Strong and self-confident, Spain is showing a new assertiveness in foreign policy and winning over the world in everything from the arts to sports to business

Arc of Triumph

A game of anagrams using the word SPAIN quickly yields SPAN, PAI NS, SPIN, IN and NAPS ... Curiously, just about every possible derivative seems to fit the modern nation as tightly as a toreador’s trousers. Above all, Spain is more “in” than it has ever been, its influence in Europe and the world unrivaled since the days of empire. That era was built on sheer military clout, which is superficial and fleeting. Today, Spain has presence.

The Spanish economy is growing faster than most others in the European Union. Outgoing Prime Minister José María Aznar boasted on a recent trip to America that his country’s GDP now surpasses those of two G-8 members—Canada and Russia—and ranks eighth worldwide, not-so-subtly implying that Spain should be part of any Big Boys’ club. Certainly the Spanish voice is being heard, if not always appreciated, from Brussels to

Photograph by Jochen Helle—Artur
Buenos Aires to Washington. A nation that only a few decades ago was inward-looking and oppressed now has the nerve to help scupper a pondered E.U. constitution and send 1,300 troops to help the U.S. pacify Iraq. Wherever you look—food, film, music, literature, business, architecture, sport—there's a Spaniard gesticulating. The span extends with the language—400 million speakers and counting, 35 million of them in the U.S. The main propagator, the Corvantes Institute, has 40 centers in 25 countries, and this year will open new ones in Belgrade, Budapest, Prague and Stockholm. Its next, most ambitious, project: China.

There is pain. Terrorism still casts its dark red shadow over the Basque Country. Unemployment, although slashed in half since Aznar took over in 1996, heads the E.U.'s list, at 11.2%, and nearly two-thirds of workers under 25 are on short-term contracts. Economic growth is looking more and more precarious too, given that it is largely based on a construction boom and consumer spending that may not last. And with its own constitution recently turned 25, centrifugal and centripetal forces threaten to upset Spain's jigsaw of 17 autonomous regions. Ahead of general elections on March 14, politicians are fumbling to find a recipe best described by the new leader of Germany's SPD, Franz Müntefering: "As much federalism as possible, as much centralism as necessary."

And yes, there is spin. When it comes to media control, Spanish governments defer only to Italy's Silvio Berlusconi in WMD—Weapons of Media Domination. Dictatorship of the screen has reached the point where a Spanish court ruled last year that the main state channel, TVE, infringed the public's right to be informed by burying news of a general strike. Filmmaker David Trueba says he fears Spaniards will soon react to their television news the way Cubans do on opening their state-controlled newspaper Granma: "They can only laugh. But for all such shortcomings—and analysts say the country is napping on R and D and entrepreneurship—few can dispute that Spain is taking on the world in a way it hasn't before.

In its former colonial domains in Latin America, many observers predicted the conquistadores in business suits were going to get their comeuppance with the sharp decline of most of the continent's economies, especially Argentina's. Spain's largest company, Telefónica, invested heavily in the region—in Brazil alone pouring in almost $25 billion in cash and equipment between 1998 and 2002. Along with other big investors, Telefónica caught a cold when Latin America sneezed, but by holding firm, Spain gained more of that added value called presence. "It has been in Spain's interest to have a great big company it can use as a beachhead in South America," says Andrew Hazell, a Madrid-based American who has been a consultant for Telefónica and some of its rivals. One recent report predicts the region's 19 Spanish- and Portuguese-speaking economies will grow this year on average between 3.5% and 4%, figures to turn European governments green. Most of the other Spanish players there—the banks, power, petroleum, construction companies—are now reporting profits and forecasting more. And this Spanish invasion is generally welcomed by the natives. "We think the Spanish investment in Latin America is very good," says Demetrio Sodi de la Tirena, a Senator with Mexico's Partido de la Revolución Democrática (Democratic Revolution Party). "They understand us better, and the fact that we share the same language, values and ideas is a plus."

Aznar's Popular Party talks about a second transition in Spain, the first having been the change to parliamentary democracy after Generalissimo Francisco Franco died in 1975. The new paradigm shift is to a Spain economically strong, confident enough to plant its feet before the big players in Europe—even France and Germany—and form its own alliances, particularly with Britain and the U.S. Justified or not, confidence has filtered down to the point where Spaniards are taking risks, pushing boundaries and showing that supreme sign of autoestima (self-esteem): occasionally laughing at themselves.

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Part of this will to take on the world must be to do with willingness to take in the world. Last year 52.5 million tourists entered a country with some 10 million fewer inhabitants. Nature and natural hospitality also make Spain a magnet for those who want to stay. José Luis Sáuare, who specializes in real estate at the IESE business school in Madrid, says of the expected 640,500 housing starts for 2003, about 100,000 are for foreigners. "The best weather of the whole Mediterranean and a very good infrastructure place Spain without a clear competitor," he says.

He forgot to mention the food. Spanish chefs, long underrated beside their French neighbors, are increasingly hailed as right up there with the crème. Catalan Ferran Adrià is regarded by some critics as the best, especially when it comes to inventiveness and food science. He and other Spanish chefs, among them Basque Juan Mari Arzak, showed off some of their skill—and humor—at the International Gastronomic Fusion Summit in Madrid in January.

Before packed houses, Arzak used a coffee machine to turn out "lobster espresso," which at least sounds fluffier than his "ham coffee." Adrià took a candy-floss machine to make what he calls a mummified version of red mullet, which might follow his "melon caviar" or "mango spaghetti." "I spend €300,000 a year on research," Adrià recently told Time. "I could drive a Ferrari, but I think the money is better used this way."

In sport there is the same confidence and élan. Who's the youngest person to have won a Formula One Grand Prix? Spain's Fernando Alonso, last year in Hungary, aged 22. Who clinched Spain's Davis Cup tie against the Czech Republic in Brno last month? Precocious Rafael Nadal, 17. Who was football's most expensive transfer this year? José Antonio Reyes, for whose goal-scoring prowess English club Arsenal paid about €25 million. With his own signings, who has turned Real Madrid into one of soccer's biggest global brand names? Businessman president Florentino Pérez. Who has stood atop the world's 8,000-m-plus mountains more times than anyone else?
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