Spain and India: seeking stronger bilateral relations

Rubén Campos Palarea - Jayshree Sengupta
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Rubén Campos Palarea & Jayshree Sengupta - Real Instituto Elcano - November 2017

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Summary

This working paper is a joint project by Spain’s Elcano Royal Institute and India’s Observer Research Foundation in the context of the commemoration of 60 years of diplomatic relations between the two countries and the recent official visit of Prime Minister Modi to Madrid.

The report’s aim is to analyse the current status of bilateral relations, to highlight the key areas where there is potential for further improvement and the obstacles that are hindering the relationship. It also explores the strategic sectors which can be key drivers for further cooperation to consolidate and expand the bilateral partnership.

1. Introduction

1.1. Objectives and methodology

This working paper is a joint project by Spain’s Elcano Royal Institute and India’s Observer Research Foundation in the context of the commemoration of 60 years of diplomatic relations between the two countries and the recent official visit of Prime Minister Modi to Madrid. Its purpose is to contribute to further deepen and expand this bilateral partnership.

The Elcano Royal Institute (www.realinstitutoelcano.org) is a think tank for international and strategic studies that analyses world events and trends from a Spanish, European and global perspective. The Institute was established in Madrid in 2001 as a private foundation under the honorary presidency of HM the King of Spain. Its Board of Trustees comprises prominent figures linked to Spanish foreign policy and representatives of companies that fund the Institute and four Spanish Ministries: Foreign Affairs and Cooperation; Defence; Education, Culture and Sport; and Economy and Trade.

The Elcano Royal Institute focuses on both specific topics and geographical areas. Asia-Pacific is included among the latter and in the past few years the Institute has produced various analyses and working papers on the bilateral relations between India and Spain.1

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The Observer Research Foundation (ORF, www.orfonline.org) is a think tank established in India in 1990. At a period of renewed Indian engagement with the international economic order, several challenges emerged, suggesting the need for an independent forum to critically examine the problems facing the country and help develop coherent policy responses. This was the origin of ORF, which brought together leading Indian economists and policymakers to design an agenda for India’s economic reforms.

From primarily looking inwards and engaging with domestic reforms to gradually forging global partnerships, ORF today plays a seminal role in building a political and policy consensus to enable India to interact with the world. As the country begins to take up a larger role in the 21st century, ORF aims to introduce new ideas into the policy discourse and provide a platform for a new generation of thinkers. It is supported in its mission by leading intellectuals, academics, policymakers, business leaders, institutions and civil society actors and has produced many analysis and documents on the relations between Asia, the EU and certain key European states. This paper is its first joint effort with a Spanish think tank.

Representatives of both institutions met at the first Spain-India Think Tanks’ Meeting and Dialogue on Global, Geoeconomics & Defence Challenges held in Madrid and organised by the Spain-India Council Foundation in October 2015. During the discussions at the meeting and in further communications over the following months, the Elcano Royal Institute and ORF concurred that the 60th anniversary of the establishment of bilateral relations provided an excellent opportunity for a Spanish and an Indian think tank to join forces in an effort to analyse the bilateral relations from the perspective of each country and to produce a joint working document with conclusions and recommendations to strengthen them.

One researcher from each institution has been responsible for conducting a field study including interviews and questionnaires with politicians, business people, diplomats, civil servants, academics, journalists and representatives of non-governmental organisations, in India and Spain. They have collected the relevant information and gathered ideas and contributions from these key national stakeholders involved in the bilateral relation.

After formulating initial drafts of different sections, the authors worked together to develop the document. They would like to recognise the support received from all those who shared their valuable knowledge and ideas with them over the past few months. Their contribution has played a decisive role in its preparation.

The aim of this working paper is to analyse the current status of the countries’ bilateral relations, highlighting the key areas where there is potential for further improvement and the obstacles that are hindering joint efforts. Its ultimate object is to present a series of recommendations and proposals to strengthen these relations and foster cooperation on common projects.

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3 The meeting’s agenda is at http://spain-india.org/files/documentos/161_2015_OCTUBRE_7_AGENDA.pdf.
Following an introduction focused on the state of the bilateral relation, the paper analyses different key dimensions with a strong potential as drivers for a future and more relevant cooperation between Spain and India:

- Bilateral economic relations.
- Diplomatic cooperation and security.
- Joint efforts on science and technology.
- Education, culture and tourism as fields of cooperation.
- The role of migrants from both countries in Spain and India.

Although the focus of the document is the bilateral relation between India and Spain, the authors understand that there are significant avenues of cooperation as regards common interests and joint action in international organisations. Especially important in this respect is the role of the EU, which will be analysed in a specific chapter on the impact of EU-India relations on the bilateral connection.

The document concludes with a summary of its recommendations to consolidate a strengthened cooperation between India and Spain. To a large extent, this is yet an underexplored area with great potential at the political, economic, social and cultural levels and the authors expect to make a contribution to it.

1.2. The 60th anniversary of diplomatic relations as a potential turning point

During the summer of 2016, in the middle of the year commemorating the 60th anniversary of the bilateral relations between India and Spain, there was a moment which attracted a numerous audience from both countries at the same time. It was not connected with any planned event, exhibition or bilateral visit but it turned out to be very popular: millions of Spanish and Indian citizens watched live or read afterwards in their favourite newspapers and electronic media outlets about the final match of the badminton women's singles competition in the Olympic Games, organised in Rio de Janeiro (Brazil).

Spain's Carolina Marín and India's Pusarla Venkata Sindhu played an emotional and competitive match which maintained the tension until the last moment. P.V. Sindhu took the opening game against Marín (21-19) but was unable to sustain the dynamic as the Spaniard came back into the contest to win the next two games and the final: 21-12 and 21-15. Both captivated the audiences in their home countries and became very popular: Carolina Marín was the first non-Asian player to win a Gold in Badminton and P.V. Sindhu gained one of the two medals won by Indian athletes during the Olympic Games.

This unplanned opportunity allowed Indian and Spanish audiences to be connected because news about the other country appeared in their mass media, even if for a short period of time during an emotional moment. As will be discussed later on, the cultural links related to sports or the arts should not be considered irrelevant to the bilateral relation. This dimension is also present in another summer event in 2016 which put the two countries in contact again and which has much more importance for the India-Spain partnership: the celebration of the International Indian Film Academy (IIFA) Weekend and Awards in Madrid in July.
The IIFA Awards are presented annually since 2000 by the International Indian Film Academy to honour both artistic and technical professionals in Bollywood, the popular Hindi-language film industry. The ceremony has been held in different capital cities around the world every year (London, Dubai, Bangkok, Toronto and Singapore, for instance) and for months the local government of Madrid, with the support of other key Spanish institutions and private-sector companies, was negotiating for the 2016 edition to be held in the capital of Spain.

The purpose of this effort was to put Madrid and Spain on the map for the Indian visitors, finally around 12,000, and even more importantly for the multimillion television audience (841 million viewers worldwide, with around 350 million in India). The Spanish authorities wanted to show that Spain is a great place to keep producing Bollywood films after the 2011 blockbuster Zindagi Na Milegi Dobara (‘You won’t get another life’) and also an attractive destination ready to welcome with open arms a significant amount of the 50 million Indian tourists that are estimated will be travelling abroad by 2020. Currently, the number of Indian tourists travelling abroad per year is around 14 million.

But another key dimension of the effort is focused on the improvement of business relationships and taking advantage of the opportunity to strengthen economic ties. In this context, the first meeting of a newly created Forum of CEOs of India and Spain was organised during the IIFA Weekend, while a Global Business Forum also took place, with the cooperation of the Spanish Chamber of Commerce and the Federation of Indian Chambers of Commerce and Industry (FICCI). An important number of key businesspeople from India and Spain participated in both Forums and panel discussions.

This planned interaction occurred in the context of the current Spanish interest for scaling up its cooperation with India in diverse economic, political and cultural areas. India is also keen to expand its ties with Spain and to enhance bilateral relations. Planned efforts like the IIFA Awards are excellent opportunities to overcome the lack of strong historical and commercial connections.

India and Spain have a long tradition of cordial and peaceful relations. Peaceful mainly because they are far distant not only geographically but also with limited historical, economic or cultural links, so there were no reasons for conflict between the two countries in the past. In 1988, a member of the delegation of the Indian Prime Minister Rajiv Gandhi, who was accompanying him during an official visit to Madrid, was quoted in a national newspaper as saying, with some scepticism, that relations between Spain and India indeed were good, but only ‘because they don’t exist’. 4

Unlike with India’s close relations with the UK, which as a colonial power ruled over the South Asian country for 200 years, people from India have not engaged in much trade, investment or commerce with Spain during the last centuries. Since Indians became proficient in English, they went to the UK, the US and Canada for jobs after India’s Independence. There was a brain drain of doctors, engineers, scientists and technical workers in the 1960s, 70s and 80s.

to English-speaking countries. Unskilled workers went to Canada as lumbermen and to the UK as factory hands. Spain was not within the priority countries of destination for this large Indian diaspora (calculated at more than 25 million Indian citizens resident outside South Asia), although there is a small Indian community in some parts of Spain which began to establish itself in the 19th century.

Apart from visits, formal agreements and talks at an official level for increasing the possibilities of India-Spain cooperation in recent times, there is very little awareness in both countries about the economy or culture of the other. Some Indian political and business leaders are nevertheless aware of the new opportunities in Spain. Many Indians have also heard of Spain’s many beautiful tourist spots. So there has been an increase in travel to Spain in the 21st century. As for higher education, in the past, because most Indians learnt English they went to the US, the UK, Canada and Australia. Knowledge of English facilitated educational and cultural relations with these countries. Most Indians are not aware of the existence of excellent educational institutions in Spain.

The global dimension Asia has attained during the past few decades has created a significant interest on the part of Spain to deepen and extend diplomatic and commercial ties with the key countries of that region. These Spanish efforts have unfolded in parallel to India’s growing importance on the international stage, especially in the political and economic dimensions. As pointed out by the Elcano Royal Institute analyst Mario Esteban, it is clear that Asia’s growing internationalisation goes beyond China and the economic sphere, the manifestations of the booming Asian presence with which the world is most familiar.5

Since the year 2000, the Spanish Ministry of Foreign Affairs and Cooperation, aware of the importance of the challenge, began to develop new Asia-Pacific Framework Plans to coordinate government efforts to increase Spanish presence and visibility in the region, with India as one of the top priorities. Thus, new ways were sought to underpin Spain’s image and performance in a part of the world where the Spanish presence was less relevant in the past.

It is fundamental to consider in this context the asymmetrical nature of the effort: India is highly attractive to Spain but also to the vast majority of European countries, which essentially for economic reasons are very interested in improving relations. Spain needs to focus on areas and sectors in which it has a competitive advantage and a significant added value in its relations with India in order to compete successfully with many other countries that are knocking on the doors of political and economic stakeholders in New Delhi, Mumbai or Bangalore.

In this respect, the absence of a strong national image, a lack of awareness in India of the technological and commercial capabilities of the most internationally-oriented and competitive Spanish companies and the historically low profile of political relations are some of the significant challenges Spain must overcome to foster a new dynamic in its relations with India. Despite the lack of a significant knowledge about Spain in India, according to the

latest edition of the Elcano Royal Institute Barometer about the Spain’s image abroad, 400 Indian respondents gave a positive portrayal of Spain as a modern, tolerant and economically rich country, as shown in Figure 1.

Figure 1. Spain’s image profile in India

As a landmark in this process of strengthening ties, both governments were seeking to give a symbolic flavour to the commemoration of the 60th anniversary of the establishment of bilateral relations between the two countries in 2016. Spain recognised India as a sovereign state following her independence in 1947, but full diplomatic relations were not established until November 1956. The anniversary was considered an ideal opportunity to mark a new era of relations with a series of special events with the hope that these could be crowned by an official visit to Spain of the Indian Prime Minister, Narendra Modi.

Precisely, Prime Minister Modi’s election in mid-2014, with an ambitious programme of reforms and opening up to the outside world, provided a fresh impetus to strengthening bilateral ties. Modi secured a historic electoral victory with the most decisive popular mandate in decades thanks to a campaign focused on changing the Indian economic model. He proposed a transition from the traditional priority placed on the tertiary and services sector to one based on encouraging export industries, with significant investment in infrastructure, the energy sector and urbanisation.
Over the last two years the new Modi government has announced several new policy programmes aimed at fulfilling these objectives. ‘Make in India’, ‘Clean India’, ‘Digital India’ and ‘100 Smart Cities’ are some examples. Key Spanish companies have the relevant expertise to become important partners and contributors to these Indian flagship initiatives. Spain has internationally-leading companies in the development of infrastructure and renewable energies, to highlight two key sectors for Modi’s government plans.

Unfortunately, 2016 has not responded so far to the high expectations created. The lack of a functional government in Spain during most of the year, due to a political stalemate after a contested election in December 2015, has prevented the expected formal state visit from the Indian Prime Minister. After months of political negotiations and a second election in June 2016 with similar results, only at the end of October a new minority Government led by the conservative Partido Popular was able to find the necessary support in Parliament. The caretaker government with its limited powers was also unable to substitute the Spanish Ambassador in India after the incumbent’s resignation in December 2015, which represented another challenge for the bilateral relation this year.

Despite these one-off challenges, there is a clear commitment in the past decade of Spanish governments of different political affiliations to improve diplomatic and economic relations with India. With the new government in place, the next steps to deal with pending matters at the institutional level are expected to be taken soon, in order not to lose momentum for the development of the India-Spain connection.

The purpose of this Working Paper is precisely to look towards the future and analyse the areas and dimensions with more potential to channel a strengthened bilateral relation. The paper’s following sections aim to illustrate the way forwards for cooperation in specific areas, starting with the economic and commercial dimensions and new efforts to consolidate a partnership in the diplomatic and security arenas.
2. Key dimensions for the future of the bilateral relation

2.1 Bilateral economic relations
The year 2016 provided long-expected good news for the promoters of better bilateral relations between India and Spain. After years of conversations and business considerations, Air India finally made a decision and established a New Delhi-Madrid route starting on 1 December 2016. Of course, this is a very positive outcome for tourism but, even more important, it is a key development for the improvement of economic ties. The reasoning in the political and economic circles in Madrid and New Delhi with interest in the bilateral partnership has always been that a direct link between the two countries would facilitate more business opportunities and cooperation.

In this respect, it is fundamental to highlight that economics remains at the core of the India-Spain relationship. The Spanish government’s more active and ambitious approach to India cannot be understood without the potential for more business and commercial engagement. The growing involvement in India during the last decade of many large and medium-sized Spanish companies has put pressure on the government and political stakeholders to devote more attention to the Asian country.

The trade and investment figures have increased significantly from a very low base at the beginning of the century and there is still significant room for expansion to continue. Although there has been a gradual but qualitative shift towards widening and deepening economic engagement over the past few years, the full potential of mutual trade and investment has not yet been realised. After increasing by 9% in the 2014-15 fiscal year to US$5.15 billion, bilateral trade between the two countries decreased by over 5% in 2015-16. In 2015-16 Spain ranked 23rd among countries importing from India and 41st among countries exporting to India.

According to the “India and Spain, synergizing economic complementarity” report prepared in 2016 by the Chambers of Commerce of both countries, Spain is currently the 12th largest investor in India with US$2.20 billion in Foreign Direct Investment (FDI) between April 2000 and March 2016. In 2008 Spain occupied the 17th position, so there is a considerable improvement. The focus has been mostly ‘in infrastructure (Isolux Corsan, Sanjose Group), renewable energy (Gamesa), auto components (Gestamp), water desalination (Abengoa) and single brand retail (Inditex-Zara, Mango). Around 250 Spanish companies have subsidiaries, joint ventures, projects or liaison offices and purchase offices in India... Spanish investment in India is not commensurate with the potential that exists in sectors such as tourism, infrastructure, food processing, energy –both renewable and non-renewable and automobile industries’.6

Indian investment in Spain has been growing too and presently stands at over US$900 million. There are nearly 40 Indian companies with a presence in Spain through 100 subsidiaries, the most significant being in the areas of IT (TCS and Tech Mahindra), energy (Avantha), automobiles (Mahindra) and pharmaceuticals (Ranbaxy).7

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7 Ibid, p. 30.
In general terms, the Spanish economy has a higher level of technological development than India, especially in certain sectors from whose experience the latter's companies can benefit. Spain could also have access to a huge Indian market in return, through investment and joint ventures with Indian companies.

The Indian economy is the world's seventh largest by nominal GDP and became the world's fastest growing major economy in the last quarter of 2014, replacing during that period the People's Republic of China in that position. In the fiscal year 2015-16 the economy continues its progression, growing at a rate of 7.6%. India's economic liberalisation started gaining momentum only in 1991 and after a series of economic reforms India reached a higher trajectory of growth. Its GDP growth rate reached a peak of 10.3% in 2010.

India has a population of 1.3 billion with a growing percentage achieving middle class status, with a majority in the youth segment (47% are less than 24 years old) and a significant pool of highly skilled and educated men and women. For instance, India has one of the largest numbers of scientists and engineers in the world. In this context, it is important to highlight that even though India has become one of the world's fastest growing ‘emerging market economies’, it remains a developing country with around 300 million citizens living below the poverty line.

In agriculture it is the second biggest fruit and vegetable producer in the world, but much of its production goes to waste for lack of food processing facilities. India is self-sufficient in food and is an important exporter of agricultural products. It is also the biggest milk producer in the world and has the second largest cattle population. In manufacturing, India is making inroads in newer areas and already has a well-established textile and jewellery sector, pharmaceuticals, electronics, cement, engineering and iron and steel industry.

India was once famous for its fine textiles, jewellery and gems. It is still a world leader in these traditional industries, and also in handcrafts. But India has also got very important modern technology and knowledge-based industries. To encourage industrial growth, Special Economic Zones have been established for foreign investors. There are many tax incentives in these zones and skilled labour and supporting infrastructure and duty-free imports of raw materials are available.

India has a vibrant and fast-growing service sector and has specialised in software and business-process outsourcing. This sector of the economy contributes 56% of the GDP. Indian tech workers are spread throughout Europe, including Spain, and the US and some have become CEOs or owners of large global companies not only in India but also in Silicon Valley and other places.

Given the infrastructure push that is planned in India in the fields of energy, roads, ports, airports, telecom and urban facilities, especially as part of the Delhi-Mumbai Industrial Corridor and the Make-in-India campaign, business with Spain can flourish in the areas of capital goods, textiles, and infrastructure and renewable energy equipment. India, on the other hand, could offer Spain high quality options to enter the fields of IT and services, pharmaceuticals (particularly generics) and the chemicals sector.
Spain’s economy is the world’s 14th largest economy by nominal GDP (US$1.4 trillion), with GDP growth of 3.2% in 2015 compared with a 1.5% average for the EU. In this respect, Spain is also one of the fastest growing economies in the developed world. It has a highly-developed infrastructure and manufacturing sector and its social sector is more advanced than India’s, especially as regards the level of education, healthcare and social security coverage of its citizens.

Spain has gone through a difficult economic period during the Eurozone crisis, but exit from recession has been made possible in the last two years. This change of dynamic has been facilitated by a progressive increase in internal demand and consumption but also by a reliable export sector, which has benefited from lower production costs.

Compared with Spain’s labour force of 22.93 million, India has a huge labour force of 502.3 million. Most of the skilled labour works in the formal sector. But a majority of the labour force is in the unorganised or informal sector, which is basically low-wage unskilled labour, many coming from rural areas, without any social security coverage. Training in skills is urgently required and Prime Minister Modi has made this a top priority. With this combination of a skilled and a cheap labour force, India can become one of the manufacturing hubs of the world in the future.

Spain has a higher percentage of unemployed people in its labour force than India. During most of 2016 the unemployment rate in Spain was around 20%, compared with India’s 5%. But India has a young population and 10 million young people will be entering the labour force every year. Thus, creating jobs for the young is an urgent problem facing the government. Spain too needs to grow faster and create jobs for its unemployed youth.

The main problems that Spanish businesses have been facing in India are in infrastructure and bureaucratic procedures. Even though there have been many reforms since the Modi government came to power, the ease of doing business remains a problem.

India’s rank as 130th of 189 countries in the World Bank Doing Business Report 2016 has shown an improvement from the previous year (it ranked 142nd) but is still far from the target of reaching the 50th place within three years, a major commitment from the Modi government as an essential component of its Make-in-India initiative. On the other hand, Spain has a much more positive environment for business development, ranking 32nd in the last edition of the World Bank Report.8

There may be cultural differences also in the way of doing business between India and Spain. In India business is not conducted in a strictly formal manner and is usually done on a more personal basis than in Spain. But according to the feedback of business persons consulted, the informal set up and the friendly disposition of Indians is something Spanish businessmen have appreciated in India.

When Indian or Spanish people are introduced to the other culture they are able to find some parallels and similarities with which they can identify. This has been indicated by

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different stakeholders from both sides. The most obvious is the extrovert and open character shared by both nations and this has been highlighted as a good cultural environment for business opportunities.9

This section will explore in greater detail the key sectors of interest for Spanish and Indian companies to strengthen their bilateral relations.

a. Spanish companies in India

In recent years there has been a significant increase in the number of Spanish companies present in India, up from 60 in 2007 to over 250 today. Sectors where tie-up and expansion are happening in the Indian market are consumer goods, tourism, construction and retail, with infrastructure and renewable energy being the dominant among them. Spanish investments in India have been heterogeneous in nature, comprising small and medium-sized enterprises as well as Spanish multinationals. These companies have targeted India as a potential destination due to its enormous size and as a base to enter other Asian markets. India’s market of growing middle-class consumers is attractive in itself.

Spain has not been able to create its own brand image for Indian consumers, despite some key added value such as the presence of successful Spanish companies operating in India for years now. For example, the largest European infrastructure operator in the country is Spanish, 80% of the airspace and the extension of the New Delhi metro exist thanks to Spanish technology, and Spanish companies are overseeing the most innovative renewable-energy projects.

Mango and Zara (Inditex) are other clear examples, as few people know that they are Spanish brands despite their popularity. Zara in particular has become the first apparel brand in India to rise above the US$100 million mark in sales in 2015, only five years after it opened its first shop. There are 16 stores now with average sales that are far more successful than top apparel brands such as Louis Philippe, Levi's and Marks and Spencer, and even higher than Shoppers Stop and Lifestyle, companies with a much greater tradition in the Indian market. Inditex controls almost every operation from design to distribution, but has a joint venture with the Tata group’s retail arm, Trent, which points to a crucial aspect in introducing Spanish companies to the Indian market: the development of joint ventures or partnerships with local companies.

A successful model of joint venture with an Indian company is Roca. In 2006 this Spanish manufacturer of sanitary ware purchased a 50% stake in the Indian company Parryware Glamourooms for €50 million, making it the largest sanitary ware company in the world. Roca has invested US$111 million in India through its new local subsidiary, Roca Parryware, and has constantly increased its market share on the subcontinent due to its experience with state-of-the-art technology in the field and direct access to the local market through its joint venture. The predominant position it occupies in the market gives it an added value to take advantage of business opportunities such as the one arising from the Modi government’s campaign known as Swachh Bharat (“Clean India”), which aims to help the population acquire approximately 120 million lavatories.

9 The issue is looked at in section (2.1) of Campos (2015), op. cit.
This model of efficient joint ventures can be found in mid-level companies too. In 2016 the Spanish company Tubacex completed the acquisition of 68% of the division of stainless-steel solderless tubes from the Indian company Prakash Steelage, holding an option to acquire the remaining 32%. This division has 250 employees in the state of Maharashtra and an annual budget of €25 million. With this acquisition the Spanish company strengthens its position in the South-Asian market and the region within its general growth strategy, being one of the leading world manufacturers in this product area.

With these two factors in mind, the need to improve the Spain trademark and the positive experiences of joint venture strategies, the following four sectors have been selected by the key economic and political stakeholders consulted as the most promising to continue building Spanish investments and business opportunities in India.10

**Infrastructure**

In infrastructure there are huge gaps that need to be filled in India and it is an area which requires significant investment, estimated at around US$1.3 trillion over the next 10 years, mainly in transport, logistics and energy. Spain and India complement each other in this area as Spain has many outstanding infrastructure companies that are world renowned and they can help India building roads, sea ports and airports.

Many large Spanish companies and SMEs have the required know-how, expertise and high-quality equipment to respond to this challenge. For instance, over 15 Spanish construction companies are among the top 200 global firms in this sector. During the last two decades these Spanish firms have developed a conscious effort to internationalise their businesses’ geographical focus, starting with Latin America in most cases but increasingly looking for opportunities in other regions of the world like the Gulf or Asia. Some of the most competitive are already in India.

In 2007, the Spanish Infrastructure company FCC was one of the pioneers in the field, being selected by the Delhi Metro Rail Corporation to complete the metro connection up to the international Indira Gandhi airport. More recently, Isolux Corsan won the contract to enlarge and improve 88 km of roads in the state of Odisha and is also responsible for the construction of 700 km of a four-lane motorway. At the local level, Isolux Corsan has been awarded three contracts for the improvement and construction of new facilities in the Delhi Metro. It will also be working with Sadbhav Engineering Ltd India in the construction of two viaducts and seven elevated stations, plus architectural finishing on bus stops and urban parks for the Delhi Metro Rail Corporation. Finally, it has been awarded two new distribution and transmission contracts in the state of Madhya Pradesh, in addition to more than 1.600 km of electric power transmission lines that the company is building and operating in the state of Uttar Pradesh. It is important to note how in a matter of just a few years the company has been able to win significant contracts in different regions of the country.

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10 There were also many references to potential business opportunities and cooperation in the field of tourism. See section (2.4) below.
Another important Spanish company working on infrastructure projects is Indra, present in India since 2007. Among the main technological projects it has implemented in the country are air-traffic solutions. Its technology is used to control 80% of Indian air space, as well as the systems employed in the operation and safety of the future longest tunnel in the country: the Chennai-Nashri. Indra’s innovative solutions are already implemented in the Mumbai, Kolkata and Delhi underground systems and in three highways of different Indian states.

The last successful case that can be a model for other Spanish companies is the SANJOSE Group, which has recently been awarded, in a joint venture with the Indian CVK Projects Technical Services LTD, works related to soil stabilisation at Mumbai airport. The project is budgeted at approximately €105 million. The SANJOSE Group is also involved in another key Mumbai infrastructure project, involving the construction of all the subway stations in a new underground line, and has already completed two highways in the states of Uttar Pradesh and Rajasthan.

All these examples show a typical dynamic in which Spanish multinational infrastructure companies were able to enter the Indian market and within a relatively short period of time, due to their expertise and high-level capacity and competitiveness, start expanding their business opportunities to different regions of the country. There is room for more business for them and to add others to the list.

**Railways**

In contrast with other Spanish business operations in India, the efforts during 2016 of the Madrid-based locomotive-maker Talgo to provide Indian railways with high-speed train technology compatible with Indian tracks have attracted significant media attention in the country. The Modi government plans to invest around US$137,000 million in railways in the next five years, an unprecedented amount in a bid to modernise the current railway infrastructure. The popularity of this means of transport with its tradition and history in the Indian background, in addition to the government’s commitment, is a perfect combination to showcase the Spanish companies' technology and competitiveness.

In 2016 the Indian government gave the green light to Talgo to undertake a trial run of its lighter and faster trains to prove that they can cut travel time between Mumbai and Delhi from 17 to 12 hours. Spain has one of the largest networks of high-speed trains (2.800 km) and its main companies in this field can help India to develop its own networks. Talgo brought to Mumbai a locomotive engine and nine train wagons from the Spanish port of Barcelona and the firm began its demonstration in May, hoping to show the Indian authorities that Talgo trains can travel faster without the need to overhaul India’s ageing rail tracks. In July Talgo reached a record speed on India’s railways during the second phase of its trials, when a convoy sped at 180 km/hour on an 84 km stretch of track in northern India, covering the distance in 38 minutes.

After another successful trial in the Mumbai-Delhi route of around 1,400 km, reducing travel time to less than 12 hours, the Indian Railways are studying the possibility of inducting Talgo coaches into its fleet, having proved they can increase the speed and efficiency of its congested network. According to the Indian media, the transport plan under consideration is to first induct the Spanish coaches on lease and run on less crowded sectors such as Delhi-Jaipur or Delhi-Jodhpur. The full-fledged use of Talgo coaches across the network could begin months later, once local production commences after considering modifications suggested by Indian Railways to make them more operational for local platforms.

There are other Spanish companies engaged in business opportunities related with India’s railway modernisation. Adif is the Spanish state-owned company responsible for the administration of railway infrastructures. In 2012 it signed a memorandum of understanding with Indian Railways and the High Speed Railway Corp (HSRC), establishing a framework for cooperation between the three companies in the areas of technological development.

Since then, Adif has participated in the feasibility study of one of the major high-speed projects in India, linking Mumbai and Kolkata, separated by nearly 2,000 km, and provided experts for electrification, telecommunications, traffic management and systems integration for the design of other major railway lines. This is a sector with enormous potential with the bonus of its visibility for the Spanish trademark in India.

**Renewable energy**

Spain and India are both energy-dependent countries, especially in hydrocarbons. Spain’s leading capabilities in the field of alternative energy sources such as hydroelectricity, wind and solar power constitute another key sector with clear economic and commercial potential. Moreover, the new global commitments made at the Conference on Climate Change in Paris 2015, and ratified by the Indian Government, have created further needs to appropriately develop joint initiatives in this field.

There is an existing background of cooperation from which to expand and continue. In the last five years the Spanish company Gamesa has been the top-ranked enterprise by sales in the wind-power sector. Acciona and Iberdrola are also involved in major projects. Abengoa, a Spanish international company that applies innovative technology solutions for sustainability in the energy and environment sectors, was recently awarded its first commissioned project for two electricity transmission lines in India.

The Spanish company Gamesa, present in India since 2009, is one of the world’s leading manufacturers of wind turbines. With a 34% market share in 2015 compared with the previous year’s 25%, Gamesa is currently the leading company in its sector in India. In addition to existing contracts for the development of wind farms in Tamil Nadu and Andra Pradesh, Gamesa recently signed a new contract for the construction of wind farms in the states of Karnataka and Rajasthan. The company, which has designed a new model of wind turbine specifically for Indian weather conditions, will handle all necessary infrastructures for the installation and operation of the projects, which started to function in late 2016.
The solar business in India has a potential of 750 gigawatts (GW) in the medium and long terms and the Indian government's target is to reach 100 GW by 2022, compared with the current 3.8 GW. Prime Minister Modi has stressed on several occasions the potential of solar panels as a key contributor to India's energy needs. Spanish companies are well placed to provide innovative solutions on this field. Gamesa has already launched 58 megawatt solar plants in India during the first quarter of the year, in projects located in the states of Tamil Nadu, Telangana and Uttarakhand. The company has been responsible for engineering, designing and supplying photovoltaic inverters and for operating the projects. The company's plans for the period 2015-17 include the commitment to explore further opportunities for the photovoltaic industry in India. Even smaller Spanish companies such as Solarpack, T-Solar and Inmodo Solar are already pioneers in constructing smaller-scale solar power plants on the subcontinent.

On the other hand, Indian companies are also involved in developing cooperation with Spanish counterparts in the field of sustainable energy. A couple of years ago the Avantha Group bought the Spanish company –based in the Basque Country– ZIV for €150 million to incorporate its expertise in smart power grid systems.

**Smart cities**

The Smart Cities Programme is an urban renewal plan presented in July 2015 by the Government of India with a mission to develop more than 100 cities all over the country, making them more inclusive and sustainable. This major programme, with a budget of US$15 billion, aims to develop smart-city projects at 20 locations in 2015, 20 in 2016 and 40 in 2017.

The object of the Smart Cities Programme is to provide a sustainable response to large urban population growth and establish models that can be replicated in different regions and areas of the country with more efficient transport systems and improvements in water desalination/purification models and city waste management. Some of the already selected cities are starting preparations and implementation.

This initiative opens up two avenues of cooperation for cities and Spanish companies. At the city official level there are already agreements in place for sharing technical expertise between local authorities of both countries. For example, Barcelona has an ongoing cooperation since 2014 with the Delhi Development Authority and the New Delhi Municipal Corporation. The city of Valladolid has shared expertise with Ahmedabad on heritage conservation programmes and its commercial exploitation through heritage-related tourism. Bilbao is another good example of a Spanish city which has much potential for sharing lessons learnt, as it has undergone a significant transformation from an industrial city to a modern, service-oriented one with a clear commitment to environmental regeneration. Bilbao has become a global tourist destination and its transformation has been recognised by different Indian cities and companies who are interested in its model and experiences.

At the business level, in 2015 the Spanish multinational company Indra and the Confederation of Indian Industries (CII) signed a Memorandum of Understanding to promote cooperation to design a common range of solutions and technologies in the field of Smart Cities. The
agreement lays the groundwork for Indra to lead the creation of consortiums to take part in future tenders related with the Indian government’s plans. More recently, the Spanish company Eptisa, with more than 60 years of experience and present in India since 2011, has been awarded two contracts for technical assistance for the execution and implementation of Smart City projects in the cities of Jaipur and Udaipur by the Government of Rajasthan for a total amount of €7 million. Both cities are tourism hubs with millions of visitors every year. Eptisa will develop different interventions to modernise the infrastructure in the historic centre of the two locations with sustainable environmental solutions.

Spain also has state-of-the-art technology in water desalination/purification and city waste management. Abengoa has been involved in a major water desalination project since 2010 in the southern Indian city of Chennai, the country’s fourth largest. These are just some instances of Spanish companies’ current projects in an area that has a tremendous potential for bilateral cooperation over the next few years.

b. Indian companies in Spain

India has a burgeoning private sector and the corporate sector is increasingly gaining importance. After the economic reforms of 1991, Indian companies have become larger and more open to internationalisation. The trend is reflected in the increase in India’s outward-bound investments. Many Indian companies have gone to the US and the UK and have been successful in creating business and jobs.

Indian companies have entered the Spanish market in pharmaceuticals, IT services, energy and the automobile industry. Apart from these, the following sectors have been identified as priority ones where Indian-Spanish joint ventures can be cemented in the future: infrastructure, agriculture, automobile components, textiles and tourism. Indian investment in Spain has been growing and presently stands at around €800 million. Around 39 Indian companies are present in Spain through 100 subsidiaries, including Telco, TCS, Ranbaxy and Infosys in fields such as IT, automobiles, pharmaceuticals and road maintenance. NIIT Technologies, Tech Mahindra and Wipro have been successfully operating in Spain in the IT industry. Together they account for the creation of 10,000 jobs and a very significant amount of indirect employment.

The presence of Indian-owned companies has increased through the subsidiaries of foreign companies established in Spain and purchased by Indian companies. Examples of this phenomenon include the take-over of the Land Rover, Jaguar and Rover brands from the Ford group along with their Spanish subsidiaries, by Indian multinational Tata, and the merger of Arcelor with Mittal Steel, resulting in Arcelor Mittal, which has a major presence in Spain.

In addition to these indirect operations made in the domestic market, Spanish companies have also been purchased directly by Indian companies, as in the case of Hispano Carrocera, bought by Tata, and the Elsamex Group, bought by the Indian firm IL&FS. Moreover, some Indian companies have begun direct investment processes in Spain in sectors with a high technological content and high value-added, such as Suzlon in the renewable energy sector and the Ranbaxy company in the pharmaceutical sector.
In the Information Technology (IT) sector, Tech Mahindra, an Indian multinational IT provider, has been present in Spain for years. Another Indian IT company, Intex, has recently started its business in Spain presenting smartphones at affordable prices and with a four-year guarantee as an advertising strategy. The company plans to use Spain as a business base to expand the commercialisation of its products to other countries in Europe and Latin America in the future. It is present in over 70 countries and has 13,000 employees, being one of the best-selling mobile brands in India and South-East Asia, with a volume of 50 million units sold in 2015.

Pharmaceuticals is an important sector in which India has a comparative advantage and with potential for business opportunities in Spain. Existing procedures for registration and approval of prices for medicines are complex in both European and Spanish legislation so joint ventures are again a recommended approach. One interesting example in this field is the purchase by the Indian pharmaceutical group SeQuent of 60% of the Spanish firm Karizoo Group, based in Catalonia, one of the leading European veterinary health companies, which retains the remaining 40% stake. Karizoo is dedicated to the manufacture and distribution of animal health and nutrition products and the acquisition will strengthen the Indian company’s presence not only in Spain but also in Europe and Latin America, where the Spanish company has been operating for years.

There are several important fairs held in Spain in the cities of Madrid and Barcelona in which Indian companies regularly participate and promote their products and technology like FITUR, the annual Tourism Fair, where India is a traditional participant. An Indian Textile Fair has been organised in both cities in the last years too.

For all these opportunities to turn into a new level of cooperation and partnership between India and Spain, political and institutional support is paramount. In a bid to strengthen trade and economic relations with Spain, in November 2014 the Federation of Indian Chambers of Commerce (FICCI) and the Ministry of Industry signed a Memorandum of Understanding with ICEX Spain Trade and Investment, a public corporation at the national level whose mission involves promoting the internationalisation of Spanish companies.

Both institutions will take all necessary action within their competence to promote trade and investment relations between India and Spain through the commitment to regularly exchange information connected to laws and regulations on economic and investment activities and business opportunities, and any other information for strengthening bilateral economic ties. The agreement further ensures that the Chambers of Commerce in India and Spain will encourage business in their respective countries to hold economic and trade exhibitions in each other’s country and render all necessary help in promoting Indian and Spanish goods and services. They will jointly organise visits of delegations and trade and economic missions with the purpose of activating relationships and expanding trade and cooperation between their respective members.

Other positive news on the same lines include the launch by the Associated Chambers of Commerce of India (ASSOCHAM) of an India-Spain Business Promotion Council to deepen the trade and investment relationship between the two countries, the meetings held by the Joint Economic Committee and representatives of both countries at the ministerial level, and creation of the India-Spain CEO’s Forum.
2.2. Diplomatic cooperation and security

a. Diplomatic cooperation

On 27 April 2015 Sushma Swaraj, India’s Minister of External Affairs, and José Manuel Garcia-Margallo, Spain’s Minister of Foreign Affairs and Cooperation, held a working meeting during the latter’s official visit to India. This has been the highest-level encounter in the past two years, given the recent political deadlock in Spain. To commemorate the 60 years of India-Spain diplomatic relations in 2016, the Spanish and Indian Foreign Ministers agreed to formulate a programme of activities to deepen political and economic cooperation and foster closer people-to-people contact and ties and culminating with a state visit by Prime Minister Narendra Modi.

Their agreement on a summit meeting between the two countries at the level of heads of government has not yet taken place, but the new government in Spain, which led by the same Prime Minister Mariano Rajoy took office in early November 2016, could open the path for the visit of Prime Minister Modi to Madrid in the near future. This planned summit will be the culmination of a phase of more intense relations given the Spanish interest in developing closer ties in the context of India’s emergence as a political and economic actor on the global stage.

Different Spanish governments since the start of the century have tried, within the framework of the new Asia-Pacific-oriented strategy, to abandon a bilateral dynamic with India characterised by lack of commitment and a low level of relations. A series of political initiatives led by the potential for a stronger economic partnership have been developed in the last two decades to enter into a new phase that would overcome what the Spanish Prime Minister, José Luis Rodríguez Zapatero, referred to in his state visit to New Delhi in July 2012 as ‘courteous mutual ignorance’.12

Prime Minister Rodríguez Zapatero, in the same working visit to New Delhi, expressed his hope that in the years ahead there would be ‘an explosion’ in the Spanish presence on the subcontinent and guaranteed the ‘unconditional and enthusiastic’ support of the Spanish side to promote it. Greater interest has also been evident on the Indian side, after years of a low profile: in 2009 President Pratibha Patil made the first official visit by an Indian head of state and in the years that followed numerous Indian Ministers and Secretaries of State have visited Spain to improve political and economic ties.

At the end of October 2012, King Juan Carlos was the first Spanish head of state to make an official visit to India. He was accompanied by a high-level delegation including Spanish Ministers of Foreign Affairs, Defence, Industry, Energy, Tourism, Infrastructure and Transport. During his visit agreements were signed in the areas of defence cooperation, road transport, audio-visual co-production and railways. The present King, Felipe VI, visited India as Prince of Asturias in November 2009, when he opened the Cervantes Institute in New Delhi. His Majesty had earlier visited India in 1997 and 2001.

This dynamic of greater mutual interest has paved the way to the current state of closer relations. In recent times there have been many bilateral visits by high-level officials from Spain. The India-Spain Joint Economic Commission (JEC) that was established under the Agreement on Trade and Economic Cooperation, held its tenth meeting in February

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12 For further details on the bilateral relation turning point see Campos (2015), op. cit.
2015 and opportunities to strengthen the bilateral relationship in the areas of Smart City cooperation, renewable energy, high speed railways, water treatment, agriculture and food processing, infrastructure and tourism were discussed.

The Spanish Defence Minister visited India in March 2015 and the Spanish Foreign Minister in April 2015, as already mentioned, after a gap of 43 years. This opened up the path for a bilateral meeting of the two Prime Ministers, Narendra Modi and Mariano Rajoy, on the sidelines of the G20 Summit in Australia in November 2015 when they discussed cooperation in counter-terrorism, railway modernisation, defence manufacturing, renewable energy and marine security, according to official sources.

This new phase is built on the already discussed significant economic and business opportunities that have appeared, but also on the fact that both countries share interests and responsibilities in addressing a broad range of international issues. During a visit to Spain in 2015 organised by the Spain India Council Foundation, a member of the Indian Parliament (Lok Sabha), Deepender Singh Hooda, highlighted at a working meeting with think-tank representatives that both countries share values and common ground as peace-loving nations with political systems deeply rooted in the ideas of secularism and democracy. Both India and Spain have common geostrategic concerns about stability in the Middle East and North Africa, the violent threat of radical Islamism, the need to continue working on inclusive models of living together, the lessons learnt from their decentralisation experiences and the challenges in the 21st century for liberal and multicultural democracy systems.

In October 2016 the Indian Minister of Parliamentary Affairs and Chemicals, Ananth Kumar, who was leading a parliamentary delegation visiting Madrid, also remarked that his group comprised representatives from both the federal government and the various states that make up the country, along with members of various political parties and factions, because there is a general consensus among key decision makers in the country on maintaining and improving political relations with Spain.

A fundamental aspect to consolidate this new dynamic in diplomatic relations will be to formalise an institutionalised process of political dialogue at various levels. Making official consultations an annual event, independently of external factors, would be a crucial step forwards for the new phase in bilateral relations. These meetings are highly important for following up the various exchanges and initiatives underway, as well as for preparing the ground for state visits and ensuring that significant political and economic agreements can be confirmed.

b. Security cooperation
One aspect in which these efforts are moving forward is in security cooperation between the two countries. In a globalised world, Europe and South Asia are economically interdependent and linked in terms of security despite their geographic distance. In April 2015 the Ministers of Foreign Affairs of India and Spain renewed their commitment to strengthen the security dimension of the bilateral ties, including a regular Security Policy Dialogue led by both Ministries to assess common strategic security challenges, exchange points of view and enhance cooperation at the bilateral and multilateral levels. They welcomed the signing of a bilateral Agreement for the Exchange and Mutual Protection of Classified Information between Ministers of Defence in New Delhi in March, 2015 and the initiation of another dialogue on Defence Cooperation between the two countries.
There are different dimensions to this security cooperation. Both countries are working to advance bilateral negotiations on a framework agreement for cooperation in the peaceful uses of nuclear energy within their joint commitment to global non-proliferation objectives. In this regard, Spain has expressed its support for India’s membership of the four multilateral export control regimes: Nuclear Suppliers Group, Missile Technology Control Regime, Australia Group and Wassenaar Arrangement. The willingness of the Indian side to open negotiations with Spain on these matters has been remarked upon by Indian diplomats as a sign of their consideration of Spain as a potential relevant ally in the security dimension, as they do not have this kind of dialogue with all foreign countries.

Within this context of closer relations at the security level, in March 2015 India and Spain signed an Agreement on Mutual Protection of Classified information. The agreement aims to help in the protection of technology from leaks and the misuse of information. It covers the army, air force, navy, cyber space and outer space, sectors under potential threat. The two sides have also agreed to provide a framework for enhanced bilateral cooperation in the areas of defence, development and technology cooperation.

In this context, Spain has shown a keen interest in being a part of India’s ‘Make in India’ initiative in the defence sector and of Project P751, under which India plans to build six conventional submarines for its navy. The Spanish Minister also discussed Spain’s acquired expertise in the defence sector in shipbuilding, aircraft, radars and communication technologies and offered to share key technology with India. The state-owned Spanish company Navantia is already partnering with India to provide technology in making submarines and ships.

Another dimension of the security cooperation dialogue is the fight against terrorism, an area of shared interest for the two countries as they have been longstanding victims of violent extremism, both domestically (ETA and the various violent nationalist factions in India) and at the cross-border level, with the shared threat of jihadist groups linked to al-Qaeda and ISIS. As far back as 1993 the two states signed a cooperation agreement on fighting against terrorism.

At the April 2015 Foreign-Minister meeting both representatives expressed concern about the spread of violent extremism, which poses a serious threat to the security of both Spain and India and reiterated their joint support for increased cooperation in the fight against terrorism through a comprehensive international approach that combines security with development. Both countries have worked together at the UN on the new Global Counter-Terrorism Strategy and are committed to its implementation.

Cooperation on security issues at the multilateral level is another relevant area of joint interest. India and Spain are keen supporters of the United Nations and recognise its central role in the multilateral system. Both countries are committed to humanitarian military missions and peacekeeping. India is one of the world’s largest contributors to the United Nations’ peacekeeping forces and Spain also participates in peacekeeping and in humanitarian and reconstruction missions sponsored by multilateral agencies. For example, both countries are involved in Operation Ocean Shield, an anti-piracy initiative in the Indian Ocean, where India is the second largest contributor and Spain has a significant role within its membership of NATO. Naval operations began in August 2009 with a focus on protecting ships transporting relief supplies as part of the World Food Programme’s mission in the region and also assisting the navies and coast guards of regional states to counter pirate attacks. Joint operations
in this context or in places like Lebanon, where both are among the countries contributing with more forces, and Afghanistan can be analysed to improve defence cooperation.

2.3. Joint efforts in science and technology
The importance of building strong ties in the field of science and technology is another key dimension for the bilateral relation. The scientific and technological level of the best research centres and institutions in India is similar to their counterparts in Spain, although the volume of investment in these areas and the number of companies conducting research and development is less important. A clear objective in this context should be to promote exchanges between the most advanced research institutions and universities in India, located around technology clusters like Bangalore and Mumbai, with their Spanish counterparts.

There are significant opportunities to further India-Spain cooperation on this field, particularly in the areas of biotechnology, information and communication technology, clean technologies (related with energy and environment), smart cities, manufacturing technologies and materials. Science and technology cooperation can have multiplier effects in all domains of the bilateral relation, from security cooperation to business opportunities, as noted above.

During Prime Minister Rodríguez Zapatero’s visit to India, the signing of a scientific cooperation agreement opened the door for further cooperation. As part of the implementation of the agreement and with the purpose of broadening industrial cooperation programmes for undertaking bilateral projects, the Spanish side was led by the Centre for Industrial Technological Development (CDTI) with Indian counterpart institutions such as the Ministry of New and Renewable Energy, Global Innovation & Technology Alliance (GITA), the Indian government’s Department of Science and Technology for Cooperative Research and Development Projects and the Department of Biotechnology.

Over the past decade, in partnership with Indian institutions, the CDTI has presented invitations to apply for financing that have facilitated collaborative scientific projects between the two countries. These agreements have been key in identifying opportunities for joint cooperation with particular reference to small and medium-sized companies, which sometimes lack access to the resources required. Support has been vital for joint initiatives, sometimes with the participation of universities and specialist research centres, and has facilitated cooperation in areas such as renewable energies, clean technologies, water treatment, biotechnology, ICT and smart cities.

An example of this kind of projects is the Spanish multinational company Eptisa’s cooperation agreement with The Energy and Resources Institute (TERI). With the support of a CDTI contract within the India-Spain Innovation Programme, they have both signed a strategic alliance to develop a research project on solar thermal power plants. TERI is a research institute created in 1974 and based in New Delhi whose research is focused on energy, environment and sustainable development. It has become an international leader and expert in policies directed at greenhouse gas reduction, local water and waste management,
infrastructure development, risk management, economic development, health, education and the environment. The strategic partnership between Eptisa and the TERI Institute aims to strengthen cooperation between two entities that share the purpose of applying their expertise in research to the development of technologies and innovative procedures in the renewable energy sector.13

In a multiplier effect, this cooperation has increased the interest of TERI to work with other Spanish institutions and recently has started conversations for cooperation with the Centre of Research for Energy, Environment and Technology (CIEMAT), a public research body assigned to the Ministry of Economy and Competitiveness under the Secretariat of State for Research, Development and Innovation. Its focus is on energy and environment and the technologies related to them. During a recent meeting of the three institutions in Madrid the importance of this scientific cooperation and the interest in exploring joint research projects was highlighted, as the springboard for future cooperation in practical implementation in the fields of renewable energy and energy efficiency.

The transfer of know-how and experience in cutting-edge sectors is another fundamental dimension in this sector. Spain has been an international pioneer in the public organ-donation system and the two countries are already cooperating in this field. In October 2014 the then Minister of Health and Family Welfare, Harsh Vardhan, visited Madrid and Barcelona to learn more about the Spanish public-sector organ donation and transplant protocols. As a result of his visit and the interest it generated on the Indian side, a memorandum of understanding is being discussed between the two governments to share methodologies and know-how regarding donations and other aspects of cooperation pertaining to health issues.

It is also important to explore opportunities within international frameworks of cooperation. The EU Commissioner for Environment, Maritime Affairs and Fisheries, Karmenu Vella, visited India in October 2016 to sign a Memorandum of Understanding on Water Cooperation. This will implement the Joint Declaration on the India-EU Water Partnership to promote opportunities to share commercial and technological know-how. The Memorandum specifically expressed EU support for the Indian Government’s flagship initiative ‘Cleaning the Ganga’, an important project for Prime Minister Modi due to the iconic symbolism of this Indian river. Spanish companies and research centres have a high level of expertise in these matters and can take advantage of this type of multinational cooperation schemes to provide their know-how and open additional channels for the bilateral partnership.

2.4. Education, culture and tourism as fields of cooperation

One essential area that needs to be improved in order to foster better bilateral relations is the fostering of more accurate perceptions in both countries about the other. There is no well-delineated image of Spain in India and conversely, not even among the more highly-educated.

On the one hand, in India one can encounter classic clichés about Spain such as bullfighting, flamenco, tapas and paella, football and, in general, the success of Spanish sports stars like

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Fernando Alonso and Rafael Nadal. Spaniards have a reciprocal lack of relevant knowledge about India, with the typical predominant stereotypes like spirituality, hospitable people and sacred cows. Poverty and under-development also tend to prevail as general perceptions and cause Indians the same frustration as when Spain is portrayed as a country of bullfighters, flamenco dancers or –more recently– throwers of tomatoes at a provincial festival.

a. Education

If bilateral relations are to be improved, therefore, it is also important to raise awareness of a more realistic image of both countries and the enormous opportunities that closer ties would offer. Education is the most appropriate field for this purpose because initiatives at that level will generate a greater benefit in the long term. Spanish and Hindi language learning can be an instrument, but more specialists in different fields about the other country are also needed.

The first step to enhancing the understanding of Spanish culture in India would be to encourage and help Indians learn Spanish. Fuelled by commerce, tourism and the recent Bollywood portrayal of Spanish cities and festivals, there is a wave of students wanting to learn Spanish today in India.

In the last 2014-15 academic year the New Delhi-based Instituto Cervantes accepted around 4,300 students, the highest number in all the centres around the world of this official Spanish institution dedicated to promoting Spanish language and culture. In parallel, over the past decade other private centres such as the Instituto Hispania and Hispanic Horizons have witnessed increasing enrolments. Most Indians become interested when they realise that 500 million people in the world speak Spanish, especially in Latin America but also in the US due to the large Latino minority, and understand the business and professional opportunities this could entail in the context of an Indian economy undergoing international expansion.

Traditionally the people learning Spanish in India has always been less than those learning German or French. Alliance Française has 14 branches in India while the Goethe Institute/Max Mueller Bhavan has 11. Instituto Cervantes has only one branch in New Delhi. The demand for learning Spanish is much higher than what is on offer, even though there are several Indian universities teaching Spanish courses. The Noida Campus of Amity University has more than 3,000 students of Spanish with around 60 students per class room. Bangalore’s prestigious Indian Institute of Management also has more and more students enrolling to learn Spanish. There are Institutes of Spanish Studies in Bangalore, at the Jawaharlal Nehru University, at Delhi University and at the Jamia Millia Islamia University in New Delhi, at Sydenham College in Mumbai and at the Central Institute of English and Foreign Languages in Hyderabad. Also, one can learn Spanish through the Indira Gandhi Open University’s online courses.

There is a need to increase investment in Spanish education in India. If Spanish language and culture are to be disseminated across a country with such a vast scale, including the teacher-training that will be needed, it will not be feasible to rely exclusively on on-site courses at

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the Instituto Cervantes, even if a potential expansion to other large Indian cities such as Mumbai and Kolkata would be desirable in the short term. It is crucial to support other initiatives, including those of the private sector. An important option to be further promoted is to learn Spanish by taking home tuition from someone qualified or even with online courses (which can be further promoted by the Spanish government through the Instituto Cervantes and other means) and then to get an internationally-recognised certificate. The DELE official exams conducted by the Instituto Cervantes are available not only in Delhi but also in Ahmedabad, Bangalore, Chennai, Kolkata, Mumbai and Pune.

The Memorandum of Understanding already being negotiated on India-Spain education cooperation should include official programmes to improve the training of Spanish teachers in India. This can be a successful professional career due to the high demand but more centres and initial teachers are needed to multiply the effect in such a populated country. Spanish lecturers and teachers should be encouraged to work in India in official programmes of exchange. Private funding from companies with interests in both countries could be sought to support the initiative.

Interest in learning Hindi, India’s official language, has also grown in Spain but to a lesser degree because there is a mistaken perception that English is enough to work and have meaningful professional or personal relations in India. The University of Valladolid, because of its links with Casa de la India—a cultural foundation among whose founding entities are the Indian government, through the Indian Embassy in Spain, and the Valladolid City Council—has had a Chair of Hindi for a decade now, whereby a visiting professor teaches Hindi at the basic and intermediate levels. Introductory Sanskrit, Indian classic language and modern Hindi are also taught at the Universities of Salamanca, Barcelona, Complutense (Madrid) and Santiago de Compostela, and there are opportunities to learn Hindi in big cities through private teachers and companies.

In addition to the focus on learning languages, the Education Cooperation Framework being negotiated should also include an agreement on the mutual recognition of academic degrees in higher education and the commitment to setting up Chairs on Indian Contemporary Studies in two or three key universities in Spain to cater for the growing interest about India, with a similar effort being made in regard to Spanish Studies in India.

A critical mass of experts in contemporary studies is needed to respond to the demand for specialised knowledge about India and Spain in both countries, as it has grown exponentially in recent years without an equivalent increase in the number of qualified professionals. It is fundamental to understand that education in this context is a vector of the economic world and in the medium term will improve not only cultural and academic knowledge but also political and economic ties.

In this respect, cultural and academic exchange programmes between the two countries by means of a broader and better-funded system of grants and assistance should be considered. The Spanish and Indian governments need to provide financial support but also act as catalysts to get private foundations and companies involved. An additional effort should focus on linking first-rate training centres—such as Spain’s prestigious business schools and
India’s technological research centres— with their respective counterparts, for the exchange of teaching staff and postgraduate students.

India is the country with the highest student mobility in the world after China. Each year 300,000 students go abroad (growing at 10% per year), of which 81% do so to pursue graduate studies. Spending by an Indian student abroad exceeds an average €140,000 in the country of destination. Therefore, it is an extraordinary market in size and dynamism. Nevertheless, Spain is still hardly present in it. The main destination countries are the US, Australia, Canada, the UK and New Zealand. In cooperation with the Economic and Commercial Office in Mumbai of the Spanish Embassy, ICEX Spain Export and Investments launched in September and October 2016, and for the first time in India, an initiative to promote Spanish universities and business schools. This is a positive step in the right direction that needs to have continuity.

Framework agreements between universities of both countries should be encouraged too. In late October 2016 the University of Jaen (in Andalusia) signed an agreement with Chitkara University in Chandigarh and the IILM from Delhi, one of the most prestigious business schools in India. Another example was led by the Alliance of 4 Universities (A-4U), a partnership of four leading Spanish public universities to promote their international profile and mainly cooperating in business management, biosciences, economics and engineering. The alliance has signed framework agreements with leading Indian institutes to establish exchange programmes. The University of Valladolid has an ongoing arrangement with the University of Ahmedabad in heritage conservation and management.

b. Cultural relations

The celebration of the International Indian Film Academy (IIFA) Weekend and Awards in Madrid in July 2016 was the culmination of a planned effort to convert Indian films into a cultural bridge between India and Spain. The Hindi film industry, also known as Bollywood, with more than 1,000 movies made every year, is extremely popular in the Asian country and increasingly so in other parts of the world. The success in 2011 of Zindagi Na Milegi Dobara (You won’t get another life), a Bollywood blockbuster shot and set mostly in Spain, with more than 70 million viewers in India alone, had an enormous impact on Indians’ perception of Spain, its qualities as a tourist destination and its traditions and culture.

This significant milestone in raising Spain’s profile in the mind of the Indian public was developed in part thanks to a cooperation agreement signed with Turespaña, the official organisation responsible for promoting Spain as a tourist destination abroad. Miguel Nieto-Sandoval, Director of Spain’s tourism office in Mumbai, in an interview at that time explained the purpose: ‘It’s a matter of increasing awareness, of reaching people who didn’t even know Spain existed, as well as differentiating ourselves from the rest, which is crucial in building a brand. The film makes a case for visiting Spain rather than other places’.  

The filming of Zindagi Na Milegi Dobara paved the way for an agreement on cinematic co-productions in 2012 and additional efforts to attract Indian productions were developed by the project ‘Shooting in Spain’ coordinated by the Spain Film Commission with the support of the Ministry of Education, Culture and Sport.

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Heart Attack is a Telugu (a language spoken in southern India) romantic comedy-drama film directed and produced by Puri Jagannadh. It is the typical story of a young Indian who falls in love with a girl despite all odds and the need to fight for her romantic interest. Between dance steps and fights, scenarios from Andalusia such as the bullrings in Mijas and Torremolinos, the small town of Fuengirola and the provincial capital Malaga can be spotted. The Times of India film critic commented after the release in January 2014: ‘The visuals are breathtakingly beautiful… the imagery of the most scenic landscapes of Spanish countryside… offers an indulgent backdrop for the proceedings’. The film obtained mixed reviews and US$ 5.9 million in the box office. It was not as successful as Zindagi Na Milegi Dobara but still demonstrates that a classical Bollywood film script and the Spanish scenarios are a great combination.

Films continue to be an area of great potential for disseminating the image of Spain in India and the Spanish government should continue improving the legal and logistical conditions needed for shooting on-location films, television series and promotional videos. Interesting experiences using reality-show television, already developed with other Asian countries like South Korea and Japan, to showcase Spanish tourism destinations, culture and traditions would be worth exploring too.

The Spain Film Commission and the Film & Television Producers Guild of India signed a cooperation agreement during the IIFA Weekend in Madrid. The purpose was to accelerate the process of obtaining visas and filming permits, to facilitate the organisation of missions from Bollywood companies to see not only locations but the Spanish industrial and professional reality. The creation of tax incentives to attract international films and TV series productions to Spain will contribute to this effort in the future.

Spanish music, cuisine, fashion and other artistic endeavours are also appreciated in India. The intelligentsia and artistic circles of India are familiar with the works of modern Spanish artists like Joan Miró, Salvador Dalí, Juan Gris, Pablo Picasso and Antoni Gaudí. Many modern Indian artists have been greatly influenced by them as is evident in their art. Many have heard of Goya, Velázquez, Murillo, El Greco and Zurbarán but have never had a chance of seeing the originals. Similarly, the great masterpieces of Indian art and sculpture and Indian modern art are not very well known in Spain, a gap which needs to be filled. The art exhibitions at the Instituto Cervantes are very popular. Spanish film-makers are also known and celebrated in educated Indian circles.

Additionally, Indians are great admirers of flamenco in particular, which they consider to be intertwined with home-grown musical traditions through historical ties related to the origins of the gypsy people. The classical Indian dance of kathak and Spain’s flamenco have much in common if seen side by side. Many Indian choreographers are combining kathak and flamenco in their repertoires very successfully and showing them around the world. How the two dances have uncannily similar styles is hard to trace but most theories relate back to

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the gypsies who migrated from India between the 11th and 12th centuries to Spain. They may have brought the dance style passing through various countries on their way before settling in Andalusia. They had absorbed a strong Persian influence in their dance forms. In India, although kathak is a classical and ancient dance, it also had Persian influences when it became a favoured court dance style during India’s Islamic period. Thus, both kathak and flamenco are similar in their rhythmic movements of arms, hands and feet.

Recently, a fusion dance form called torobaka has emerged. The toro (bull) is a signature animal of Spain and baka, or vaca (cow) in its original Spanish version, is considered the sacred animal of India and hence the name. Such fusion dance performances are cementing cultural ties between India and Spain and arousing much curiosity and appreciation among the young. On the same lines, Carlos Saura, an acclaimed Spanish film director, produced a show called ‘Flamenco-India’, which explores the ties binding the flamenco dance and traditional Indian music. The show premiered in Spain in October 2015 and began a world tour in September 2016 starting in different Indian cities.

On the other hand, the Indian performing arts scene has become increasingly vibrant in Spain. The Indian Council for Cultural Relations sponsors visits of artists for performances in various parts of Spain. During the last two years, thanks to these efforts and those related with the 60th Anniversary of bilateral relations, many Indian artists have performed in various parts of Spain. Three editions of the biennial Indian music festival in Spain titled India en Concierto have successfully been organised. India was also the ‘guest country’ at the 11th edition of the literature-oriented Hay Festival, held in September 2016 in Segovia with the presence of many Indian writers.

One of the main events for the cultural celebration of the 60th anniversary has been the adaptation to the renowned Spanish classic Don Quixote to Kerala’s iconic kathakali theatre (one of the most famous art manifestations in southern India), an initiative supported by the Indian Ministry of Culture. Kerala’s leading kathakali group, Margi, has structured the Kathakali play of the novel to mark the fourth centenary of the death of Cervantes. This art form uses the body as a tool, with sign language as the main vehicle for storytelling. From 8 July to 3 August 2016 the show was represented at six different Spanish venues including the International Classical Theatre Festival of Almagro, achieving a great success with the public and praises from theatre critics.

A key role in this fusion experiment, and in general for responding to Spain’s interest in India, can be attributed to Casa de la India, an institution founded in 2003 in Valladolid as a platform for the promotion of India and Spain and Indo-Spanish relationships in culture, education, cooperation and business. It has the Indian Council for Cultural Relations, the City Council of Valladolid and Valladolid University as its main patrons. Casa Asia, a Spanish public institution led by the Minister of Foreign Affairs and Cooperation but also with private patrons, has since its foundation in 2001 organised cultural, artistic and academic activities at its headquarters in Barcelona and Madrid to showcase the variety of Indian traditions and current political, social and cultural realities to an interested Spanish audience.
Another key institution in these efforts is the Spain-India Council Foundation, a non-profit private entity which aims to foster mutual understanding between the two countries. It brings together the efforts of a broad range of sectors to promote India-related interests in Spain, such as science, technology, research, culture and academia, as well as financial, trade and business cooperation, acting as a civil society platform.

At a policy level, the Foundation has promoted greater cooperation between think tanks in the two countries, a very positive strategy that can facilitate joint research projects to enhance common understanding on political, security and strategic issues of mutual interest. The first Spain-India Think Tanks’ Meeting and Dialogue on Global, Geoeconomics & Defence Challenges was held in Madrid in 2015, in addition to a new Forum for Spanish and Indian civil societies to meet, whose first edition took place in 2014 focusing on sustainable cities and transport networks. An impact oriented element of this meeting was the focus on a specific subject in a key area of joint interest and the participation of guests from the Indian public and private sectors with relevant experience and positions in these fields.

Over the past few years the Spain-India Council Foundation has also developed an ambitious Indian Leaders Programme to strengthen the relationship between the two countries by offering Indian experts the chance to get to know Spain in the fields related to their professional activity. The Programme was created as a short-term immersion in Spain in order to offer an updated overview of the Spanish social and cultural landscape and to break away from stereotypes, show the country’s potential to be highly competitive in many sectors and favour the creation of networks and generate long-term relationships. Journalists, politicians and sustainable development experts are among the beneficiaries. Most of the participants were surprised by the potential for the bilateral partnership, the capacities and development of modern Spain and the similarities between the two countries.

A desirable short-term goal would be to broaden these efforts and to have a more active cooperation from the Indian side. The lack of counterparts of these institutions in India is a challenge to familiarising wider layers of Indian society with the potential benefits of a stronger partnership and also to offer similar experiences to groups of Spanish professionals in India.

Other cultural manifestations have helped to bring the two countries closer together. For example, Spain has witnessed one of the most enthusiastic celebrations of the International Day of Yoga, which started in 2015 under the leadership of Prime Minister Modi and is also supported by the United Nations. The Indian Embassy, with the support of the Spanish government and the Madrid City Council, and working jointly with leading institutions in the field of yoga, has organised master classes attended by over 1,000 Spanish yoga practitioners in the past two years. Apart from the lead events in Madrid, the Indian Mission was coordinating celebrations across Spain. As a result, more than 20 cities throughout the country followed the Common Yoga Protocol designed by the Indian Ministry of AYUSH (Ayurveda, Yoga, Naturopathy, Unani, Siddha and Homeopathy medicinal practices) as a demonstration of the interest in Indian philosophy and culture in Spain.
Taking advantage of the enormous interest that Spanish sport enjoys in India is another excellent way of promoting bilateral relations. Spanish sports stars such as Fernando Alonso and Rafael Nadal, as well as others who are less known globally but are stars of very popular sports in India, such as the world badminton champion Carolina Marín, could play an excellent role as Spanish cultural ambassadors.

Although cricket remains the most popular game and the Indian cricket Premier League (IPL) is the most closely followed tournament, football is also gaining popularity in India. In 2016 La Liga, the Spanish football league, opened an office in New Delhi and plans significant investments to attract more viewers and fans, including famous former players’ exhibition matches in India, and to popularise the game at the grassroots level and promote Spanish football in the country. With the same purpose, the Foundations of both Real Madrid and FC Barcelona have been carrying out projects in India for some years to raise awareness of the sport, especially among children from disadvantaged backgrounds. Also with Spanish involvement, in 2014 a new professional football competition, the India Super League, was created with the support of Indian multinationals led by IMG and Reliance, following the model of Major League Soccer in the US. This year they are organising their third season and many Spanish football players and coaches have been participating prominently.18

c. Tourism

India and Spain are two favourite tourist destinations for people around the world, though Spain receives many more tourists than India and profits from tourism have been substantial even during the Eurozone crisis. Tourism is an industry with great potential for an important impact on bilateral relations. Spain offers substantial know-how in this field after years of accumulated experience as one of the most visited countries in the world. For its part, India is one of the potential sources of travellers with the best growth prospects thanks to the increase in the purchasing power of its burgeoning middle class. There is also the need to improve infrastructure and tourist strategies to attract more visitors, including from Spain. There is still a significant scope for increasing the flow of tourists from Spain to India and vice versa.

By 2020 50 million Indian tourists are expected to travel around the planet, compared with 14 million today. Indian travellers are already used to going to Europe for holidays and business. Their European destinations are mainly France, Switzerland, Italy and the Netherlands. But in recent times more tourists are going to Spain especially after seeing the film Zindagi Na Milegi Dobara in which Spain’s beautiful landscape and colourful festivals have been showcased and highlighted. The tourism potential between India and Spain has not been fully reached and only around 150,000 Indians visited Spain in 2014. The soon-to-be-opened direct Air India flight between Madrid and New Delhi will create additional opportunities to increase the flow.

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Spain is already one of the world's leading tourist destinations. The earnings from tourism are 12% of total GDP and amount to €140 billion. Spain has a low population density compared with India and has one of the largest numbers of World Heritage Sites, including beautiful castles, cathedrals and monasteries. It occupies the third place in the global ranking, with 45 sites, although India is not far behind at 6th place, with 35 World Heritage sites recognised by UNESCO. Spain also has the largest-capacity road network in the whole of Europe.

Similarly, India is a fascinating country to visit for many Spanish people but the lack of detailed information, infrastructure and affordable and comprehensive package tours are issues that need to be tackled. The two countries can enhance their knowledge about tourist destinations through greater cooperation. The development of tourism in India could benefit from Spain's lengthy experience in the field. This ranges from the parador system to external promotion through Turespaña, the management of heritage as a key added-value factor and the extension of the offer to all the country's regions, not just the traditional destinations.

India can offer many historical sights, beaches, mountains, handicrafts, indigenous cultures, festivals, wildlife, mountaineering and hiking, as well as modern holiday resorts. Like Spain, India has monuments from the Islamic period whose architecture is of world renown. There is a lot in common between the history of Spain and the history of India because both have been under Muslim rule and its influence has been embedded in the local culture. But India also has Hindu temples, Christian churches and Buddhist and Jain monasteries that are unique and beautiful. India received 8 million foreign tourists in 2016. Around 70,000 were Spanish, a 7.1% increase over 2013.

India can attract many more tourists from Spain in the future. The recently-introduced electronic visa system is expected to improve these numbers. The problem of the lack of good roads connecting different towns is being tackled and much progress has been made in the construction of national highways and connectivity in general. If the infrastructure is improved and heritage sites are refurbished and restored, potentially with Spain's help, there could be a much bigger inflow of tourists to India and this will help employ more people in the tourism industry and the related services sector.

India's tourism sector has only just started growing. More information, films, documentaries and cultural festivals from India to Spain will make India better known to Spanish people. It would be helpful if the Spanish and Indian tourism sectors were to build resorts to cater for the requirements of Spanish tourists.

On the other hand, to attract more Indian tourists to Spain, targeted plans and attention would be helpful. The so-called Japan plans of the regional government of Catalonia and the Madrid local council to inform and facilitate the experience of Japanese tourists in terms of security, translation to Japanese of information and specific training for Spanish companies and local authorities on the characteristics of tourists from this Asian country
could be replicated with a focus on travellers from India. A particular approach that is producing good results is ‘wedding tourism’, especially on the Mediterranean coast and the Canary Islands. For Indians, this type of event is an important moment in their culture. Weddings are ceremonies that move between 200 and 300 people who for several days accompany the couple to their chosen destination and Spain is increasingly demanded as a destination for these occasions.

In the search for more active cooperation between the civil societies of the two countries, greater involvement from the Indian community resident in Spain and the less numerous group of Spanish citizens living in India can be a significant and insufficiently appreciated asset. They can act as an excellent link between both countries and their role is explored in the following section.

2.5. The migrant communities of each country in Spain and India

The EU is the second largest destination for global migrants and India is the second largest place of origin. However, Indian migration to the EU in general remains relatively small. In 2009 Europe was the destination for only 5% of India’s emigrant stock and Indians accounted for only 2.6% of third-country nationals in the EU. Spain is a special case because there is an Indian community that has been settled in the country for more than a century. The Indian diaspora is quite distinctive because of its role in Spanish business and more recently there has been a further wave of immigrant workers from northern India who have been engaged in Spain’s service industry and small businesses.

There are around 40,000 people of Indian origin living in Spain today. For decades the Indian community was the only relevant one from Asia in the country. The first Indian immigrants settled in the Canary Islands during the second half of the 19th century. They were merchant families from the northern Indian Sindhi culture. Many came from Mediterranean and coastal African cities to reside in the Canary Island because they found business opportunities with good fiscal conditions and were also close to other settlement areas in the Maghreb countries.

More Sindhi merchants came later from other countries where they had settled like Hong Kong, Ghana, the Philippines and Vietnam to do business with Europe from Spain. The community increased in two waves, the first between 1900 and 1920 and the second between 1955 and 1975. Migration reached a peak in the 1970s and by then Indians owned more than 200 businesses in Ceuta and Melilla. In the 1980s, due to the rise in business opportunities after Spain’s entry into the European community, part of the Sindhi community moved to other parts of Spain such as Catalonia and Andalusia.

A new type of Indian immigration originating mostly from the Punjab started in the 1980s and has grown over the past few years, though its volume remains limited. They have been mostly unskilled workers engaged in agriculture (farm work), construction, meat processing and the service industries. Some have started their own businesses especially small food stores.
Most Indian migrants of recent years do not have their families with them, except the Sikhs, whose wives customarily follow their migrant husbands. Most workers are therefore male and the number of Indian nationals registered by Spain’s social security system was over 13,000 in 2011. But the number of women registered has always been much lower and this has not changed significantly over the past few years. A low level of economic activity has been observed among the women of the immigrant community.

In recent years another type of workers has gone to Spain. They are highly skilled migrant workers who do not intend to settle in Spain and are on temporary visa and work permits. They are mostly employed in multinational corporations with branches in Spain and return to India once their work is completed. The Indian community has a good reputation and strong institutional relations within their own community even though its social ties with the host society remain somewhat weak. Since the 1980s people from Haryana and Punjab have added a new dimension to the traditionally homogenous group of Sindhis who reside in Spain.

In addition to religious and geographic diversity there are differences between the new migrants as far as their migration plans and patterns are concerned. Also, their current legal status is different because it now depends on their date of arrival, migration expectations and opportunity to formally enter the Spanish labour market. Many migrants since the 1980s have gained Spanish citizenship on the basis of marriage to Spanish nationals or due to their birth in Spain. Data from 2011 indicate that 47% of Indians acquired Spanish nationality through prolonged residence, 12.5% via marriage and 49.25% because they were born on Spanish territory.

The third generation of Indians in Spain is successfully integrated in the labour market and mainly in occupations that require middle to high levels of qualification, especially in the financial and service sectors. Their remittances and savings are important for Indian families back home.19

In India there are only a handful of Spanish expats living in Indian cities. According to official statistics, there were less than 1,000 Spanish residents in 2015. Many are in India seeking interesting cultural experiences related to spirituality or the discovery of a different culture. Some work for international or local NGOs, but increasingly they are in business and working in multinational Spanish or Indian firms.

The role of both communities as a bridge between India and Spain is still not properly explored. The organisation of big cultural events related to some of the most colourful and attractive Indian festivities, such as Diwali or Holi, led by the Indian community in Spain but oriented to involve local citizens, can be a model to follow. This pattern has led to very good results in creating links between communities in other countries such as the UK.

2.6. The dimension of EU-India relations for the bilateral connection

The last important dimension to consider in this paper is the political relationship in the framework of cooperation between India and the EU. The EU as a whole is India’s largest trading partner and main source of foreign investment, although it is still behind other emerging countries from the BRICS group in its economic relations with the EU.

Officially long-standing partners, India and the EU are committed to a dynamic dialogue in all areas of mutual interest as major actors in their own regions and as global players on the world stage. Both are working to enhance the EU-India Strategic Partnership, established in 2004 and based on the shared values and principles of democracy, the rule of law, human rights and the promotion of peace and stability.

In practice, the EU-India Strategic Partnership has lost momentum in recent years. Bilateral ties are not receiving sufficient priority attention from either side and negotiations on the broad-based Trade and Investment Agreement (BTIA) might still take some time before their completion. A report prepared for the European Parliament recommends that EU-India ties should not be held hostage to developments at the BTIA level: ‘On defence and security matters, India deals with EU Member States directly and has a good framework for cooperation with major European powers. Unlike its partnerships with the US and Russia, India has yet to discover the relevance of EU-India relations within evolving Asian security and economic architecture. Collaboration in research and innovation has expanded significantly and dialogues on global governance, energy, counter-terrorism, migration and mobility as well as human rights all show great potential’.20

The 13th EU-India summit in Brussels in March 2016 followed this advice and was a potential turning point for EU-India relations. After a gap of four years without high-level encounters, leaders of both sides have made an effort to generate specific deliverables that can guide relations over the next five years with an EU-India Agenda for Action 2020. As Gauri Khandekar, an Indian analyst based in Brussels, pointed out in a recent article, a number of the summit’s deliverables are linked to some of the pet projects of the Modi government, such as Smart Cities, Clean-India, Clean-Ganga and Digital India. This can facilitate a greater involvement of the business community on both sides: ‘These deliverables include a partnership on water management, a platform on energy and climate cooperation, a forum on urban development, a partnership on migration and mobility as well as soft loans worth €450 million on connectivity from the European Investment Bank (EIB) amongst others’.21

In this context, an important step for Spain would be to significantly increase its role, so far relatively small, in the design and implementation of EU policies with regards to India, promoting its presence in projects and initiatives currently underway, including the bilateral free trade agreement process.

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3. Conclusions

In order to continue building relations of greater trust and cooperation on the basis of which Spain and India can become closer allies in the international context, both governments should continue to commit to a more ambitious and imaginative strategy focused on the political, commercial and cultural aspects that offer the prospect of generating comparative advantages.

To ensure the 60th anniversary of the establishment of diplomatic relations between Spain and India acts as a bridge to build a strengthened bilateral framework, this paper has presented a series of ideas and recommendations. As the human resources devoted to this purpose are limited on both sides, it is paramount to identify champions in the political, business and cultural sections of both societies who share this strategic view of the complementarity of the other country and can thus be the leaders in building of a stronger bilateral partnership.

Looking to the future and the areas and dimensions with a greater potential to channel a strengthened bilateral connection, economics remains at the core of the India-Spain relationship. Key sectors analysed with the potential for improving commercial links are infrastructure, railways, renewable energy and smart cities for the Spanish companies’ investments and business in India and pharmaceuticals and information technology for the Indian companies in the Spanish market.

There is an enormous complementarity between the two countries in these areas. India’s needs and Spanish expertise match each other perfectly and many positive experiences of joint ventures, some illustrated in this paper, prove the case. The Spanish company Talgo’s high-speed train is a perfect example and also a good way to give visibility to the importance of the bilateral partnership given the interest generated in the Indian media and in public opinion.

The current level of exchanges and commercial cooperation are just a fraction of what could be achieved for the dynamic private sector in India and Spain, supported by an enabling policy environment on both sides. In this context it is of prime importance to consolidate and expand the new direct air route between New Delhi and Madrid with more nonstop direct flights between other major Indian and Spanish cities.

New efforts to consolidate the India-Spain connection in the diplomatic and security arenas will be also fundamental to build a stronger relation. A systematic follow-through of current and pending agreements and official political dialogue structures will be essential for implementing the road map to which both countries committed themselves during the official visit to Spain of Prime Minister Modi and to consolidate an improved bilateral partnership between the two countries.
Current efforts in scientific and technological cooperation with successful joint projects should continue. At the educational and cultural levels, strengthening the Instituto Cervantes and private initiatives to respond to the growing demand for Spanish as a foreign language in India, supporting the filming of Bollywood movies and TV programmes at Spanish locations, and fostering a greater cooperation in the educational field with academic, cultural and think-tank exchanges between the two countries, are some of the proposals that have been highlighted.

Cooperation in the tourist sector with Spain offering leading expertise to its Indian counterparts and enhancing the role of the migrant population of both countries, especially the well-established Indian community in Spain, are two additional key dimensions of the bilateral partnership. The development of this relationship should also be backed by greater cooperation within the framework of the bilateral relations between the EU and India.