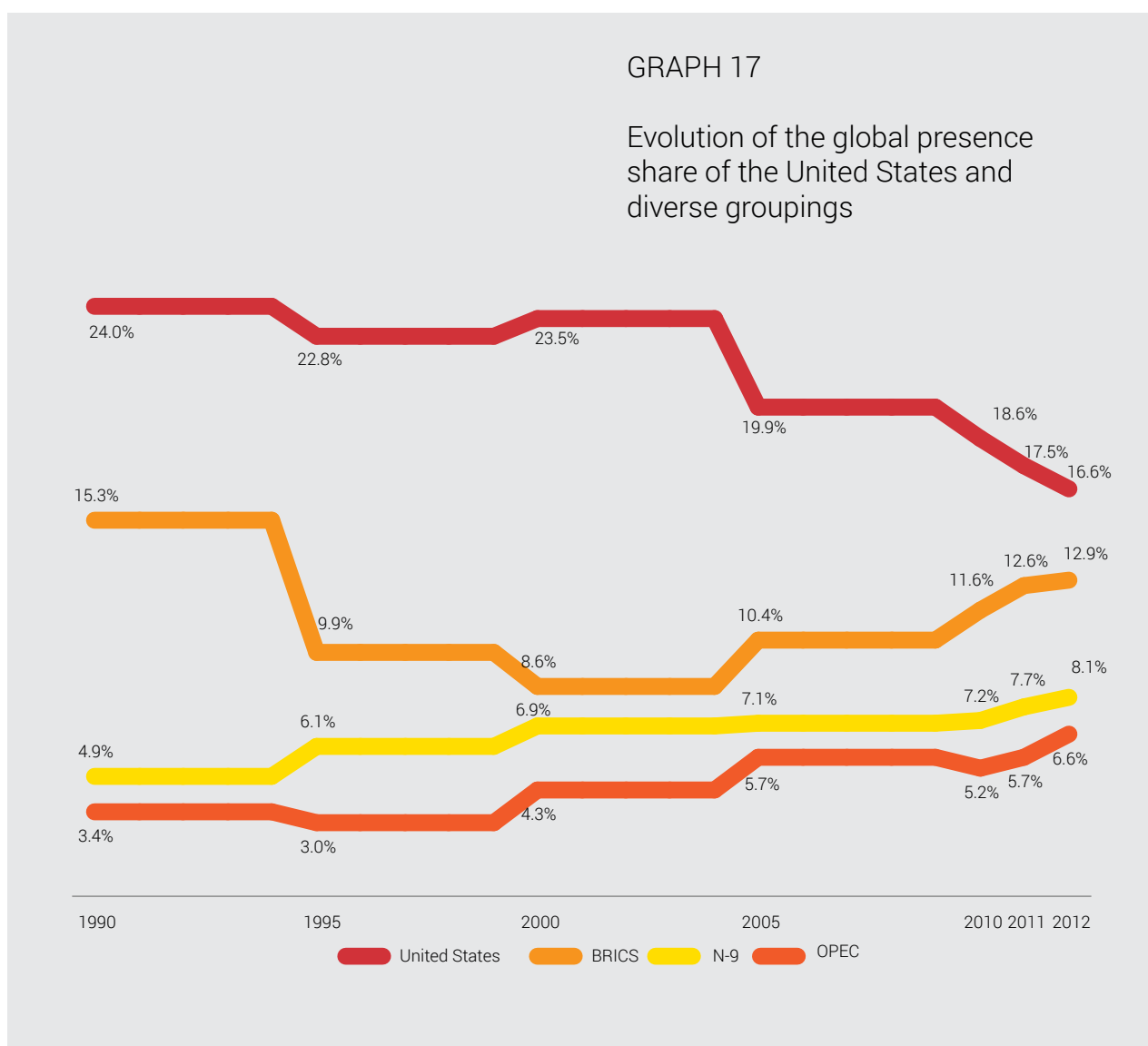
States has slowly declined since the end of the Cold War falling from 24.1% in 1990 to 16.6% in 2012 (Graph 16). Meanwhile, the Chinese value has spectacularly risen in the period, jumping from 1.4% of global presence to 5.1%. However, the growth experienced by the Chinese presence is insufficient to offset the descent of the United States. The sum of shares for both countries has descended from 25.5% in 1990 to the current 21.7%.

GRAPH 16

Evolution of the global presence share of China and the United States



Aside from China, the last decades have also been characterised by a generalised increase in global presence especially as regards emerging and oil producing countries, as we have seen earlier. Adding shares of presence enables us to analyse the evolution of groupings of countries. Graph 17 displays the evolution of the aggregate presence of the so-called BRICS, N-9<sup>2</sup> and the members of the OPEC included in the Elcano Global Presence Index calculation.<sup>3</sup> We observe, first, that the share of presence of BRICS descended until the year 2000 due to the fall of Russian presence, and since then it has recovered, strengthened by the Chinese boom. Together, BRICS reach a share of presence in 2012 that is only four percentage points behind the United States.<sup>4</sup> On the other hand, while it is true that the N-9 group has practically doubled its presence since 1990, it has however, also registered a much smaller share of growth. Oil producing countries exhibit similar performance as they double their value mainly due to the increase in economic presence, which has been logically strengthened by the exports of energy goods. These same economies, however, register a far smaller growth in soft variables.

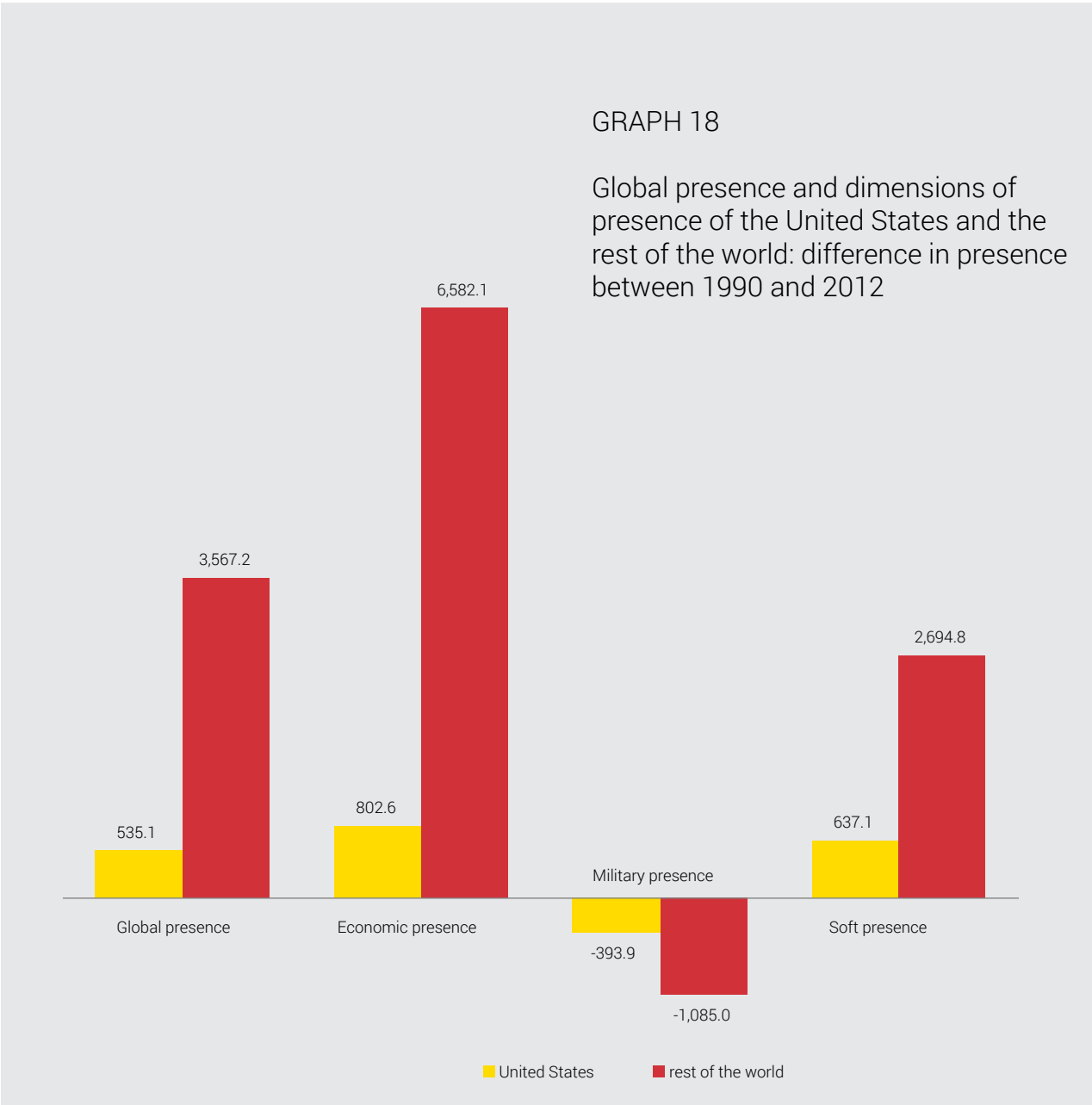


<sup>2</sup> Goldman Sachs employs Next eleven (N-11) to make reference to a group of countries considered new emerging countries: Bangladesh, South Korea, Egypt, Philippines, Indonesia, Iran, Mexico, Nigeria, Pakistan, Turkey and Vietnam. Only Bangladesh and Vietnam are not included in this selection of countries analysed in the Elcano Global Presence Index, therefore we consider nine of these 11 economies (N-9).

<sup>3</sup> These are: Saudi Arabia, Algeria, United Arab Emirates, Iran, Nigeria and Venezuela.

<sup>4</sup> Bear in mind that the presence of some countries is not deducted from the presence of others in the same grouping.

These data, which reflect how the United States has progressively lost global presence while other emerging countries have registered notable increases, may appear to contradict the results displayed in the first section of this document. Section 2 shows how the United States leads the way in the growth of presence in absolute terms. Since 1990 many countries have displayed increments in presence that may be considered low when individually compared to the increase of the United States presence in absolute terms. The sum of these increments, however, does surpass the growth in global presence of the United States. Thus, the strong aggregated increase of the rest of the countries, especially in economic variables, renders it impossible for the United States to maintain the share of presence it had in the 90s (Graph 18).

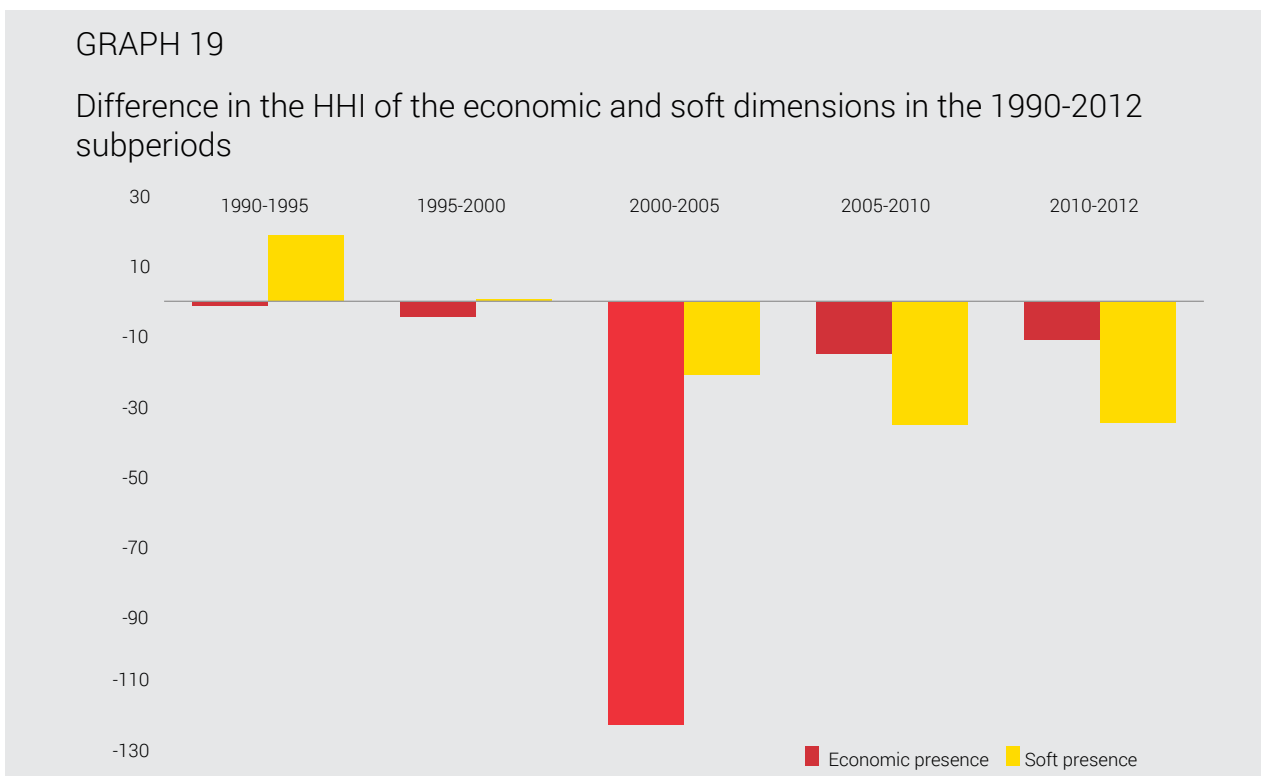


Thus, the external projection of the countries in a variety of areas is probably spreading out over a larger number of nations. To put this idea to the test, we have applied the Herfindahl-Hirschmann (IHH) concentration index, traditionally used to assess the degree of competition or concentration among companies.<sup>5</sup> It varies from 0 ('total competition' of global presence between countries) to 10,000 (absolute monopoly of global presence on the party of a single country).

Table 3. Herfindahl-Hirschman Index (HHI) applied to the total as well as to the dimensions of the Elcano Global Presence Index (IEPG)

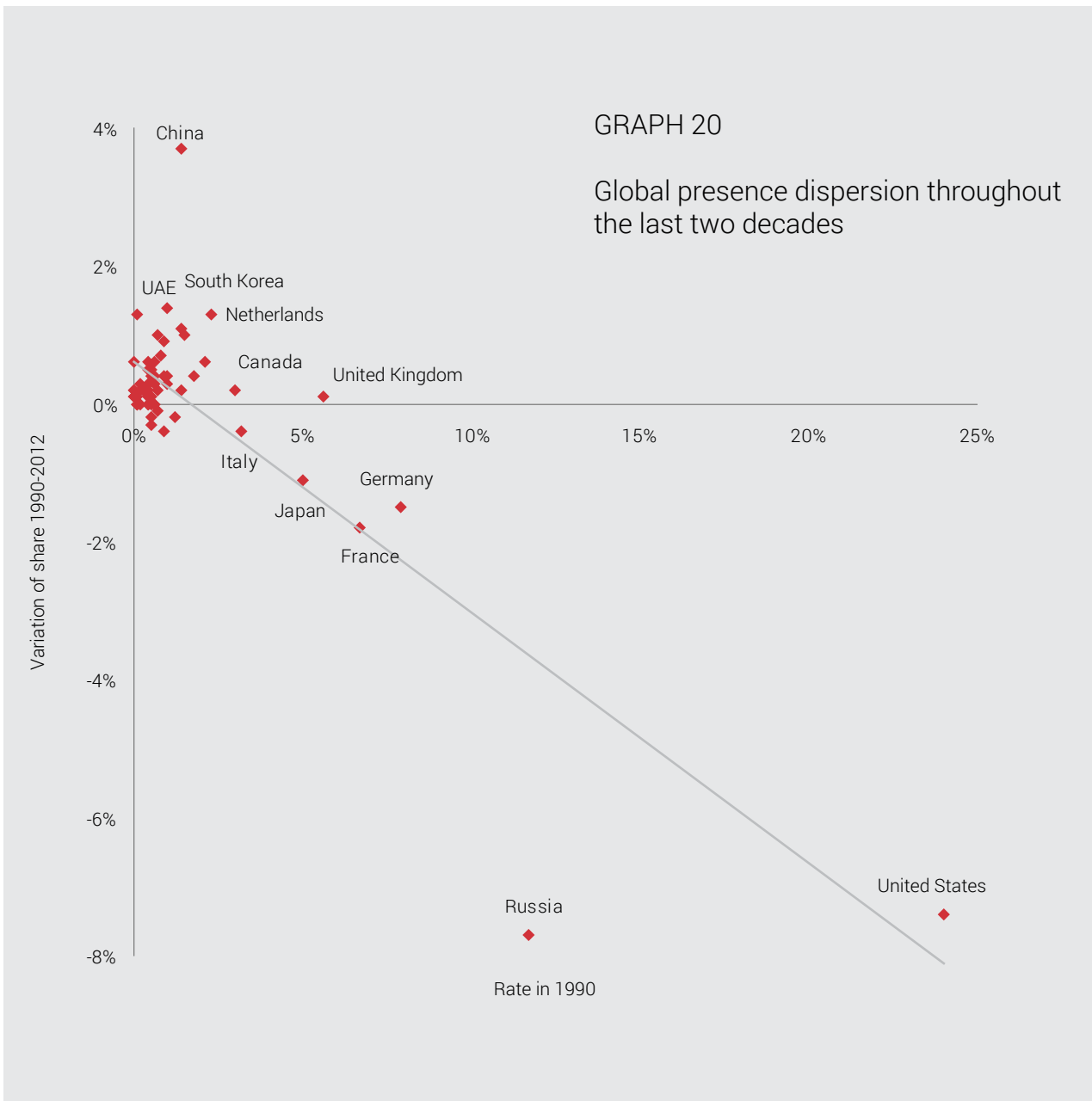
	1990	1995	2000	2005	2010	2011	2012
Economic presence	571	569	565	442	427	416	400
Military presence	3,056	2,818	3,529	3,575	3,476	3,136	3,247
Soft presence	734	753	753	732	697	662	644
IEPG	934	804	804	653	600	557	524

The HHI applied to the total index has descended from 934 in 1990 to 524 in 2012 (Table 3), thus signifying that there has been a deconcentration of global presence in this period. We can distinguish a first period, between 1990 and 2000, marked by a slow pace of deconcentration, which is then accelerated between 2000 and 2005. The economic presence follows the same deconcentration trend throughout the entire period, accelerating noticeably between 2000 and 2005 (Graph 19). On another hand, the deconcentration of the soft presence is more subtle and does not start picking up until 2005. The military dimension is the only one where concentration of presence grows. As we have seen earlier, the United States predominates in military terms, although it reduces its military presence in absolute terms but does so at a slower pace than the rest of the world, thus enabling the country to increase its share of presence in this dimension.



<sup>5</sup> 
$$s = \frac{IEPG_p}{\sum IEPG}$$
 
$$HHI = \sum s^2$$

In sum, the dispersion of global presence has exhibited a changing pattern. It began by responding to the growing atomisation of the economic presence, between 2000 and 2005, to then give way to the diversification of soft presence. Different explanations may be raised for this. For example, perhaps the current crisis is beating down with more force on economic variables than on soft ones. Another possibility is that, as has been set forth, the nature of the internationalisation of countries changes with development processes: emerging countries commenced their external insertion processes through economic variables and they may currently lean towards softer ways of being present in the world.



It could be said that the international influence of States is, at least partially, determined by the global presence of the countries they represent. In that case, these results may contribute elements to the parallel debate of whether power and influence are heading towards a new pole -or groups of poles- or whether, on the contrary, the global scene is leaning towards a certain international anarchy. In this regard, the results appear to align more with the thesis of the G-0 order upheld by Bremmer and Gordon (2011)<sup>6</sup>. As shown in Graph 20, the countries with greater presence in 1990 display a greater reduction in presence in 2012. However, the greatest increases in presence are manifested by a great number of countries that registered a low value at the beginning of the period.

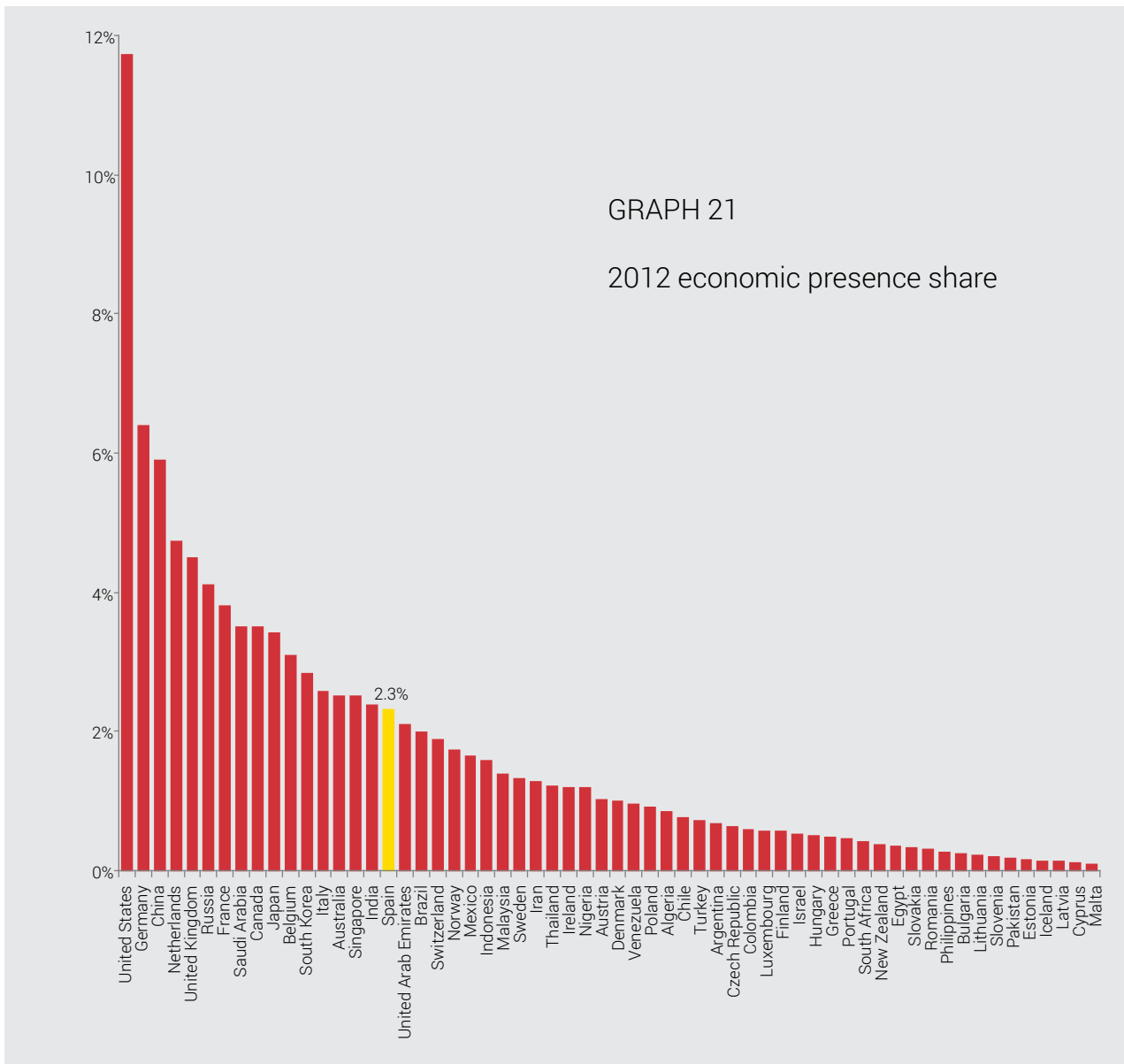
In any case, it is wise to remember that presence is not tantamount to power, therefore one cannot deduce from the results of the United States or China, or both, that they are losing influence in the world political system, or that said system is inevitably headed towards the above-mentioned G-0 order. Notwithstanding the foregoing, what this data does suggest is an interesting debate concerning how present a country must be in the world scene in order to exercise its influence. Part of the answer probably lies in the atomisation or concentration of the presence of the rest of the countries given that presence has become increasingly dispersed, and at a very rapid pace for that matter, among a large number of countries. Thus, new leading countries may perhaps achieve high degrees of influence with relatively low values of presence.

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<sup>6</sup>Ian Bremmer and David Gordon (2011), 'G-Zero', Foreign Policy, 7/1/2011

The possibility of dividing the Elcano Global Presence Index into dimensions enables in turn the calculation of shares of presence for each of them. Graph 21 shows the share of economic presence in 2012. The United States obtained an economic share below 12%, followed by Germany and China with a value of nearly 6% each. They are in turn followed by a group of countries with shares varying between 4% and 2%, including some European nations such as the Netherlands, the United Kingdom, France, Belgium and Italy, emerging countries –Russia, Saudi Arabia, Singapore and Italy–, as well as other developed economies, namely –Canada, Japan and Australia–. Spain comes in at the 17th position with a 2.3% of the share of economic presence in 2012.

The economic scene in 2012 is quite different from that of the late 90s. The difference in the share of economic presence between both periods enables us to identify the economies that have capitalised on the globalisation period to a greater degree. Graph 22 displays three groups of countries. On the top of the graph we find a group of countries that have registered





GRAPH 22

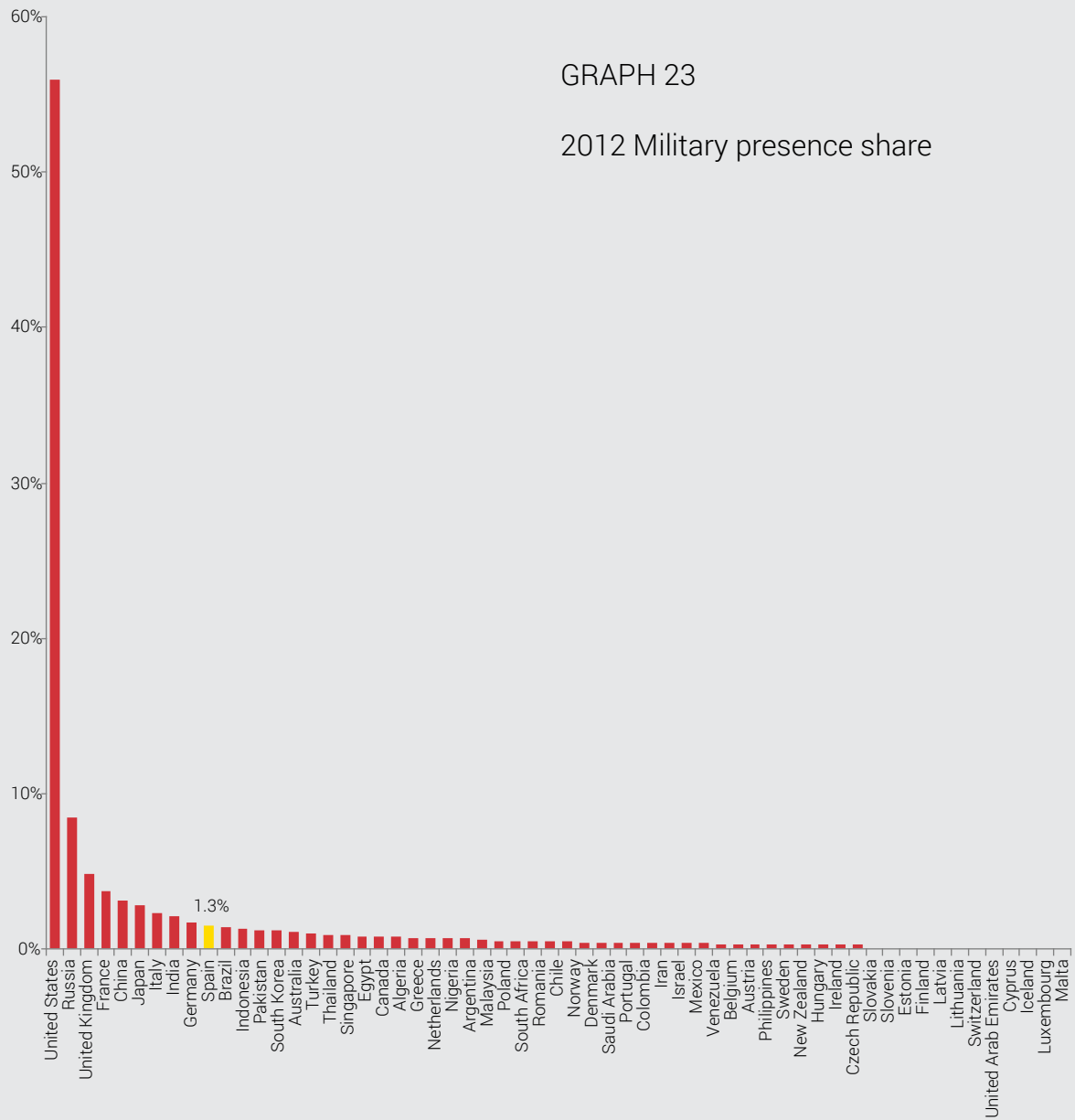
Variation of the economic presence share between 1990 and 2012



high shares of economic presence, led by China and followed by Russia, United Arab Emirates, India, and South Korea. Next, we find countries that slightly increase their presence, such as Spain, with an increase of 0.3%. Secondly, we observe a numerous group of countries with nearly null variation and it is quite striking to realise how heterogenous this grouping is, including Eastern European countries, Latin American countries –Argentina, Colombia and Chile–, oil producing countries –Nigeria, Iran and Algeria–, and Asian nations –Pakistan and the Philippines–. On the bottom section of the graph we find countries that have lost economic presence since 1990. The greatest reduction is registered by the United States at nearly 4%, followed by France, Japan, Germany, Italy, the United Kingdom and Canada. The economies that had a stronger external projection in the 90s are precisely those that show the largest reduction, as they have lost presence to new emerging countries.

GRAPH 23

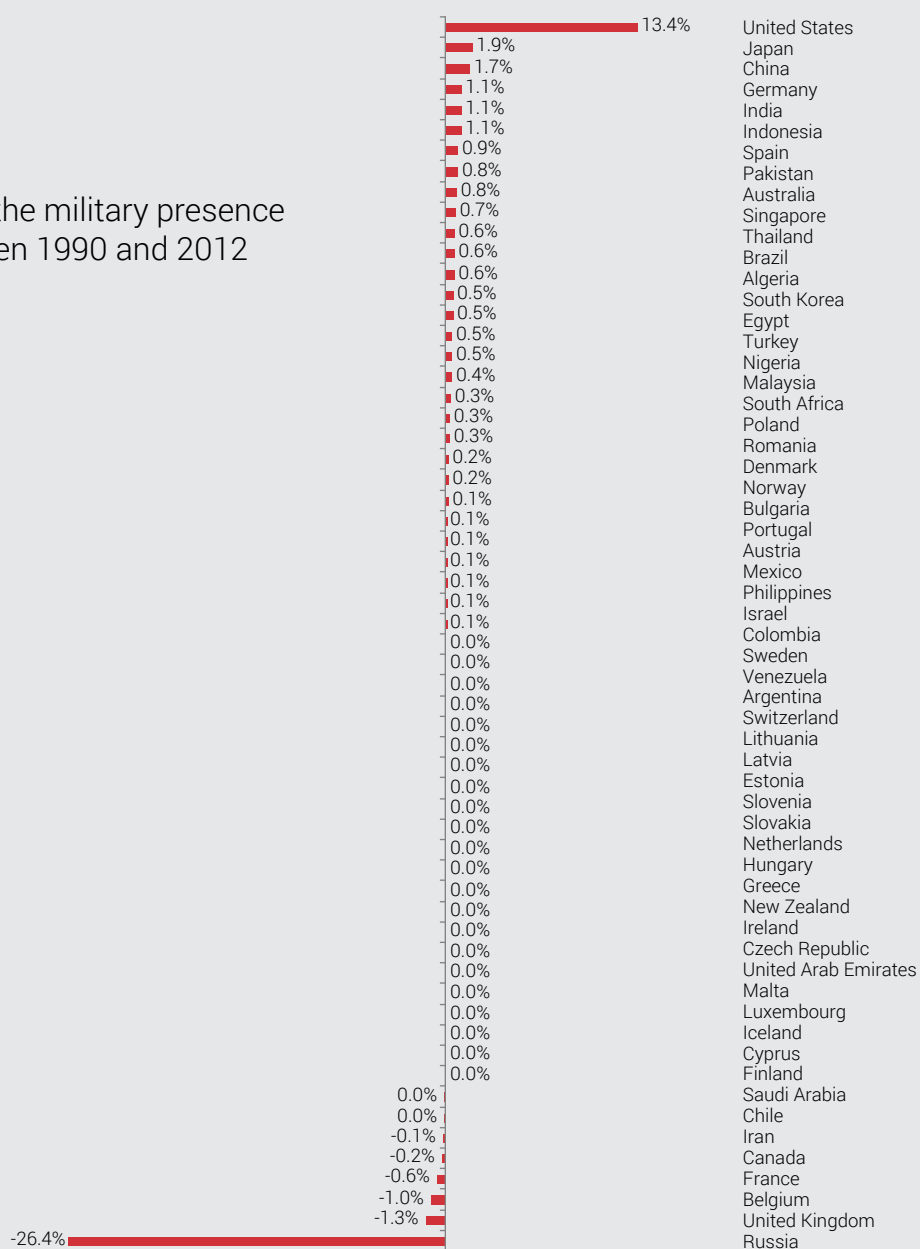
2012 Military presence share



The calculation of the military presence shows once again the predominance of the United States in this dimension. In 2012 the United States reached 55% of the share of military presence, whereas Russia, holding the second position, did not attain 10%. This has occurred, as has been previously explained, in spite of a reduction of American presence in absolute terms, which, in any case, is lower than the one registered by the rest of the world. Russia, after the dissolution of the Soviet Union, has reduced its share of presence in 26% (Graph 24).

GRAPH 24

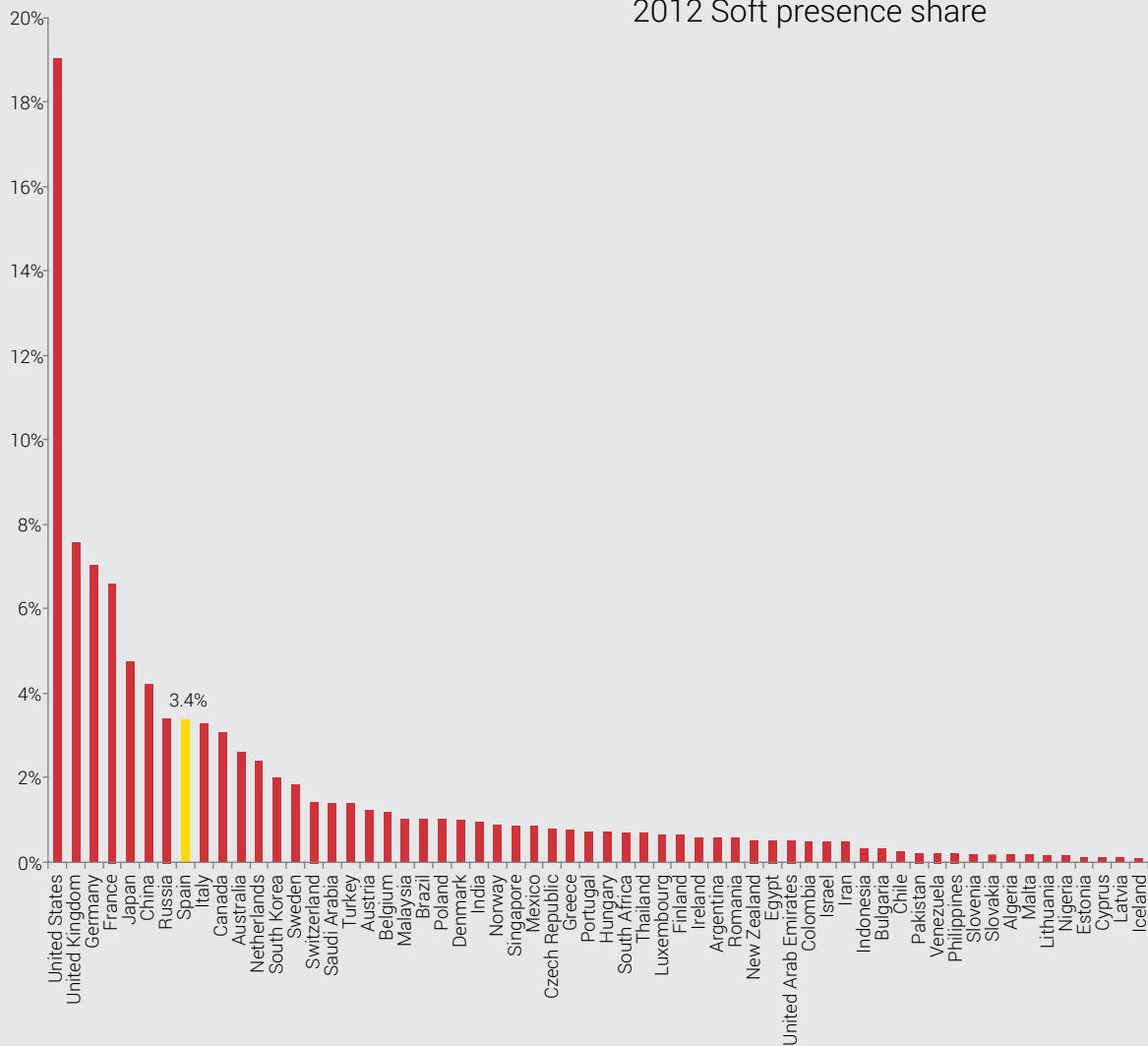
Variation of the military presence share between 1990 and 2012



The HHI calculated for soft presence reveals a decreasing concentration that is nonetheless higher than the economic one. In terms of share (Graph 25) this is evidenced in a greater difference between the United States, who holds the first place at 19% of total soft presence, and the countries that follow in terms of share –the United Kingdom, Germany and France– which are located around 7%. Save for Russia and China, developed countries attain higher shares of soft presence and while emerging nations lead the way in economic terms, the latter are least present in the soft dimension.

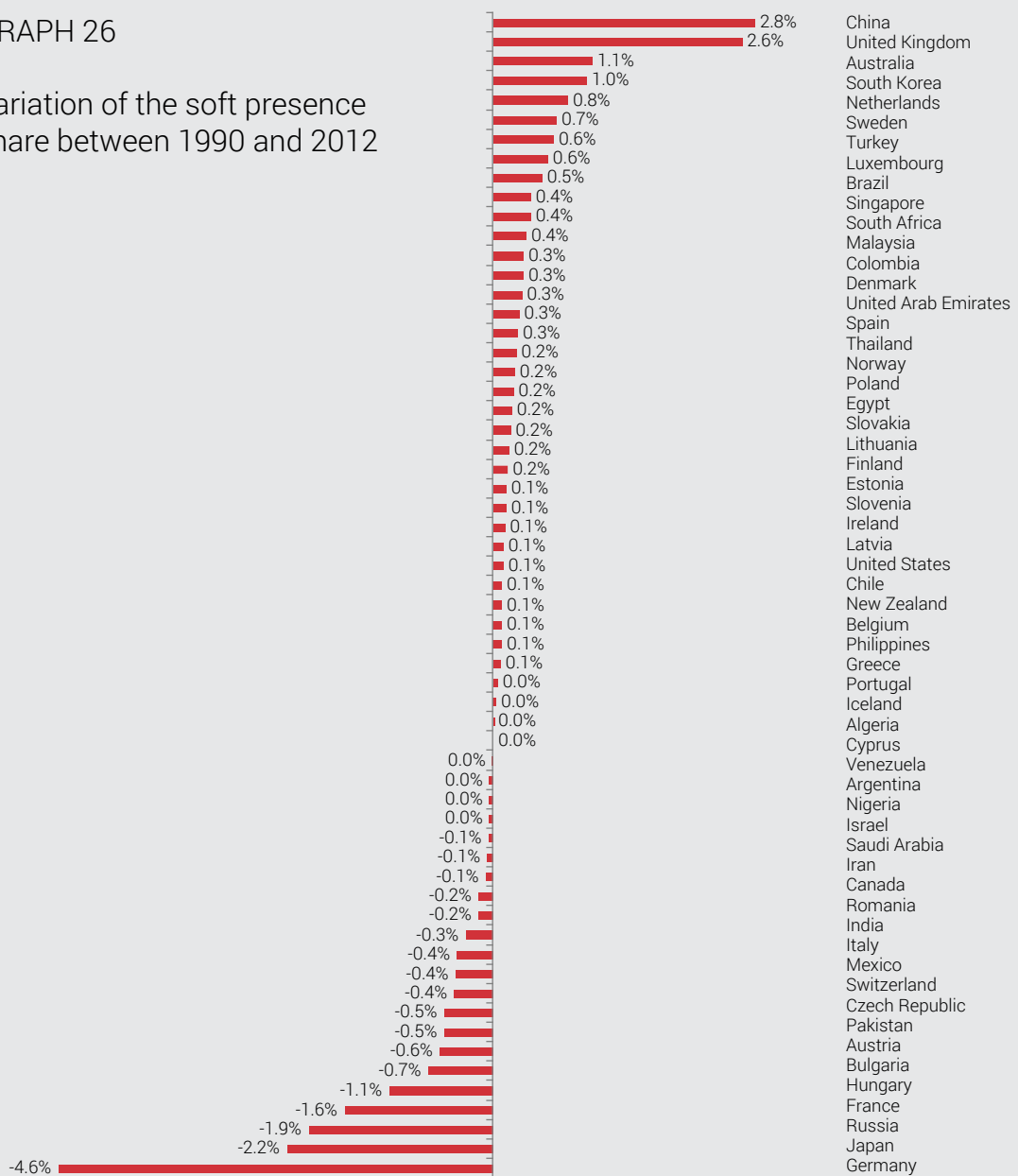
GRAPH 25

2012 Soft presence share



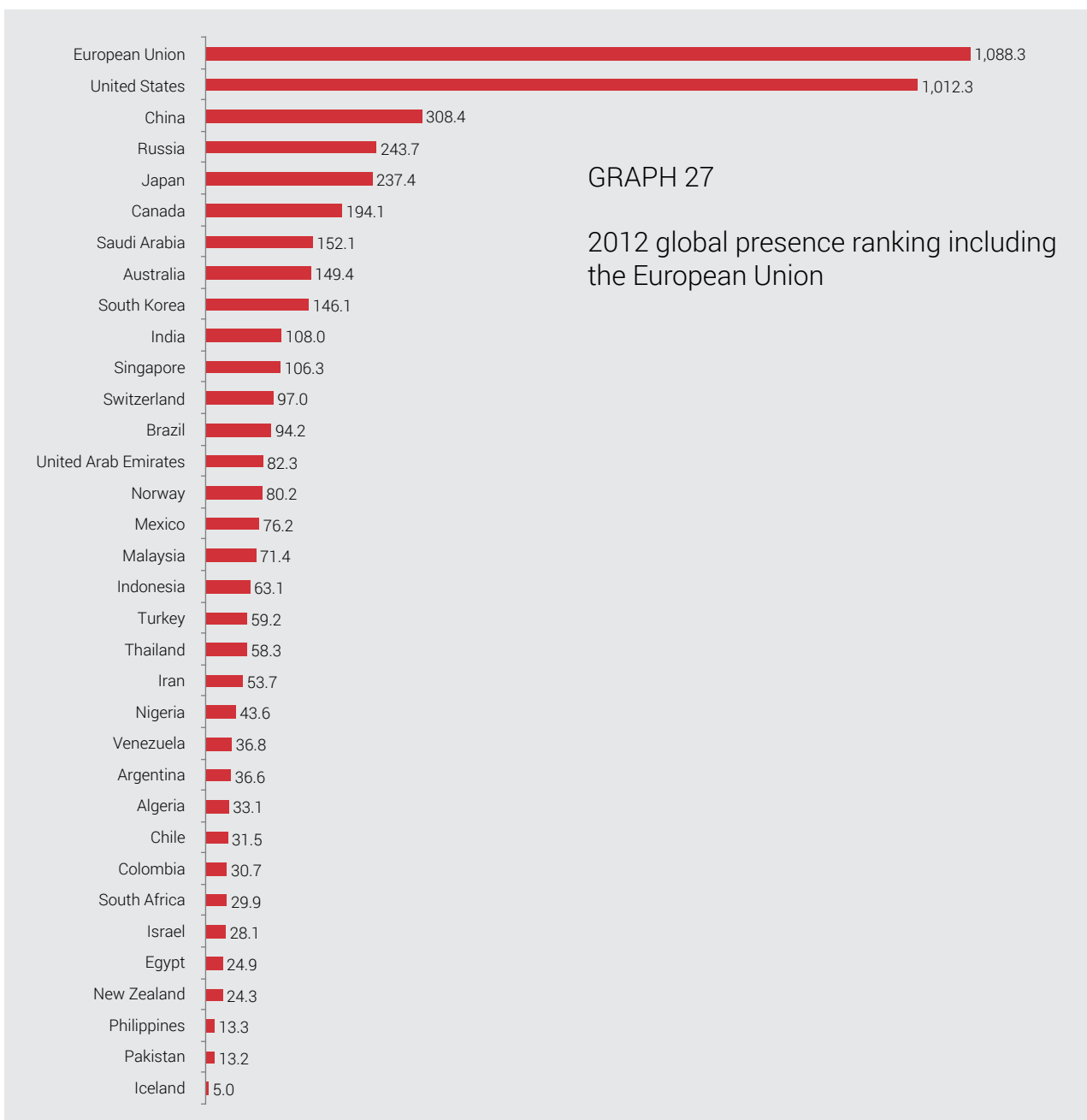
GRAPH 26

Variation of the soft presence share between 1990 and 2012



## 7. What if there were a United States of Europe?

The catching up process of some emerging economies and the crisis in the United States and in Europe is reflected in global presence: the Elcano Global Presence Index reveals that Western countries are losing positions in the global scene. However, let us imagine for a moment that the European Union were to take a qualitative step towards political union and became therefore, a single country. What would its global presence look like?



In 2012 the European Union would be the country with greatest global presence (1,088.3 in 2012), although the United States would follow close at hand (1,012.3), as shown by Graph 27. In fact, these two States –one of which is hypothetical–, would accumulate a global share of presence of 43.5%. Measuring the European Union as a political entity implies deducting, in each of the variables of the indicator, the intra-European value, thus arriving at a common external presence share. Logically, if the member States of the European Union were to disappear, the general ranking would change. China would hold the third place, with a share of presence of approximately one third of the value of Europe or the United States. In general terms, emerging countries would obviously climb positions in the ranking. Of the first 20 positions, 13 would now be either developing or emerging countries (Table 4).

Table 4. Global presence ranking (20 first positions) including the European Union and variations in relation to 2011 and 2005

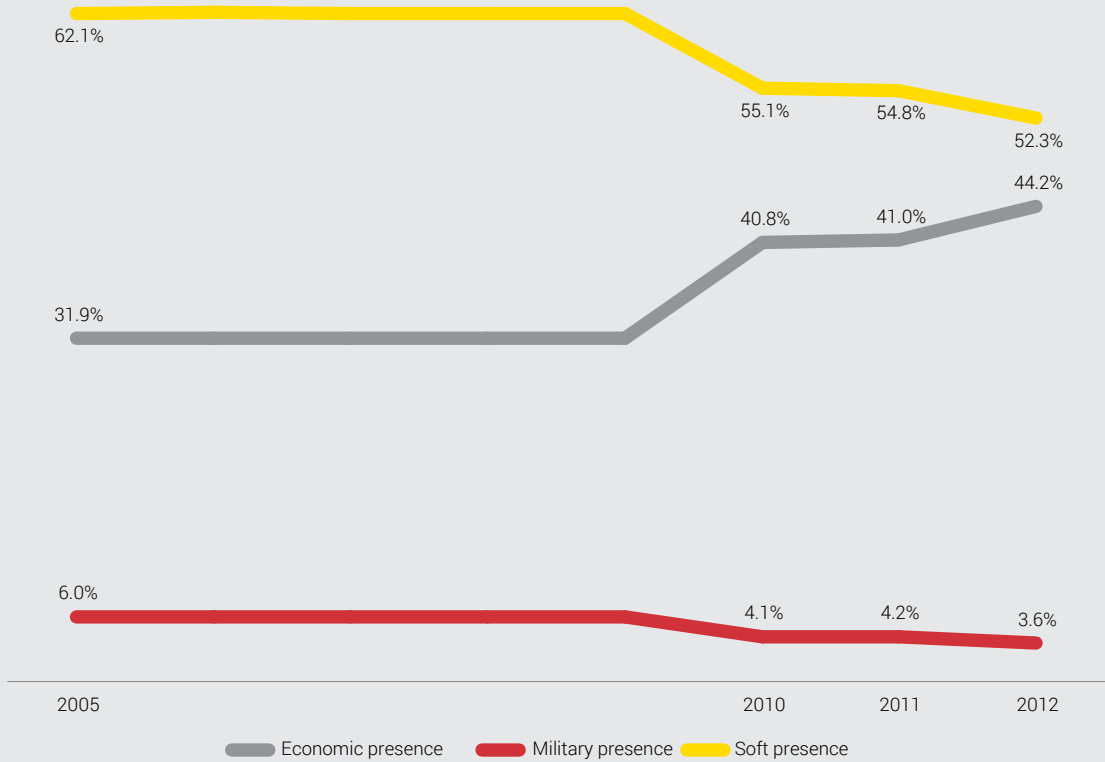
Position	Country	2012		2011		2005	
		IEPG	Position	Difference	Position	Difference	
1	European Union	1,088.3	1	=	2	+1	
2	United States	1,012.3	2	=	1	-1	
3	China	308.4	3	=	5	+2	
4	Russia	243.7	5	+1	4	=	
5	Japan	237.4	4	-1	3	-2	
6	Canada	194.1	6	=	6	=	
7	Saudi Arabia	152.1	9	+2	8	+1	
8	Australia	149.4	7	-1	7	-1	
9	South Korea	146.1	8	-1	9	=	
10	India	108.0	10	=	14	+4	
11	Singapore	106.3	11	=	13	+2	
12	Switzerland	97.0	12	=	10	-2	
13	Brazil	94.2	13	=	17	+4	
14	United Arab Emirates	82.3	15	-1	15	+1	
15	Norway	80.2	14	+1	12	-3	
16	Mexico	76.2	16	=	11	-5	
17	Malaysia	71.4	17	=	18	+1	
18	Indonesia	63.1	19	+1	21	+3	
19	Turkey	59.2	18	-1	16	-3	
20	Thailand	58.3	20	=	19	-1	

The European Union would hold the first place since 2010, mostly due to its growth in economic presence, which in turn would largely be due to the dynamism of the exports of services and direct extra-European investments. The exports of manufactured goods and primary good have also grown, increasing the contribution of the economic dimension to the global presence of the Union from 32% in 2005 to 44.2% in 2012. However, the presence of the European Union is above all soft, representing in 2012 52% of its total presence (Graph 28). On the other hand, European military presence has decreased both in absolute as well as in relative terms, from 6% to 3.6% of the total presence between 2005 and 2012.

In spite of the important relative presence of the European Union compared to that of other countries, the current crisis has produced a downturn in the growth of presence in different variables. In 2012, soft presence grows at a slower pace and in the case of the economic variables, it dates back to 2011. Development cooperation has significantly decreased in 2012; a trend that may possibly remain in the short term and may noticeably affect the global presence of Europe.

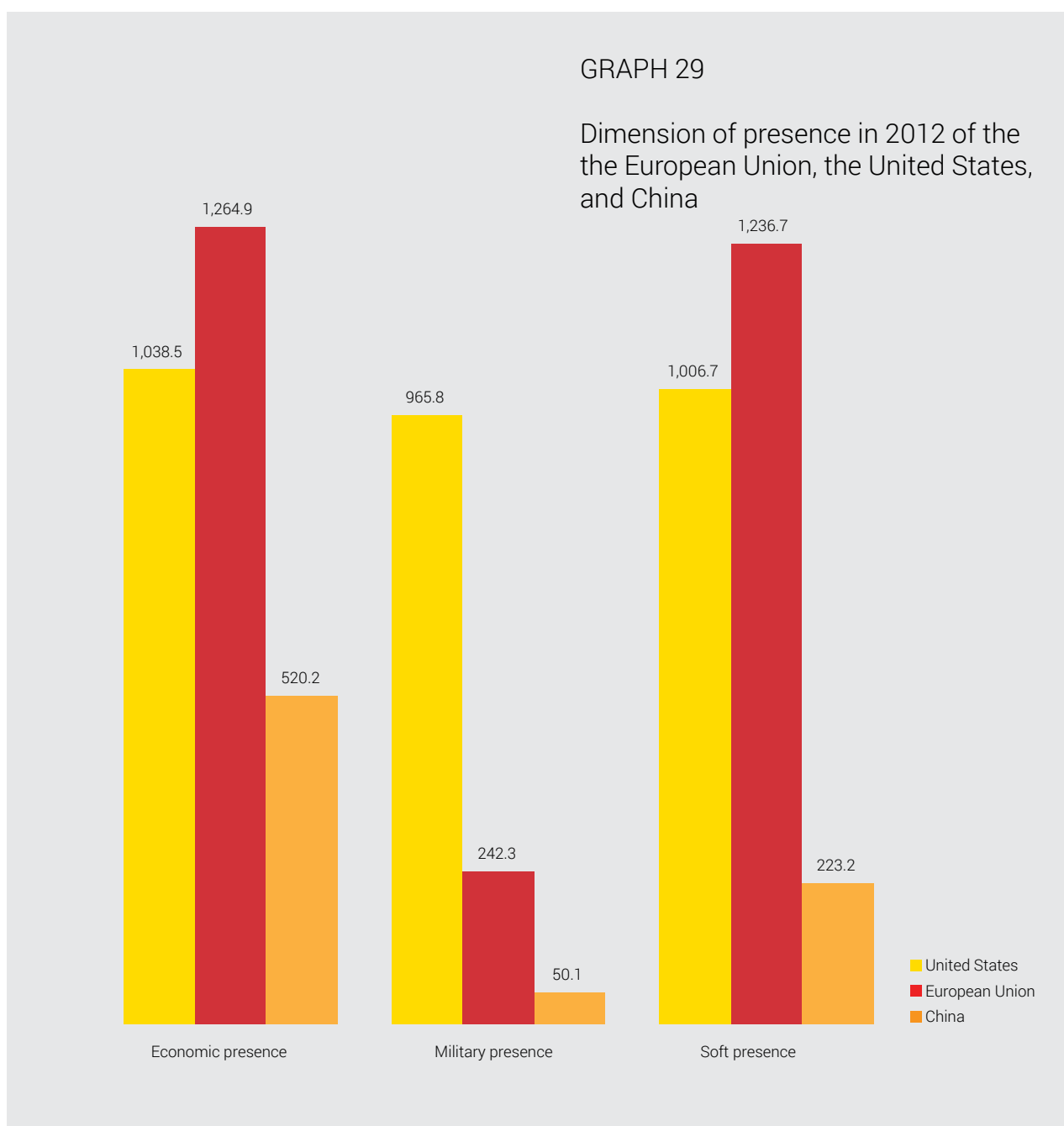
GRAPH 28

Contribution of each dimension to the European Union's presence

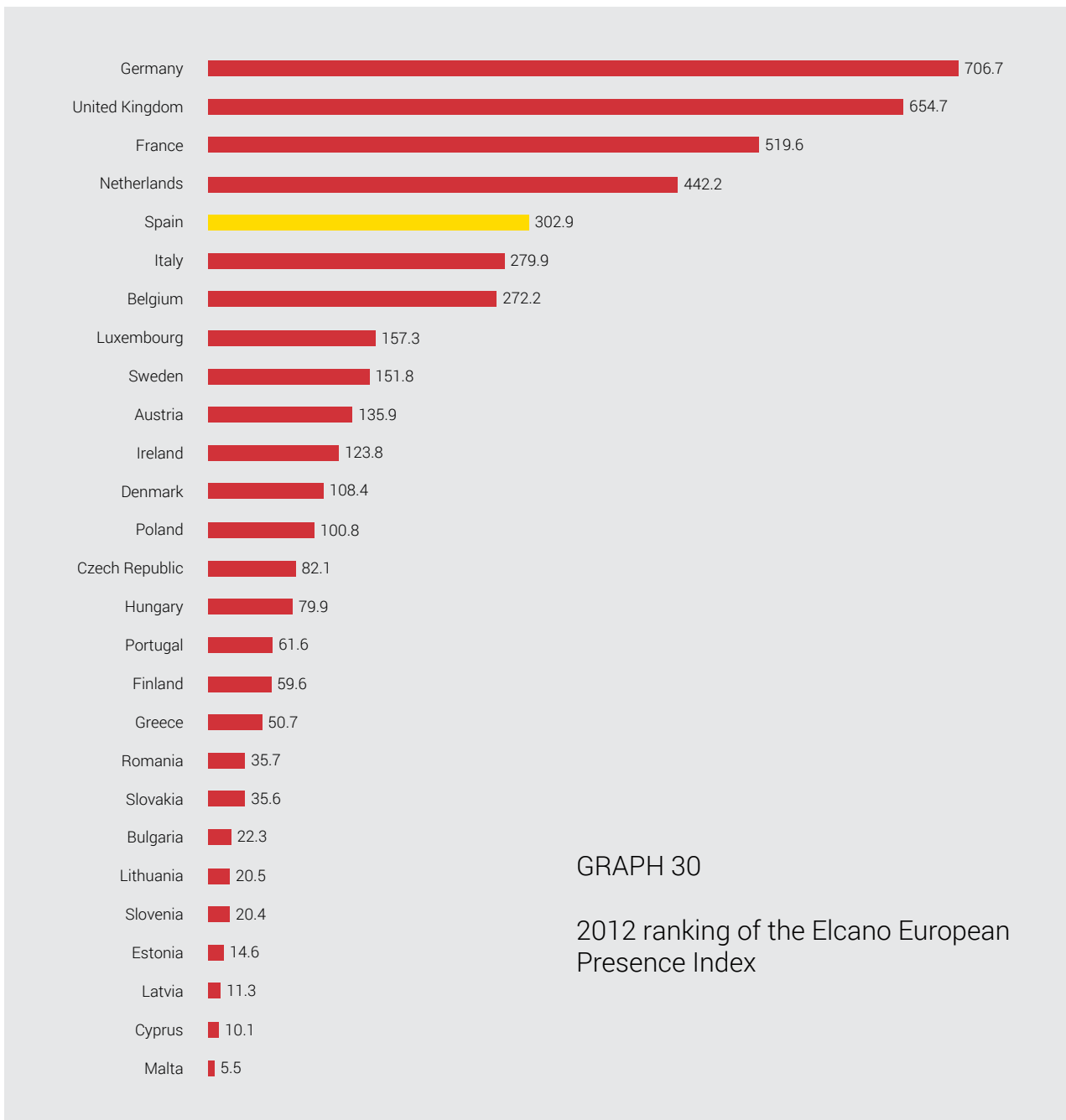




In terms of economic presence, the European Union would hold the first place (Graph 29). This position is consolidated basically during the 2005-2010 period, in which it successfully distances itself from the United States and China, thanks to the dynamism of its trade flows. It would also hold the first position in terms of soft presence, where its performance in sports, development cooperation, technology, science, tourism, is especially noteworthy and to a lesser degree, in the areas of migration, culture and education. The United States would sustain its superiority in the military dimension and that is precisely why it maintains global presence values that are similar to those of the European Union.



Another relevant novelty in the edition of this year’s project is the possibility of analysing the evolution of the member States of the European Union within the Union itself, from 2005 until today. The methodology employed is the Elcano Global Presence Index which however, has been limited to the European sphere. We refer to this index as the Elcano European Presence Index<sup>6</sup>.



GRAPH 30  
2012 ranking of the Elcano European Presence Index

<sup>6</sup> Iliana Olivé and Manuel Gracia (2013), 'IEPG 2012: methodology and new analytical tools', Working Paper 12/2013. Elcano Royal Institute, July.

According to the ranking of the Elcano European Presence Index of 2012, Germany leads the member States in intra-European presence (Graph 30). It is followed by the United Kingdom, France and the Netherlands. These four countries have maintained their positions since 2005 (Table 5), when the index was first calculated. Spain now holds the 5th position, after having climbed two places in the last eight years.<sup>7</sup>

Table 5 2012 European presence ranking and comparison with the positions held in 2010 and 2005

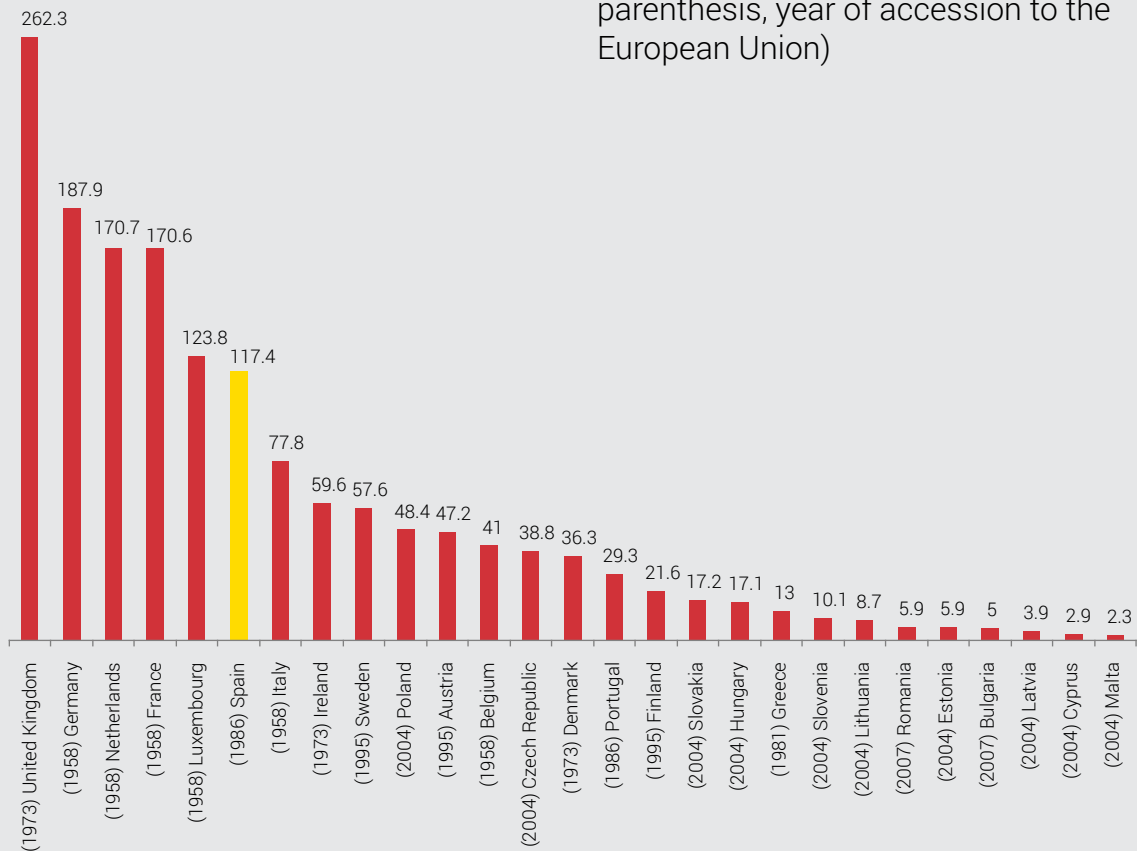
Position	Country	2012		2010		2005	
		IEPE	Position	Difference	Position	Difference	
1	Germany	706.7	1	=	1	=	
2	United Kingdom	654.7	2	=	2	=	
3	France	519.6	3	=	3	=	
4	Netherlands	442.2	4	=	4	=	
5	Spain	302.9	5	=	7	+2	
6	Italy	279.9	6	=	6	=	
7	Belgium	272.2	7	=	5	-2	
8	Luxembourg	157.3	12	+4	17	+9	
9	Sweden	151.8	9	=	8	-1	
10	Austria	135.9	8	-3	9	-1	
11	Ireland	123.8	10	-1	11	=	
12	Denmark	108.4	11	-1	10	-2	
13	Poland	100.8	13	=	13	=	
14	Czech Republic	82.1	15	+1	14	=	
15	Hungary	79.9	14	-1	12	-3	
16	Portugal	61.6	17	+1	18	+2	
17	Finland	59.6	18	+1	15	-2	
18	Greece	50.7	16	-2	16	-2	
19	Romania	35.7	19	=	19	=	
20	Slovakia	35.6	20	=	20	=	
21	Bulgaria	22.3	21	=	21	=	
22	Lithuania	20.5	23	+1	22	=	
23	Slovenia	20.4	22	-1	23	=	
24	Estonia	14.6	24	=	24	=	
25	Latvia	11.3	26	+1	25	=	
26	Cyprus	10.1	25	-1	26	=	
27	Malta	5.5	27	=	27	=	

<sup>7</sup>However, the most striking change in position is observed in Luxembourg, which has gained nine positions in less than 10 years. This is overwhelmingly due to its performance in the cultural variable which is measured by the exports of audiovisual services. It is noteworthy to mention however, that this economic activity has a strong re-exporting component. Furthermore, the increase in the exports of services also contributes to this overall increase.

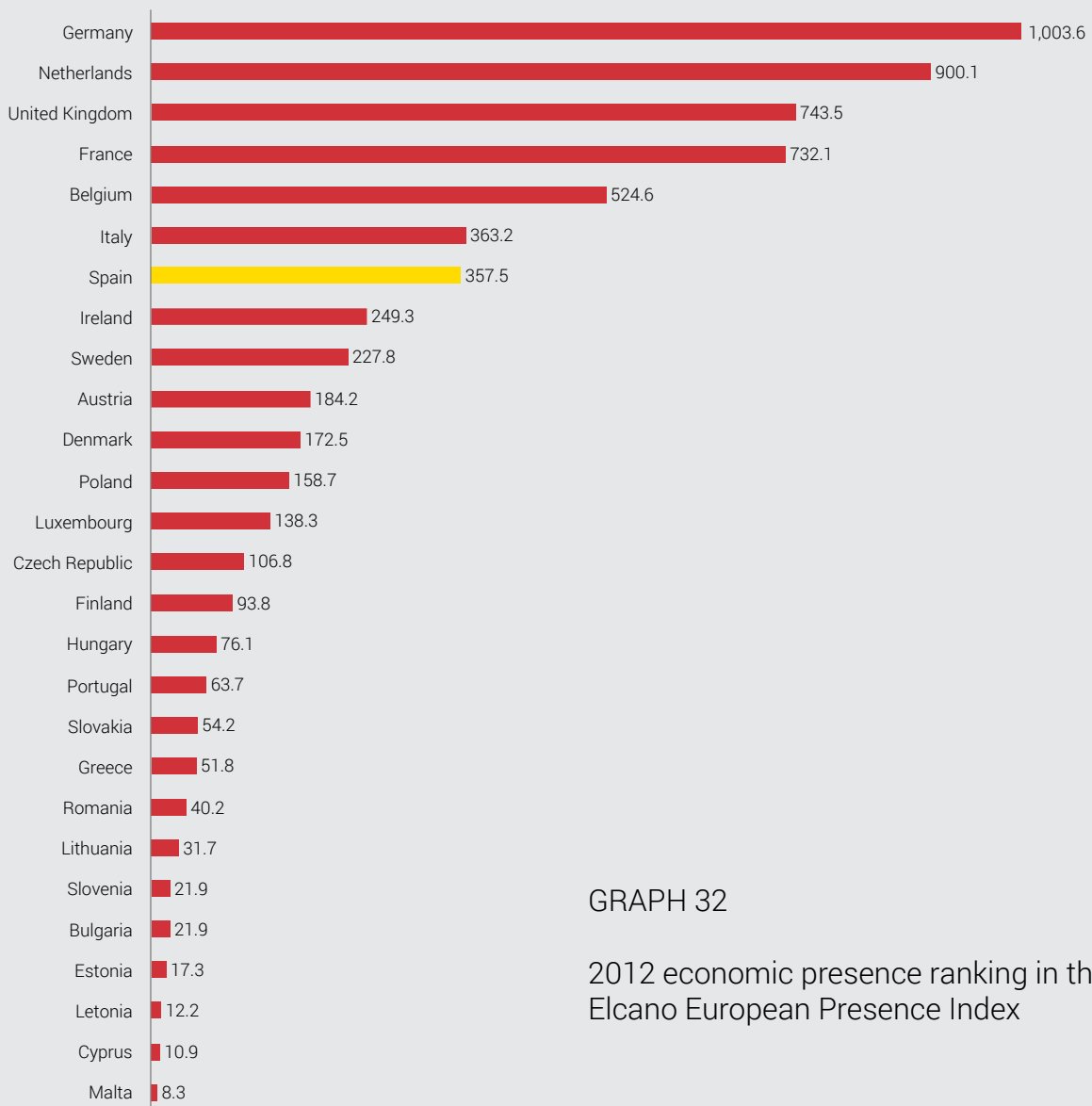
The differences in presence at the European level are notable. Germany registers a European presence value of 706 points in 2012 while Malta only obtained 5 points for the same year. These differences have heightened since 2005. Meanwhile, the countries that have joined the Union later tend to hold the last positions in the ranking. That is to say, the two-speed Europe is also reflected in intra-European presence: generally speaking, veterans enjoy greater presence than newcomers and have registered greater increases of this indicator since 2005. However, some notorious exceptions arise: the United Kingdom and Spain have benefited more than proportionally from joining the European Union in terms of European presence. On the other hand, Poland and the Czech Republic have also increased their presence much more than their accession partners. Meanwhile Greece, Belgium, and Denmark stand out for their low registers (Graph 31).

GRAPH 31

Variation of European presence between 2005 and 2012 (in parenthesis, year of accession to the European Union)



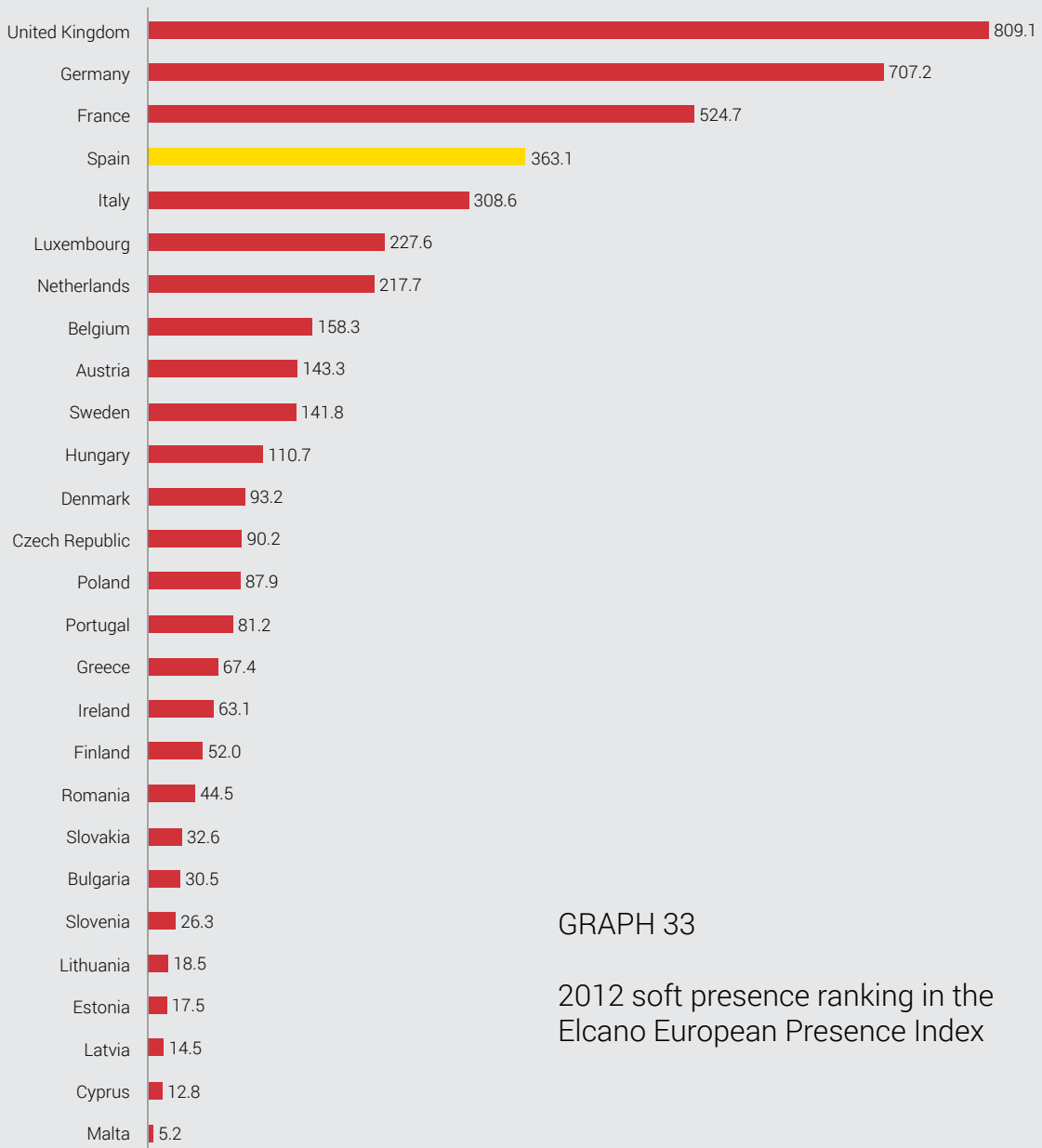
In terms of economic presence, the polarity of presence within the European space remains (Graph 32). Germany heads the classification followed by the Netherlands. The United Kingdom and France obtain similar economic presence values in 2012, halfway between the two leading countries and a third group including Belgium, Italy and Spain.



GRAPH 32

2012 economic presence ranking in the Elcano European Presence Index

In terms of soft presence, the differences are not as sharp but they are equally present (Graph 33). The United Kingdom occupies the first position, followed by Germany and France. Spain is the 4th country with greatest soft presence in the European Union and thanks to this variable it surpasses Italy in the total Elcano European Presence Index, in spite of having a smaller economic presence.



GRAPH 33

2012 soft presence ranking in the Elcano European Presence Index

## 8. The external insertion of Spain requires a strategic redefinition

It is important to ensure that there is no confusion regarding the interpretation of either the value of the Elcano Global Presence Index of a specific country or its evolution. A country may climb positions but that does not necessarily imply an improvement in its internationalisation process. In previous sections of this report we have observed how these last decades have witnessed a generalised increase in presence of all countries in a period of rapid globalisation. However, not all countries have increased their presence in the same quantity, for the same reasons, or with the same consequences. For example, global presence may increase as a consequence of involvement in a military conflict that is not backed by the international community,

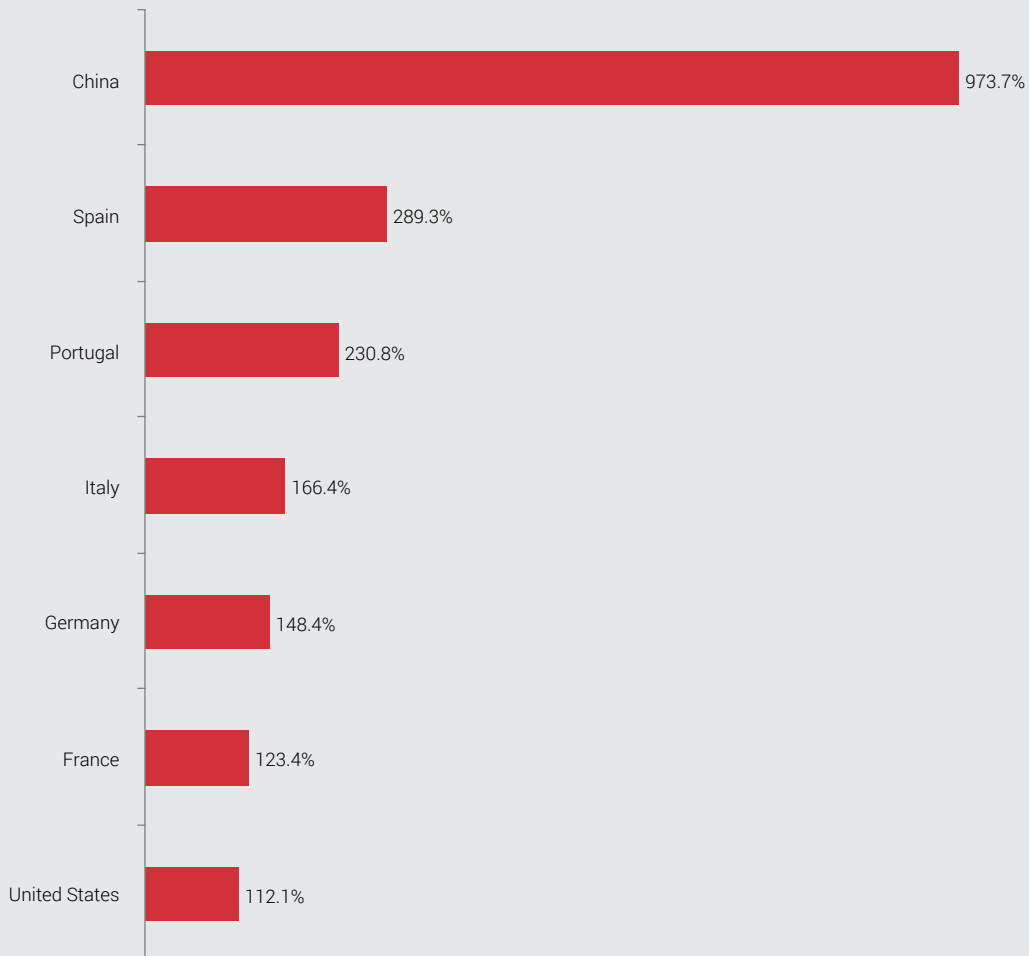
which may damage the international image and/or influence of said country. In addition, although they may be related, greater global presence does not automatically signify more influence or power. A country may be a leader in exporting primary goods and yet, have very small voting capacity in regional or international bodies.

In a few words, global and European presence indexes reveal the volume and nature –the strengths and weaknesses– of the external projection of countries included in the calculation. That being the case, the Elcano Global Presence Index might be revealing an external insertion that is more indiscriminate and less strategic in the case of Spain.

Spain’s foreign policy in the last decades has been intent on inserting the country back in the international community, since the transition to democracy in the 70s. This effort has resulted in a spectacular increase in global presence in the 1990-2012 period as it has nearly quadrupled during this time frame –passing from 41.8 to 162.8–; meanwhile, the global presence of the United States and Portugal increased in 112% and 232%, respectively, during the same period. Thus, the foreign policy of Spain in the last decades has been a clear success in the sense that it has reached its main goal: bring the country back to the international stage (Graph 34).

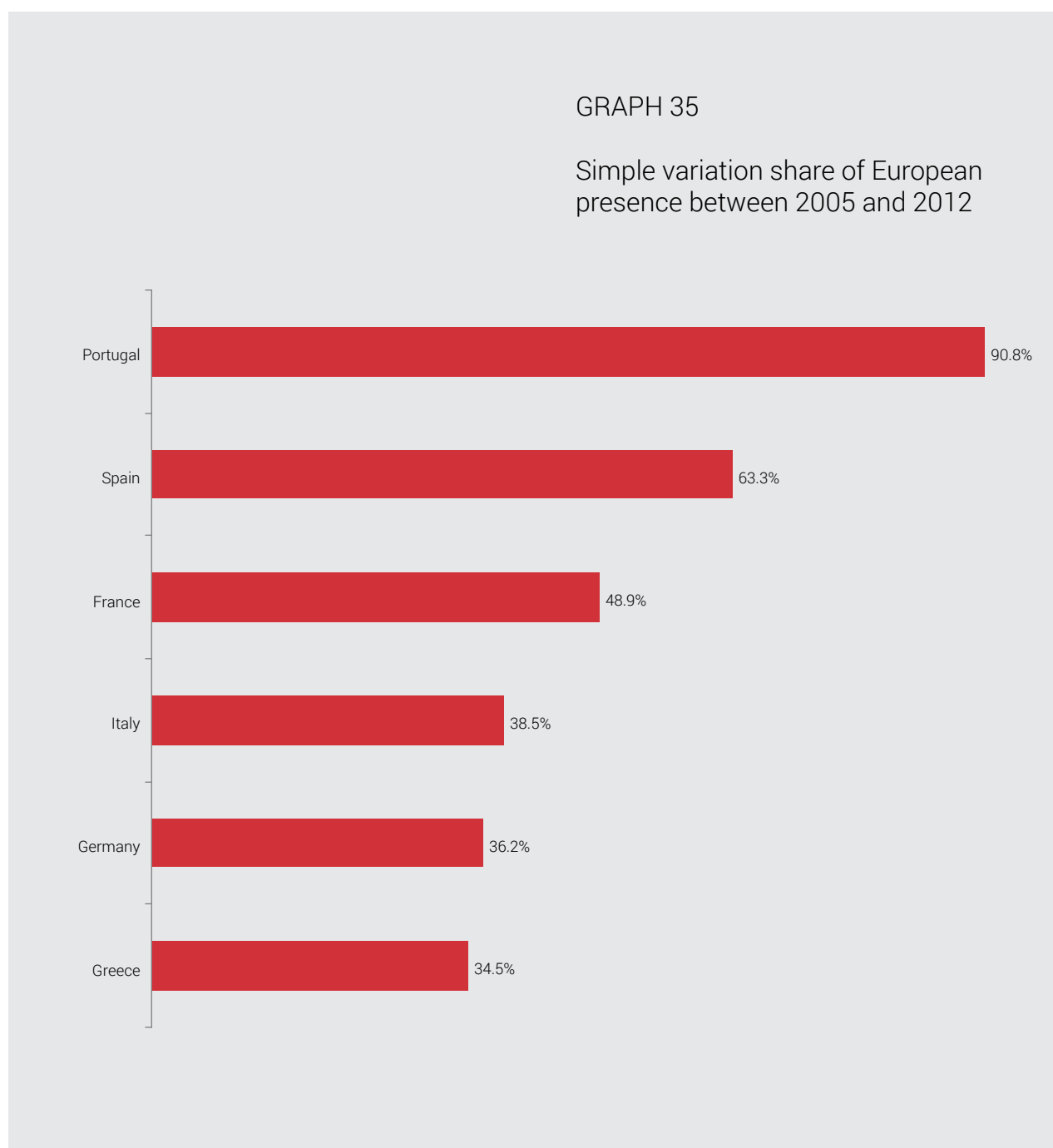
GRAPH 34

Simple variation share of global presence between 1990 and 2012





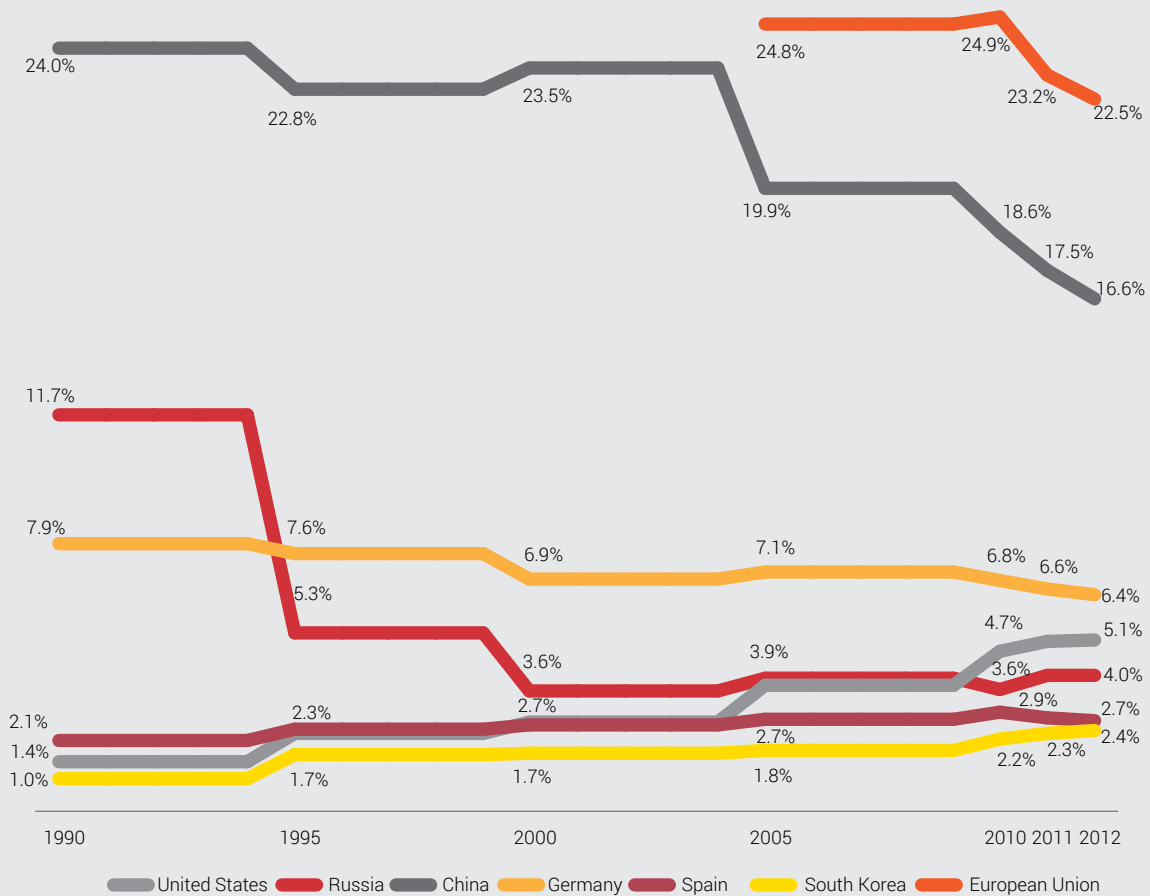
The increase in presence on the global scale has also revealed itself, evidently, in the European setting. The evolution of the Elcano European Presence Index of Spain shows an increase in presence that exceeds that of other member States such as France or Italy (Graph 35).



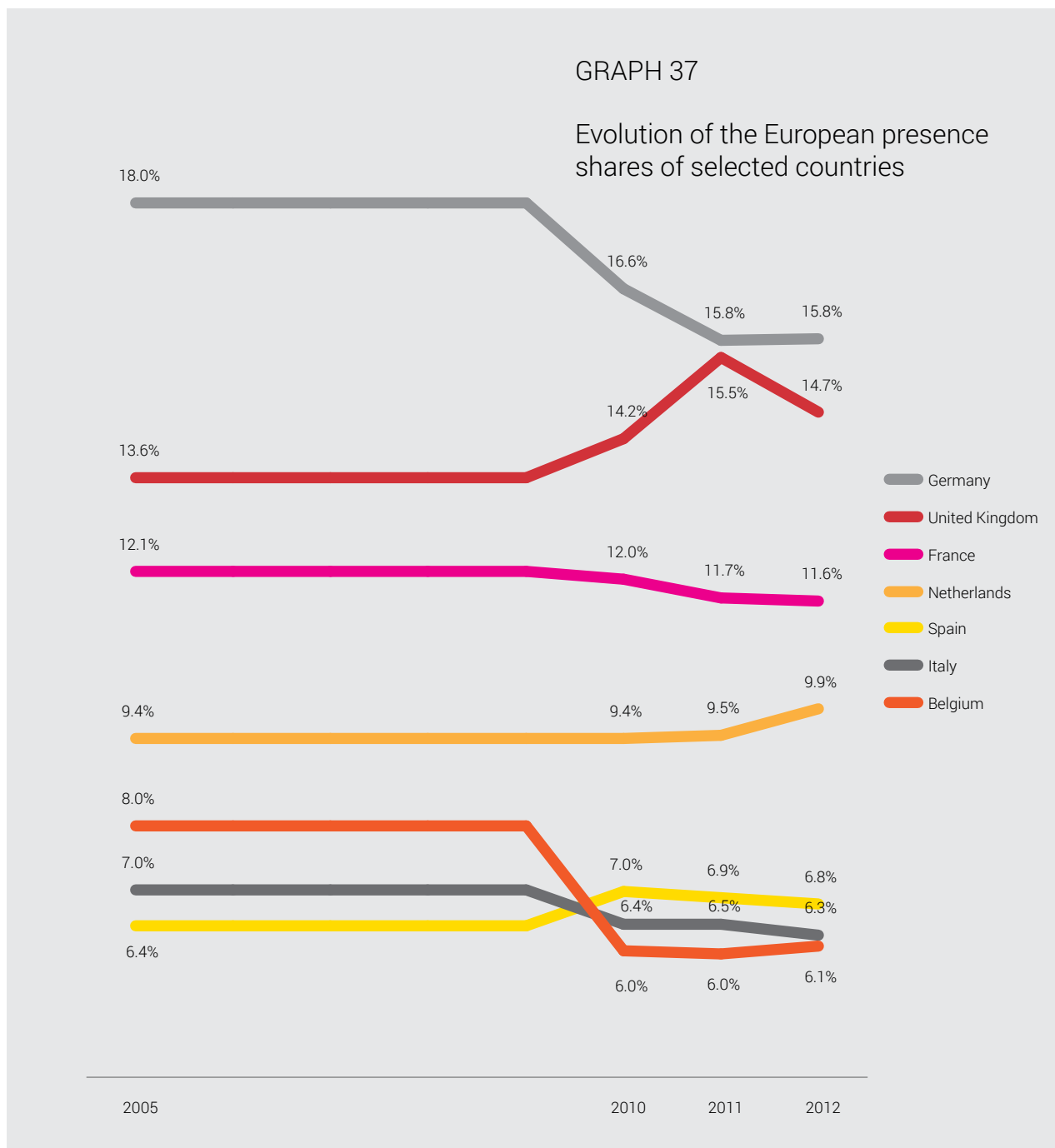
However, as occurs with other European countries, Spain faces a recent relative loss of global presence insofar as it has surrendered shares of presence to other emerging countries (Graph 36). Even though the Spanish global presence share grew from 2.1% in 1990 to 2.9% in 2010, it descended to 2.7% in 2012. China's greater growth in presence in the 90s and 2000s explain Spain's descent from the 10th to the 11th position in the global presence ranking, as was highlighted earlier (Table 2).

GRAPH 36

Evolution of the global presence shares of selected countries

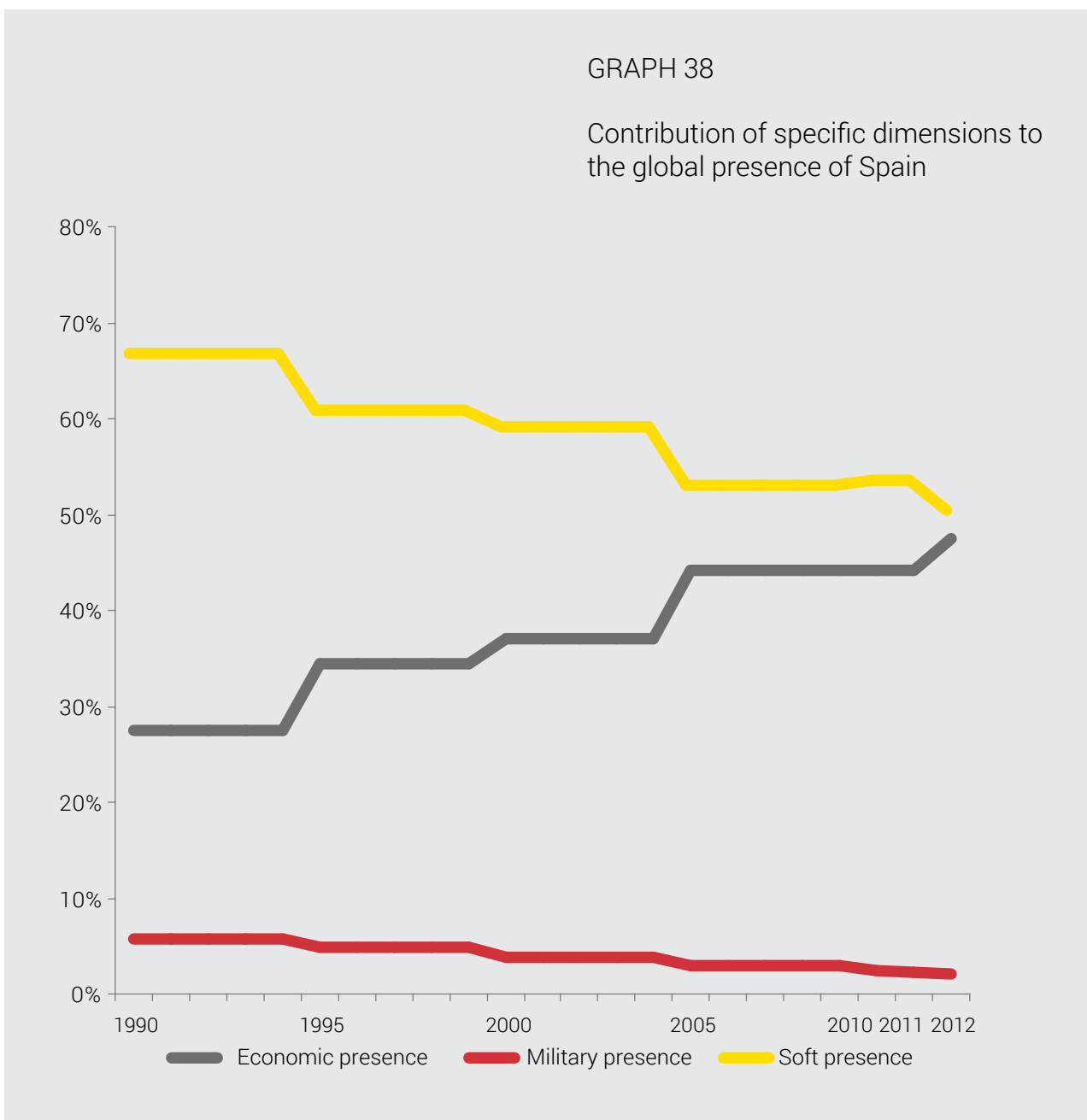


Similarly to what occurs on the world scale, Spain gains intra-European presence until 2010 –year in which the share reaches 7.0%–, before starting to descend –to 6.8% in 2012 (Graph 37)–.



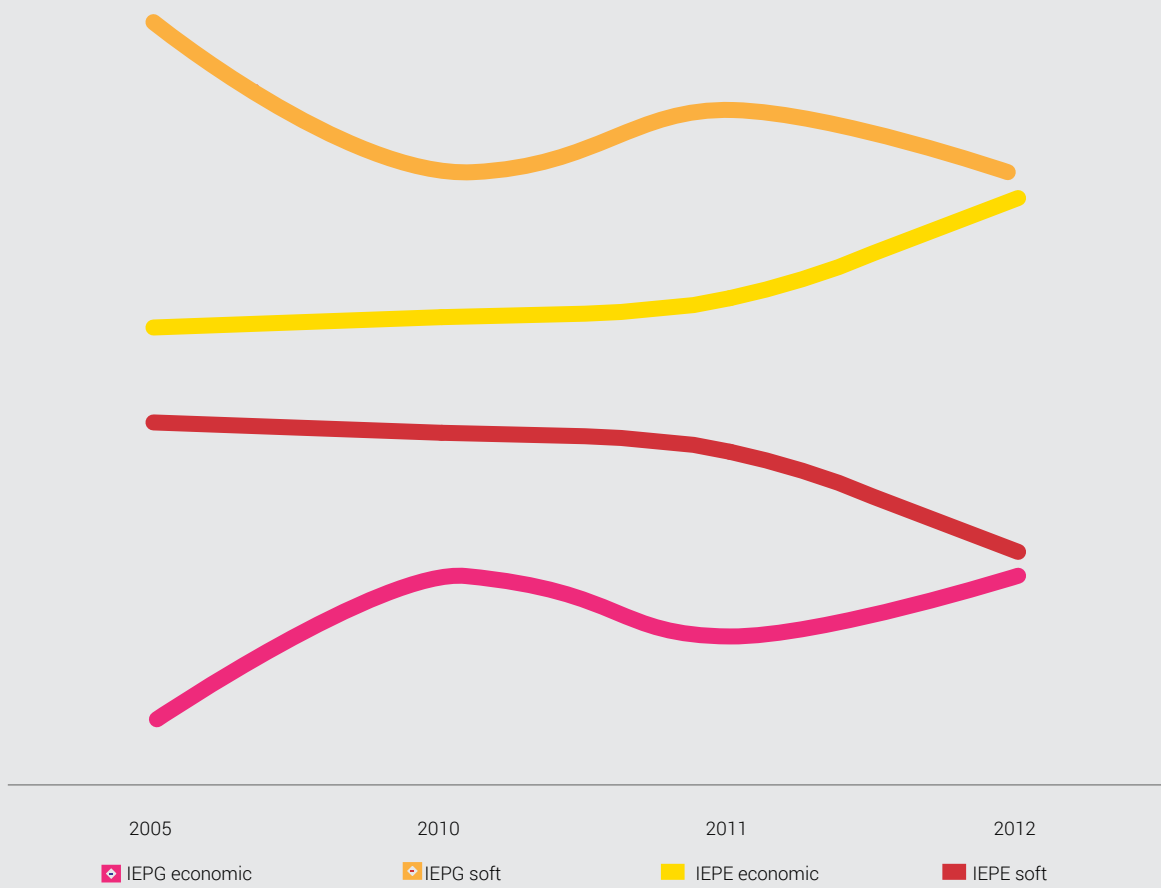
On the other hand, the nature of this presence reveals a not-so strategic insertion, with signs that make it appear unsustainable and unbalanced.

Both on the global as well as on the European scale, Spanish presence rests on its soft dimension (Graphs 38 and 39). This could be an asset. However, the variables that perform better are symptomatic of a productive model and an external insertion that are of low added value, thus conferring vulnerability to the entire country. For example, in the economic arena, internationalisation is happening especially through foreign investment instead of via exports. As regards soft presence, it is greatly dependent on tourism and sports, instead of relying on more strategic assets such as education and technology (Table 6 and Graph 40).



GRAPH 39

Modalities of the presence of Spain in the Elcano European Presence Index



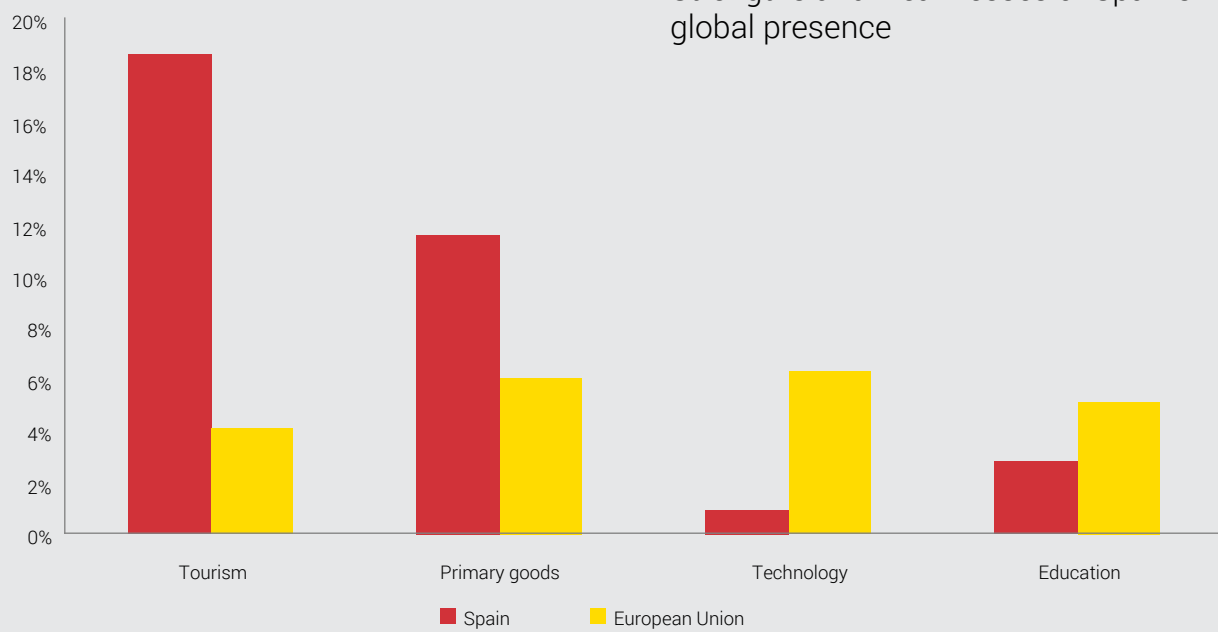
The current economic crisis also manifests itself in the variables of global presence: Spain's Elcano Global Presence Index, which grew at an annual share of 11% between 2000 and 2010, has slowed down to an annual growth of 6.7% in 2010-2012. Some variables have obviously been more affected than others. At first, between 2010 and 2011, the impact of the crisis was felt in economic variables, slowing the growth in this variable of presence. Then, between 2011 and 2012, the economic presence slightly improved- picking up in the variables measuring primary goods, manufactured goods and services, in spite of the decreased foreign investment- and the soft presence growth slowed down, especially after the development cooperation flows fell (Table 6).

Table 6. Global presence of Spain

	1990		1995		2000		2005		2010		2011		2012	
	Value	Position	Value	Position	Value	Position	Value	Position	Value	Position	Value	Position	Value	Position
IEPG value	41.8	10	52.4	10	68	11	105	11	143.4	11	152.3	11	162.8	11
Economic presence	11.4	12	18.1	12	25.2	14	46.5	13	63.5	13	67.7	16	77.8	17
<b>% IEPG</b>	<b>27.4</b>		<b>34.4</b>		<b>37.0</b>		<b>44.1</b>		<b>44.1</b>		<b>44.2</b>		<b>47.5</b>	
Energy	1.1	21	0.4	29	1.5	26	3.1	25	3.7	28	4.6	29	4.7	30
Primary goods	2.4	17	5.1	13	5.6	13	9.9	13	12.9	13	14.4	16	18.9	14
Manufactures	2.8	14	4.6	14	5.8	14	9.7	14	10.8	13	11.7	14	14.4	13
Services	4.9	9	7.1	8	9.2	7	16.6	6	21.4	7	21.6	7	24.7	7
Investments	0.4	14	0.9	15	3	11	7.2	10	14.7	9	15.3	9	15.1	10
Military presence	2.4	14	2.5	11	2.6	13	3	10	3.4	9	3.6	10	3.5	10
<b>% IEPG</b>	<b>5.8</b>		<b>4.8</b>		<b>3.8</b>		<b>2.9</b>		<b>2.4</b>		<b>2.3</b>		<b>2.1</b>	
Troops	0.2	25	0.3	15	0.6	11	0.5	17	0.6	15	0.6	14	0.6	13
Military equipment	2.4	11	2.2	11	2	11	2.5	9	2.8	9	2.9	10	2.9	9
Soft presence	27.9	9	32	9	40.3	9	56	9	77.1	11	81.9	7	82.6	8
<b>% IEPG</b>	<b>66.8</b>		<b>60.9</b>		<b>59.2</b>		<b>53.1</b>		<b>53.5</b>		<b>53.5</b>		<b>50.4</b>	
Migrations	0.8	26	1	22	1.7	15	4.4	9	6.1	8	6.1	8	6.1	8
Tourism	20	2	18.7	3	24.8	3	29.9	2	27.9	3	28.1	4	30.3	4
Sports	1.5	23	4.8	9	2.8	20	5.8	12	8.3	11	8.3	11	8.3	11
Culture	1.2	6	0.5	13	1	12	2.3	10	3.9	8	3.6	8	4.8	7
Information	0	nd	0	nd	0.1	10	1	11	8.6	9	14.5	9	14.5	9
Technology	0.7	17	0.8	15	1.1	17	1.1	17	1.5	18	1.5	18	1.5	18
Science	1.4	12	2.4	11	3.3	11	4.7	9	6.5	9	5.6	9	6.1	9
Education	0.8	18	1.8	14	3.4	9	1.5	23	4	15	4.6	15	4.6	15
Development Cooperation	1.5	13	2.1	11	2.1	11	5.2	9	10.4	6	9.4	7	6.2	13

GRAPH 40

Strengths and weaknesses of Spain's global presence



# METHODOLOGICAL ANNEX

The methodology of the 2012 Elcano Global Presence Index<sup>8</sup> is obviously based on the previous edition (2011)<sup>9</sup> which had in turn been shaped by debates following the first edition (2010).<sup>10</sup>

## Main elements of the Elcano Global Presence Index

This year's edition covers the global presence of a selection of 60 countries. Said selection includes the first 49 world economies according to World Bank data (nations with the highest GDP in current US dollars) as well as countries that are smaller in their economic size but are members of the Organisation for Economic Cooperation and Development (OECD) and/or the European Union (Table A).

Table A. Countries listed in the Elcano Global Presence Index

Algeria	Hungary	Poland
Argentina	Iceland	Portugal
Austria	India	Romania
Australia	Indonesia	Russia
Belgium	Iran	Saudi Arabia
Brazil	Ireland	Singapore
Bulgaria	Israel	Slovakia
Canada	Italy	Slovenia
Chile	Japan	South Africa
China	Latvia	South Korea
Colombia	Lithuania	Spain
Cyprus	Luxembourg	Sweden
Czech Republic	Malaysia	Switzerland
Denmark	Malta	Thailand
Egypt	Mexico	Netherlands
Estonia	New Zealand	Turkey
Finland	Nigeria	United Arab Emirates
France	Norway	United Kingdom
Germany	Pakistan	United States
Greece	Philippines	Venezuela

Aside from any other countries that may be incorporated into next year's edition, Croatia will be a necessary addition since it has joined the European Union in July 2013.

Finally, in terms of country selection, bear in mind that by making calculations at time intervals that go back to 1990, the intention of the project is to show the 'two-bloc world', even if in decline. Thus, Russia's 1990 values refer to those of the Soviet Union, those of Germany to the German Federal Republic, those of the Czech Republic to Czechoslovakia, and those of Slovenia to Yugoslavia.

<sup>8</sup> Iliana Olivé and Manuel Gracia (2013), 'IEPG 2012: methodology and new analytic tools', Working Paper 12/2013. Elcano Royal Institute.

<sup>9</sup> Iliana Olivé and Ignacio Molina (2012), 'Measuring the international presence of countries: the Elcano Institute's IEPG Index methodology revisited', Working Paper 9/2012 Elcano Royal Institute

<sup>10</sup> Iliana Olivé and Ignacio Molina (2011), 'Elcano Global Presence Index', Estudios Elcano, no. 2, Elcano Royal Institute



Graph A. Structure of the Elcano Global Presence Index

IEPG		
Economic presence	Military presence	Soft presence
Energy	Troops	Migrations
Primary goods	Military equipment	Tourism
Manufactures		Sports
Services		Culture
Investments		Information
		Technology
		Science
		Education
		Development cooperation

The variables, indicators and sources for this 2012 Elcano Global Presence Index are the same as for the previous edition (Table B). For more details on the debates and criteria that guided this selection, see Olivé and Molina (2011) and Olivé and Molina (2012).

Table B. Variables, indicators and sources of the Elcano Global Presence Index

Indicator	Description	Source
<b>Economic presence</b>		
Energy	Flow of exports of energy products (oil, refined products and gas) (SITC 333, 334, 343)	UNCTADStat
Primary goods	Flow of exports of primary goods (food, beverages, tobacco, agricultural commodities, non-ferrous metals, pearls, precious stones and non-monetary gold), excluding oil (SITC 0 + 1 + 2 + 4 + 68 + 667 + 971)	UNCTADStat
Manufactures	Flow of manufactured goods (chemical products, machinery, transport equipment, other manufactured products) (SITC 5 to 8 except 667 and 68)	UNCTADStat
Services	Flow of exports of services in transport, construction, insurance, financial services, IT, the media, intellectual property, other business services, personal, cultural and leisure services, and public services	UNCTADStat
Investments	Stock of foreign direct investment abroad	UNCTADStat
<b>Military presence</b>		
Troops	Number of military personnel deployed in international missions and bases overseas	ISS-The Military Balance Report
Military equipment	Weighted sum of aircraft carriers, cruisers, destroyers, frigates, nuclear-powered submarines, amphibious ships, medium and heavy strategic aeroplanes and air tankers	
<b>Soft presence</b>		
Migrations	Estimated number of international immigrants in the country at mid year	United Nations Population Division
Tourism	Thousands of arrivals of non-resident tourists at borders	United Nations World Tourism (UNWTO) – Statistics Database
Sports	Weighted sum of points in the FIFA world ranking and medals won at summer Olympic Games	FIFA and IOC
Culture	Exports of audiovisual services (cinematographic productions, radio and television programmes, and musical recordings)	WTO – International Trade Statistics and own estimation
Information	Internet bandwidth (Mbps)	International Telecommunication Union
Technology	Foreign-oriented patents: number of inter-related patent applications filed in one or more foreign countries to protect the same invention	World Intellectual Property Organization (WIPO) – Statistics Database
Science	Number of articles published in the fields of the arts and humanities, social sciences and sciences	Thomson Reuters – Web of Knowledge
Education	Number of foreign students in tertiary education on national territory	UNESCO – Institute for Statistics, OECD –, iLibrary and own estimate
Development cooperation	Total gross flows of official development aid or comparable data	OECD – International Development Statistics and Development Co-operation Report 2010 (DAC countries) and own estimate

Obviously, the three areas –economic, military and soft presence–, do not contribute to the global presence of countries in the same way, but it is rather complicated to assign a specific weight to each of them, as well as to each indicator of the respective areas. That is why, in defining the weightings of each of the elements included in the index, we decided to conduct a survey with a panel of experts in international relations. The panel was selected based on the think tanks report published annually by the University of Pennsylvania, including a total of 150 centres involved in international relations –specifically the person responsible for research at each centre, or, if unavailable, the highest ranking expert specialised in international relations or the top management of the institution–. The questionnaire was sent to 45 institutions in the United States, 40 in Europe, 27 in Asia, 17 in Latin America, 12 in Africa, eight in the Middle East and North Africa and three in Oceania.

Each of them received a questionnaire and were asked to assign a specific weighting factor to each indicator. Aside from choosing a telematic questionnaire that would enable us to change the order of indicators and areas –so as to avoid problems with ipsative measures–, we prepared two kinds of questionnaires. The first modality provided the respondent the chance to weight the elements of the Elcano Global Presence Index in two levels, both by areas as well as by indicators. To avoid the risk of having the number of indicators in each area distort the answers of the respondent, the other half of the sample received a questionnaire that requested the weighting of the indicators of only one level, regardless of the area it belonged to. The weighting factors obtained from said responses are summarised in table C.

Table C. Weighting factors of the different areas and indicators

Area	Variable	Weighting factor (%)
<b>Economic presence</b>		38.50
	Energy	6.95
	Primary goods	5.13
	Manufactures	7.44
	Services	8.88
	Investments	10.10
<b>Military presence</b>		15.52
	Troops	7.95
	Military equipment	7.57
<b>Soft presence</b>		45.98
	Migrations	4.11
	Tourism	4.10
	Sports	3.42
	Culture	6.98
	Information	5.99
	Technology	5.82
	Science	5.71
	Education	5.45
	Development cooperation	4.40

In this 2012 edition, approximately 400 cases have been estimated. Thus the proportion of missing and estimated cases only reaches 7.4% of the database of more than 5,400 observations. Again, the hot-deck method has been used for these estimates.

This year, as occurred in the 2011 edition, the performance of the variables is assumed to be linear with the exception of the sports variable. Neither do the limits of the scales vary, both the minimum –theoretical null (0) presence– and maximum –maximum presence registered in the series–. When aggregating the variables in the three groups of presence and also in the global index, the weightings obtained from the survey carried out for the last edition are maintained.

### **The incorporation of the European Union in the Elcano Global Presence Index**

One of the new features of this year's edition is the calculation for the 27 European Union member States. Why? To try to quantify the global projection of the Union, as if it were a political and economic union with its own identity.

The first year for which the IEPG is calculated is 2005. This is the first time interval after the major 2004 enlargements to incorporate 10 new member States, which increased the European Union to 25. To form the current 27 member States, Romania and Bulgaria were also incorporated in 2007, thus posing the first methodological challenge. This has been resolved by calculating the IEPG of the European Union in 2005 for a theoretical Union which groups together the 25 existing members that year as well as Bulgaria and Romania.

Moreover, to measure the European Union's presence in the world, the same variables used in the Elcano Global Presence Index calculations for the rest of the countries must always be maintained, insofar as possible, to facilitate comparison. For each of these variables and for each European country, the intra-European and extra-European flows must be differentiated, since merely totalling the results of each member state would also record their projection in other member States –consider, for example, the intra- and extra-European trade in German goods–. This distinction between flows has been feasible by using additional sources of data which differ from those used for the IEPG, and especially Eurostat (table D).

Table D. Variables, indicators and sources of the Elcano Global Presence Index calculated for the European Union

Indicator	Description	Source
<b>Economic presence</b>		
Energy	Extra-EU flows of exports of energy products (oil, refined products and gas) (SITC 333, 334, 343)	Eurostat
Primary goods	Extra-EU flows of exports of primary goods (food, beverages, tobacco, agricultural commodities, non-ferrous metals, pearls, precious stones and non-monetary gold), excluding oil (SITC 0 + 1 + 2 + 4 + 68 + 667 + 971)	Eurostat
Manufactures	Extra-EU flows of manufactured goods (chemical products, machinery, transport equipment, other manufactured products) (SITC 5 to 8 minus 667 and 68)	Eurostat
Services	Extra-EU flows of exports of services in transport, construction, insurance, financial services, IT, the media, intellectual property, other business services, personal, cultural and leisure services, and public services	Eurostat
Investments	Stock of foreign direct investment outside the EU	Eurostat
<b>Military presence</b>		
Troops	Number of military personnel deployed in international missions and bases overseas	IISS – The Military Balance Report
Military equipment	Weighted sum of aircraft carriers, cruisers, destroyers, frigates, nuclear-powered submarines, amphibious ships, medium and heavy strategic aeroplanes and air tankers	
<b>Soft presence</b>		
Migrations	Estimated number of immigrants from outside the EU	United Nations Population Division and Eurostat
Tourism	Thousands of arrivals of tourists from outside the EU	Statistics database of the United Nations World Tourism Organization (UNWTO) and Eurostat
Sports	Weighted sum of points in the FIFA world ranking and medals won at summer Olympic Games for each EU member state Corrective variable: European audience at the World Cup Final and the opening ceremony of the Olympic Games	FIFA and ICO reports by Kantar Media and Nielsen
Culture	Extra-EU exports of audiovisual services (cinematographic productions, radio and television programmes, and musical recordings)	Eurostat
Information	Maximum internet bandwidth (Mbps) in the EU installed in a member state	International Telecommunication Union
Technology	Foreign-oriented patents for the total EU member states: number of inter-related patent applications filed in one or more foreign countries to protect the same invention	World Intellectual Property Organization – WIPO Statistics Database
Science	Number of European articles published in the fields of the arts and humanities, social sciences and sciences	Thomson Reuters – Web of Knowledge
Education	Number of non-EU foreign students in tertiary education in the EU	UNESCO – Institute for Statistics, OECD – iLibrary and Eurostat
Development cooperation	Total gross flows of official development aid for all members states	OECD – International Development Statistics and Development Co-operation Report 2010 (DAC countries)

## Elcano European Presence Index

Another new feature of this edition is the incorporation of a measure of the presence of the 27 member States within the Union itself: the Elcano European Presence Index. To some extent, methodologically, this indicator is the flipside of the IEPG-EU. In a similar way to the IEPG, it shows the cross-border presence of the member States, which in the case of the Elcano European Presence Index is limited to the European (and not global) space. It facilitates a comparative analysis of the current situation and recent evolution of the positioning of European countries within the Union. It can also provide relevant information of the position of the member States in the calculation of their European as well as their global presence.

The Elcano European Presence Index aims to be an Elcano Global Presence Index on a European scale, so the structure and methodology of the latter index have been respected as far as possible, although some slight modifications have occasionally proved essential. Thus, in general terms, the calculation of European presence modifies the calculation of global presence by reducing the measures of presence on a global scale to the intra-European scale –for example, intra-European migration flows, exports to the rest of the European Union or European foreign students–. It almost always does so by using Eurostat data, just as for the calculation of the IEPG-EU. Obviously, the change in scale also reduces the scaling: the value of 1,000 assigned to the maximum indicator of the 2010 series in the Elcano Global Presence Index is given, in the case of European presence, to the maximum value registered in 2010 by a member State and for the intra-European presence series.

Just as for the IEPG-EU, and with the same variables, conceptual problems surface: how can we differentiate the intra-European presence of sports when this is measured by Olympic medals and FIFA points? And what about the bandwidth that reflects presence in terms of information? Or academic publications? In the Elcano European Presence Index we have resolved this methodological problem by changing the scaling: the same values for each of the sports, information and science variables are maintained, establishing the maximum value exclusively as that of the member State series.

Finally, just like the IEPG-EU, this index is calculated from 2005 onwards for each European Union member of the 27 countries. Although the Union was not actually formed until 2007 with the incorporation of Romania and Bulgaria, the European presence of these countries is also calculated in 2005 (Table E).

Table E. Variables, indicators and sources of the Elcano European Presence Index

Indicator	Description	Eurostat
<b>Economic presence</b>		
Energy	Intra-EU flows of exports of energy products (oil, refined products and gas) (SITC 333, 334, 343)	Eurostat
Primary goods	Intra-EU flows of exports of primary goods (food, beverages, tobacco, agricultural commodities, non-ferrous metals, pearls, precious stones and non-monetary gold), excluding oil (SITC 0 + 1 + 2 + 4 + 68 + 667+ 971)	Eurostat
Manufactures	Intra-EU flows of manufactured goods (chemical products, machinery, transport equipment, other manufactured products) (SITC 5 to 8 minus 667 and 68)	Eurostat
Services	Intra-EU flows of exports of services in transport, construction, insurance, financial services, IT, the media, intellectual property, other business services, personal, cultural and leisure services, and public services	Eurostat
Investments	Stock of foreign direct investment in the EU	Eurostat
<b>Military presence</b>		
Troops	Value 0 for all countries and years	
Military equipment	Value 0 for all countries and years	
<b>Soft presence</b>		
Migrations	Estimated number of immigrants from within the EU	Eurostat
Tourism	Thousands of arrivals of tourists from within the EU	Eurostat
Sports	Weighted sum of points in the FIFA world ranking and medals won at the summer Olympic Games	FIFA and IOC
Culture	Intra-EU exports of audiovisual services (cinematographic productions, radio and television programmes, and musical recordings)	Eurostat and national sources
Information	Internet bandwidth (Mbps)	International Telecommunication Union
Technology	Number of patents registered at the European Patent Office (EPO)	Eurostat
Science	Number of articles published in the fields of the arts and humanities, social sciences and sciences	Thomson Reuters – Web of Knowledge
Education	Number of EU foreign students in tertiary education	Eurostat
Development cooperation	Value 0 for all countries and years	





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