

# ELCANO GLOBAL PRESENCE REPORT



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# ELCANO GLOBAL PRESENCE REPORT 2014

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# Executive summary

## **To what extent are countries 'out there'?**

The Elcano Global Presence Index measures global presence, which we define as the effective positioning of countries outside their own borders. The index takes into account a broad array of economic, military and soft dimensions (such as the tourists they attract or their success in international sports competitions).

The Index, based on 14,700 input data, has been calculated annually since 2010, and the latest edition measures the presence of 70 countries. Moreover, since 2012, the Index also measures the global presence of the European Union as a whole. The latter is complemented by the Elcano European Presence Index, which evaluates the internationalisation of member states within the Union's boundaries.

The top 10 slots in the 2013 ranking are held by the United States, which has consistently emerged first, followed by six European countries in positions ranging from second to tenth, with China and Japan at fourth and seventh. The first year-on-year change appears at number 12, with Saudi Arabia climbing one position in our ranking.

## **Presence, not power**

Traditionally, these types of studies have sought to rank states according to their power (or influence), which is all about getting others to bend to one's will in response to inducements that may be both hard and soft. The Elcano index, on the other hand, seeks to measure the global presence of states, by which we mean their ability to project themselves beyond their borders, a foreign-policy objective which is shared by a good number of developing, emerging and transition countries. By comparing a state's presence with its actual power (or influence), it is possible to measure the extent to which it is punching above or below its weight.

A comparative analysis –based on the Elcano Global Presence Index and various studies that measure power– shows that in general terms the United States and a number of the European Union member states –such as Germany, Italy and Spain– are currently punching below their weight, whereas emerging and/or regional powers –such as China, India, Indonesia, Israel, Pakistan, Turkey and Vietnam– seem to be successfully capitalising on their growing global presence and translating it into power.

## **A slowing down of globalisation?**

The 2013 edition of our study points to a significant change in trend. Contrary to previous years, 26 of the countries selected for the Index registered a decrease in their external projection. Surprisingly, perhaps, the biggest losses in global presence were recorded by



emerging countries such as Indonesia, Brazil, South Africa and Iran. More predictably, of the 26 countries whose global presence declined with respect to 2012, 15 were European (14 of which were members of the European Union).

Overall, the aggregate global presence recorded by the 70 countries selected for our study shows a slight stagnation in their external projection during the course of 2013, which could be interpreted as evidence of a slowing down in the process of globalization as a result of the economic crisis.

### **A return to bipolarity?**

Not all countries, indicators or dimensions have decelerated to the same extent, however, and this could have a significant impact on the trend towards a greater de-concentration in global presence detected in earlier editions of our study.

On the one hand, the structural trend towards a higher dispersion of global presence amongst a larger number of states is confirmed by the 2013 data for all 70 countries. Nevertheless, last year's results reveal a slowing down of this trend, despite a higher dispersion of military presence –which mainly reflects the repatriation of United States troops stationed abroad– and a (near) stagnation in the concentration of soft presence. On the whole, it would appear that this situation is largely attributable to the economic dimension, which also accounts for the fact that the combined shares of global presence of the United States and China has increased for the first time since 2000.

### **Europe lags behind**

In the same vein, in 2013 the United States and some emerging countries –particularly Russia– seem to have been leading the process of globalisation in the sense that they have increased their shares of global presence. Conversely, many European countries have seen a decrease in theirs. Thus, the Netherlands, Germany, Spain, Hungary, Italy, Belgium, France, Norway, Switzerland, the United Kingdom, Poland, the Czech Republic and Luxembourg have all lost global presence, though in many of these cases the loss is limited to less than 0.05%.

### **What can we expect by 2030?**

A very simple projection of global presence data shows that under different scenarios (reflecting different rates of globalisation), by 2030 China will have bridged the gap with both the United States and the European Union, but without surpassing either of them. These results are fully in keeping with economic forecasts such as those carried out by Maddison and the OECD.

# 1. What is the Elcano Global Presence Index?

## Why an index on global presence?

The main goal of this project, which the Elcano Royal Institute has been working on for several years now, is to contribute to the analysis of the process of globalisation, while at the same time providing a useful tool for foreign policy-making. When it was first conceived in 2008, one of the main academic and media debates on Spanish foreign relations centred on whether the country's position in the world was growing or waning. The elements of this analysis had often to do with what is perhaps the most symbolic aspect of international relations: the ability of political leaders to interact with their peers in other countries (for instance, whether the Head of the Government was able to reach global leaders on the telephone, or not, or whether Spanish ministers were able to meet with other leaders at world summits).

Undoubtedly, this is an important part of the external projection of any country and, perhaps, one possible element for defining a country's influence. However, at the Elcano Royal Institute, a think tank concerned with international relations, we felt during this debate that the value and elements we might best contribute had to do with widening the scope of the variables at work. It was important to overcome the narrow angle of the political leaders' outlooks and to analyze Spain's (and other countries') external relations from a broader perspective. This meant including more dimensions of the Government's (and the Administration's) international activities –such as security and defence, or development cooperation– also taking into account that today's international relations involve a growing number of stakeholders, ranging well beyond the public sector (civil society organizations, private companies, migrants...).

In short, our aim was to shed light on the analysis of Spain's position in the globalised world, and one way to undertake this assessment was to develop an empirical base allowing for the measurement of Spain's international presence, as well as that of other major economies, over time and in a comparative fashion. This exercise took the form of an index, the Elcano Global Presence Index, which aggregates and quantifies the economic, military, scientific, social, and cultural projection or positioning of a series of countries on the international stage.

## What is contained in the Elcano Global Presence Index project?

The chief goal of this project is to measure the global presence of a series of countries. However, unlike power, which has been dealt with extensively in the academic literature (see section 2), global presence is not a deep-rooted concept in political science, nor in the more specific fields of international relations or foreign policy analysis. Global presence may be addressed by posing the following question: to what extent and in what form are countries

'out there', beyond their borders, regardless of whether they are exerting real influence or power? In a sense, global presence can be the basis of power –the platform or asset capable of being transformed into influence or power– if the country extending its presence is able and willing to pursue such ends.

Thus the main contribution of this project is a synthetic index that orders, quantifies, and aggregates the external projection of different countries. Global presence is divided into three areas (economy, defence, and soft presence), and the indicators considered within these areas are as follows. Economic presence is measured through the flow of exports of energy products, primary goods, manufactures, and services, as well as through foreign direct investment. Military presence is measured on the basis of the troops deployed in international missions and bases overseas together with military projection equipment. Soft presence is measured through migration, tourism, performance in international sports competitions, exports of audiovisual services, the projection of information on the Internet, the number of international patents, the articles published in scientific journals, foreign students in domestic universities, and finally, the gross flows of development assistance (table 1.1).

This index is calculated every five years beginning in 1990, and annually from 2010<sup>2</sup>. For this edition, 70 countries are measured: these include the first 60 world economies, the member countries of the Organisation for Economic Cooperation and Development (OECD), and the member states of the European Union. Moreover, starting with the 2012 edition, it also measures the global presence of the European Union beyond its borders from 2005, and annually from 2010. This measurement is complemented with the Elcano European Presence Index, which evaluates the internationalisation of the member states within the perimeter of the Union, for those same years (2005 and 2010-2013) and following the general methodology of the Elcano Global Presence Index. On the basis of 14,700 input data, we extract three different ways of looking at a country's global presence: its index value, the relative contribution of each dimension (economic, military, soft) and/or indicator (energy, culture, troops, etc.) to each country's global presence, and the country's share of global presence in the aggregated 'foreign policy space'<sup>3</sup>.

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<sup>2</sup> The 2010 edition of the index was compiled using data obtained from a number of open sources that were available by 31 December 2010, a procedure that has been repeated in subsequent editions. Consequently, this report (which refers to the 2013 global presence index) analyses global presence as calculated on the basis of the data available on 31 December 2013.

<sup>3</sup> The authors wish to thank Janis Eichmanis, the current Latvian ambassador to Spain, for suggesting the use of the 'foreign policy space' concept in connection with this project.

TABLE 1.1  
Variables, indicators and sources of the  
Elcano Global Presence Index

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

The fact that what is being assessed is global presence (rather than power) leads us to add, with every new edition, a number of new countries to our selection<sup>4</sup>. As will be shown in section 2, measures of power naturally tend to focus on the countries that exert it, whether regionally or globally. Consequently, indexes of power are often limited to a small number of countries. On the other hand, in this age of globalization, international presence is being displayed by almost every country, from the old post-industrial powers to the emerging economies of the South and East. As already mentioned, having a certain record of global presence does not necessarily pave the way for a country to achieve greater levels of international influence. A significant number of countries considered in this index are likely more concerned with domestic agendas, geared towards achieving greater levels of economic and social well-being, for example, than with wielding power.

### **On the usefulness of the Elcano Global Presence Index**

The Elcano Royal Institute joins the efforts put forth by the academic world, some international agencies, and diverse think tanks toward conceptualising globalisation, the openness of countries, and the capacity to mould international relations given a country's international positioning in different domains. This debate has focused on the new world balances since the Cold War, on the emergence of novel powers in an economy that is increasingly interdependent and multipolar, and on more complex power structures in international relations that include soft elements. Some attempts to calculate certain dimensions of these phenomena, such as diverse metrics of power, already exist (section 2). Therefore, one of the functions of the Elcano Global Presence Index is to analyse the global trends of international presence, including the evolution of multipolarity or bipolarity, the rise or decline of certain countries and regions, and the greater or lesser prominence of soft versus hard presence.

The Index is also a way of assessing the foreign policy of those countries included in the calculation – efforts and means versus results, sector profile of presence, relation between presence and influence, or the distance between objective presence and subjective perception. Consequently, our second aim is to provide a tool for foreign policy-making.

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<sup>4</sup> Actually, the 2010 edition was limited to 54 countries. See Olivé, Iliana and Ignacio Molina (2011), "Elcano Global Presence Index", *Estudios Elcano* (2).

TABLE 1.2  
Frequently asked questions about the  
Elcano Global Presence Index

What does the Elcano Global Presence Index measure?	The index measures global presence. By global presence we understand the effective positioning, in absolute terms, of the different countries, outside their boundaries, in economic, social and political fields (exports, tourists welcomed, victories in international sports competitions...).
Does the Elcano Global Presence Index measure power?	No. A country may have strong international projection and weak regional or global influence (or vice-versa). The relationship between presence and power depends on the foreign policy of each country (including its willingness to use power) or on factors limiting the exercise of influence, depending, for instance, on the presence of another regional leader.
Does the Index reflect the effort of countries attempting to achieve greater internationalisation?	No. This index measures the results of internationalisation, not its means. For example, a country may have deployed a significant number of troops abroad with a defence expenditure that is relatively smaller than that of another country with lower military presence.
Does it measure the openness of countries?	It does not. The Elcano Global Presence Index considers the external projection of countries but not necessarily the way in which they absorb the external action of other countries within their national territory. This is why the Index considers the exports of manufactured goods but disregards the imports. It does not measure world interdependence, though it may help to analyse it.
Is it calculated with objective or subjective data?	Objective. Its purpose is not to ascertain how a country is perceived by certain elites or by the public opinion as a whole. This index is calculated to discover the effective external projection of the different countries, regardless of their reputation or image.
Does it measure merely the 'quantity' of a country's presence or the nature of that presence as well?	Both. The Elcano Global Presence Index is composed of three dimensions (economic, military, and soft presence), which in turn are composed of variables of differing nature (ranging from energy to development cooperation to troops deployed to tourism). It is therefore useful in revealing not only how present countries are in the global order, but also the nature of said presence.
How are the variables of the Elcano Global Presence Index selected?	First, presence is reflected in a single direction, in what could be deemed its unidirectionality. Second, the results of presence are measured, not the means to achieve them. In addition, all the variables have an explicitly external component, in the sense that they reflect cross-border presence. Presence is given in absolute and not relative terms; in other words, the indicators are not proportional to the demographic or economic size of the country. Likewise, as for any other index, the best explanatory capacity is sought with the fewest variables or indicators possible. Finally, hard data on presence are taken – not data based on judgments or opinions.
And how are they combined into a synthetic index?	In 2012, a questionnaire was distributed to the 150 persons responsible for research at the most prominent international relations think tanks. The purpose of said questionnaire was to obtain the weighting factor of the indicators included in each area, as well as the weighting factor of the areas included in the final configuration of the Index.
What about missing cases? How are these estimated?	In such cases we have also referred to experts' opinions, or hot deck. A total of 703 data items have been estimated from approximately 14,700. The number of estimations represents 4.7% of the base.
The Elcano Global Presence Index has been calculated for which years?	For every five years from 1990-2010 and annually since 2010.
Why those years? Why begin in 1990?	To reveal the transformations in the world order since the Cold War ended.
For what countries?	The Elcano Global Presence Index is calculated for 70 countries: the first 60 world economies, the member countries of the Organisation for Economic Co-operation and Development (OECD), and the member states of the European Union.
Can the presence of different countries be combined to reveal joint presence for a chosen group or region?	Not exactly. Presence of different countries can be combined, showing regional trends of global presence. Moreover, as new editions include an increasing number of countries, for some regions (i.e. Latin America or East Asia) the number of countries selected for the Index is high enough to consider the aggregated index value as a fair reflection of the external projection of the whole region.  However, it is important to note that, in these cases, the total index value is recording the relative presence of some countries in others of the same group or region (i.e. the global presence index value of Latin America includes the relative presence of Argentina in Brazil). Thus, the adding together of global presences should not be considered a metric of a given region's external projection outside its boundaries.
Can the presence of European countries be combined to assume it reveals the presence of the European Union?	No, for the aforementioned reason. We must bear in mind that the global presence of the member states is partially reflected in other member states of the Union. In order to apply the Index to the European Union, intra-European presence has been subtracted. The intra-European presence of the member states is measured elsewhere, in the Elcano European Presence Index.

## 2. Presence is not the same as power

### Conceptualizing global presence in international relations

If one 'googles' the term 'global presence', the results point to the web pages of transnational corporations (TNCs), and these usually include a list of countries where the company has settled. In this sense, 'global presence' refers merely to the fact that an institution –a TNC in this case– records an activity outside the borders of its country of origin. This does not reflect, for instance, the particular role of that company in a global value chain, nor the extent to which the company is interdependent with others (degree of dependence from imports, for instance). Indeed a proxy indicator of the global presence of a company could be its outward foreign direct investment stock, which is one of several variables included in the formula of our global presence index for countries.

The academic literature on global presence is scarce and belongs mostly to the business administration discipline. For instance, Mitchell *et al.*<sup>5</sup> analyze the impact of global presence –internationalization– on market share (see also Ghemawat and Hout)<sup>6</sup>, on costs, or even on survival (Alexander and Korine)<sup>7</sup> and Mendenhall *et al.*<sup>8</sup>. In that same vein, Gupta and Govindarajan<sup>9</sup> approach the relation between global presence and global competitive advantage. In these references, global presence is implicitly or explicitly defined as the process whereby TNCs go global, and it does not necessarily imply that these TNCs are increasing their competitiveness, market share, or power in their productive sectors.

In the field of international relations, references to global presence are even fewer. For the specific field of defence Harkavy<sup>10</sup> introduces the concept of 'foreign military presence' (FMP) in relation to military bases abroad and the six types of related military facilities – naval, air force, ground force, missiles, overseas technical facilities and research, and environmental

<sup>5</sup> Mitchell, Will J., J. Myles Shaver and Bernard Yeung (1992), "Getting There in a Global Industry: Impacts of Performance of Changing International Presence", *Strategic Management Journal* 13: 419-32.

<sup>6</sup> Ghemawat, Pankaj and Thomas Hout (2008), "Tomorrow's Global Giants? Not the Usual Suspects", *Harvard Business Review* 86 (11): 80-88.

<sup>7</sup> Alexander, Markus and Harry Korine (2008), "When You Shouldn't Go Global", *Harvard Business Review* 86 (12): 70-78.

<sup>8</sup> Mendenhall, Mark E., B. Sebastian Reiche, Allan Bird and Joyce S. Osland (2012), "Defining the 'Global' in Global Leadership", *Journal of World Business* 47 (4): 493-503.

<sup>9</sup> Gupta, Anil K. and Vijay Govindarajan (2001), "Converting Global Presence into Global Competitive Advantage", *Academy of Management Executive* 15 (2): 45-58.

<sup>10</sup> Harkavy, Robert E. (1989), *Bases Abroad: The Global Foreign Military Presence*, Oxford University Press.

facilities. More recently, with a wider approach to external relations and for the analysis of the European Union's external action, Berherton and Vogler<sup>11</sup> define presence as the ability of an actor, by virtue of its existence, to exert influence beyond its borders. According to the authors, presence, together with opportunity –the external context– and capability – policy processes and instruments– explain the Union's current performance. This concept of presence is based on a previous work by Allen and Smith<sup>12</sup>. Both studies are therefore defining presence the same way academic literature has traditionally defined power.

In marked contrast with the above, power is probably the most relevant –and studied– concept in political science and international relations. Academic literature has dwelt extensively on the nature of power by addressing all of its facets, from its roots to how it is exercised, while also debating methods for measuring power. Under Max Weber's famous definition, in one way or another power is linked to an actor's ability to carry out his own will, even against that of others. Put another way, power is the ability to influence someone else's behaviour, be it deliberately or not, with or without resistance.

As reviewed elsewhere (Olivíe and Molina, 2011), the concept of power is so fundamental to political science that the studies conducted on it are countless. The dimensions of power are as plentiful as the number of theoreticians and political approaches involved: pluralists (Dahl<sup>13</sup>, Lindblom<sup>14</sup>, etc.), elitists (Michels<sup>15</sup>, Schumpeter<sup>16</sup>, Mills<sup>17</sup>, etc.), Marxists (Marx, Lenin, etc.), feminists (Millett<sup>18</sup>), and so on. And one can also differentiate among more classical visions –power as decision-making– or more complex ones that include elite sectors controlling the agenda to be decided on (Bachrach and Baratz<sup>19</sup>, Lukes<sup>20</sup>, Strange<sup>21</sup>, etc.), or even topics of mental control and cultural hegemony (Gramsci<sup>22</sup>, Foucault<sup>23</sup>, etc.).

In the more specific field of international relations, the term is inseparable from realist theory. In a seminal work, Morgenthau<sup>24</sup> distinguishes between material power –that which is imposed economically or militarily– and political power, which is established and exercised in terms of influence. He therefore introduces an analytical distinction between power in the strict sense –the ability to change situations– and influence, or the ability to control and modify the perceptions of others. The first dimension is obviously key in international relations, in which the traditional policy regarding power (or *Machtpolitik*) consists of a competitive struggle among states to promote their interests in a world of scarce resources. However, Morgenthau does not ignore the second dimension. In fact, he believed that both

<sup>11</sup> Berherton, Charlotte and John Vogler (2013), "A Global Actor Past its Peak?", *International Relations* 27 (3): 375-390.

<sup>12</sup> Allen, David and Michael Smith (1990), "Western Europe's Presence in the Contemporary International Arena", *Review of International Studies* 16 (1): 19-37.

<sup>13</sup> Dahl, Robert A. (1957), "The Concept of Power", *Behavioral Science*, Vol.2, July.

<sup>14</sup> Lindblom, Charles (1977), *Politics and Markets: The World's Political-Economic Systems*, Basic Books, New York.

<sup>15</sup> Michels, Robert (1966), *Political Parties. A Sociological Study on the Oligarchical Tendencies of Modern Democracy*, The Free Press, New York.

<sup>16</sup> Schumpeter, Joseph A. (1947), *Capitalism, Socialism, and Democracy*, Harper & Brothers, New York.

<sup>17</sup> Mills, C. Wright (1956), *The Power Elite*, Oxford University Press, Oxford.

<sup>18</sup> Millett, Kate (1969), *Sexual Politics*, Doubleday, Garden City, New York.

<sup>19</sup> Bachrach, Peter, and Morton S. Baratz (1962), "Two Faces of Power", *The American Political Science Review*, 55, (4), June.

<sup>20</sup> Lukes, Steven (2005), *Power: a Radical View*, Palgrave Macmillan, London (Expanded second edition).

<sup>21</sup> Strange, Susan (1988), *States and Markets*, Bloomsbury Academic, 2nd Ed., London.

<sup>22</sup> Gramsci, Antonio (1996), *Note sul Machiavelli sulla politica e sullo Stato moderno*, Editori Riuniti, Rome.

<sup>23</sup> Foucault, Michel (1975), *Surveiller et punir*, Gallimard, Paris.

<sup>24</sup> Morgenthau (1948), *Politics Among Nations: The Struggle for Power and Peace*, Alfred A. Knopf, New York.



international politics and politics in general represent a struggle for political power defined as “human control over the minds and actions of other human beings.” (Morgenthau, 1948: 10).

Granted, until the fall of the Berlin Wall –in a Cold War context that divided countries into blocs, themselves further divided by their level of industrialization– world power was expressed fundamentally in terms of economic production and the military capability of the United States or the Soviet Union and their allies. But this bipolarity has disappeared, the economy has evolved toward a post-industrial world and globalisation has accelerated, and the outlook has changed considerably with the arrival of new players and new kinds of relationships among them. All of these changes are also reflected in the proposals advanced since the fall of the Wall in a growing effort to gauge countries’ power.

It was precisely at this juncture that Nye<sup>25</sup> coined the term ‘soft power’. This ‘second face of power’, consists of making others aspire to the same results you aspire to, and it is a power based on influence and legitimization achieved through attraction. Thus, the difference between hard and soft power rests on the method used to achieve the same results: while hard power uses active control and force, soft power employs persuasion and shuns force. For Nye, both are important and must coexist. However, the term ‘soft’ has increasingly been used to classify international relations or facets of influence that do not call on the strict spheres of the economy or military (as we do in our global presence index).

Globalisation –understood as the growing interdependence of processes related to communications, financial flows, international trade and migratory movements, amongst others – has altered traditional foreign policy in a fundamental way. According to Tellis *et al.*<sup>26</sup> “the arrival of post-industrial society has transformed the bases of national power” (preface, iii). Economic and political integration projects are beginning to emerge or take root, and threats and political issues of a transnational nature are establishing themselves on the world agenda: issues like climate change, food and security, organized crime and international terrorism, all of which also blur the lines between nation-states and the international context.

Despite the fact that the analytical distinction between hard and soft power has been greatly debated and criticized<sup>27</sup>, there does seem to be agreement that the external action of states in the globalised world has changed, at least when compared to what it was in the 20<sup>th</sup> century. Any attempt to measure that reality must take into account hard elements –mainly economic and military ones– as well as soft elements such as the lure that takes the form of population flows or the dissemination of information, science and culture.

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<sup>25</sup> Nye, Joseph (1990), *Bound to Lead: The Changing Nature of American Power*, Basic Books, New York.

<sup>26</sup> Tellis, Ashley J, Janice Bially, Christopher Layne and Melissa McPherson (2000), *Measuring National Power in the Postindustrial Age*, RAND Corporation, Santa Monica.

<sup>27</sup> See Olivíe and Molina (2011) for a short review on the debate.

## How do presence and power relate? An empirical approach

Very briefly, it could be argued that a country's global presence consists in being 'out there', a foreign policy objective shared by a good number of developing, emerging, and transition countries. Power (or influence) on the other hand, consists in getting others (other states, in the case of international relations) to carry out one's own will, whether in a harder or softer fashion. So are these two concepts related in any way?

The answer is probably affirmative. It could be argued, for instance, that for power (or influence) to be exerted, a previous level of global presence is required. In order for one nation to influence the behaviour of another state or group of states, the empowered nation needs to record certain levels of investments, exports, cultural projection, global social ties, scientific activity, or foreign military activity. This argument does not hold up when it is inverted, however: global or regional power certainly requires global presence, but the latter does not necessarily lead to the exertion of influence. For a large number of countries, global or regional power is not even on the agenda. In this post-Cold War arena, the political agendas of a good number of developing and emerging economies are focused on domestic development goals. Even when foreign action is a relevant means to achieving this, it is not necessarily geared towards pursuing global power (for instance, a balanced balance-of-payments, with dynamic exports or greater stocks of foreign direct investment, might be the goal). The same goes for some post-industrial developed countries, particularly smaller ones: growth and competitiveness might be national objectives; regional or global power are probably not.

The relationship between presence and power (or influence) can be explored empirically. Considering that global presence can be measured by the Elcano Global Presence Index, its comparison with different measures of power should enable us to shed new light on the matter.

Systematic measurement of a concept such as power is obviously difficult because it requires detailed information on the context (for instance, the main features of the world scene), the explicit will of the stakeholders involved (both influencer and influenced), preferences that are sometimes hidden, the effort used to defend one's position during the process, possible changes in behaviour along the way, influences that are not manifest, and final outcomes. Indeed, these difficulties and other doubts as to the feasibility of constructing an index of power have been a major concern of the academic literature on international relations<sup>28</sup>.

According to Treverton and Jones (2005), there are three possible approaches to the measurement of a state's power: (i) through its resources or capacities (the 'potential power'); (ii) by focusing on how certain domestic processes shape that power; and (iii) through results (which countries lead, under what circumstances). The first approach – tangible inputs for power – is easier to assess, whereas the other two appear more elusive.

<sup>28</sup> Guzzini, Stefano (2009), "On the Measure of Power and the Power Measure in International Relations", *DIIS Working Paper*, 28, is quite skeptical on the possibility of measuring power, unlike Treverton, Gregory F. and Seth G. Jones (2005), "Measuring National Power", *Rand National Security Research Division*. For a review on this issue, see Hwang, Karl (2008), "New Thinking in Measuring National Power", *German Institute of Global and Area Studies*, GIGA.

During the Cold War era, attempts to measure states' power were based on this national capacities approach, which reflected the realist vision of the world order which predominated at the time. This approach is evident in a number of indexes that take into account different states' capacities in the economic, military, and/or technological fields. Such is the case of the Composite Index of National Capability (CINC or COW)<sup>29</sup>, proposed by Singer *et al.* in 1972<sup>30</sup>. More recent works attempting measurements of power from this capacities approach also take into account some intangible dimensions. This is true of the International Futures' National Power Index compiled by the Frederic S. Pardee Center for International Futures<sup>31</sup> and the National Power Index designed by the Foundation for National Security Research (FNSR)<sup>32</sup>.

TABLE 2.1  
Selected measures of countries'  
and cities' power

Name	Source	Description	Countries
<b>Total power (hard and soft)</b>			
Audit of Major Powers	European Geostrategy	The Audit of Major Powers Index ranks the fifteen countries commonly believed to possess a 'special' place within the international geopolitical system through 4 categories: (1) cultural pull, (2) diplomatic Influence, (3) economic strength, and (4) military reach; each is divided into 5 subcategories.	15
Global Cities Index (GCI) + (Since 2012) "Emerging Cities Outlook"	A.T. Kearney and The Chicago Council on Global Affairs	The Global Cities Index (GCI) measures global engagement of cities across 5 dimensions: (1) business activity, (2) human capital, (3) information exchange, (4) cultural experience, and (5) political engagement. The Emerging Cities Outlook measures a city's rate of change determined by evaluating eight leading indicators grouped into: (1) strengths (infrastructure, the country's ease of doing business, GDP, and middle-class growth), and (2) vulnerabilities (instability, the country's healthcare system, corruption and pollution levels), for cities in countries that the World Bank classifies as medium- or low-income.	66 (cities)
<b>Hard power</b>			
National Power Index (NPI)	Foundation for National Security Research (FNSR)	The National Power Index (NPI) is a comprehensively revised version of the previous National Security Indexes published in India's National Security Annual Review (INSAR). The NPI is a quantification of a nation's power, meaning its ability to influence global events. The ranking is based on a composite of indexes of statistical analysis in terms of 6 dimensions: (1) economy capability (25%), (2) military capability (25%), (3) population capability (15%), (4) technological capability (15%), (5) energy security (10%), and (6) foreign affairs capability (10%).	27
<b>Soft power</b>			
IfG-Monocle Soft Power Index	Monocle and The Institute for Government (UK)	The IfG-Monocle Soft Power Index ranks countries through statistical metrics and subjective data (50 metrics in total), comparing countries according to 5 dimensions: (1) the quality of their government, (2) diplomatic infrastructure, (3) cultural output, (4) capacity for education, and (5) their appeal to business. The data is normalised, grouped into sub-indices, and calculated using a composite index formula to arrive at a single score for each country included in the study.	30
Rapid-growth markets Soft Power Index	Ernst & Young in conjunction with SKOLKOVO Institute for Emerging Markets Studies	The rapid-growth markets Soft Power Index ranks countries across 3 dimensions (30 soft power variables) which are, in order of importance: (1) global integration (immigration, tourism, English fluency, university ranking); (2) global integrity (freedom index, voter turnout, rule of law, CO2 emissions); and (3) global image (Time 100, media exports, most admired companies, Olympics, and language enrolments).	20

<sup>29</sup> <http://www.correlatesofwar.org/COW2%20Data/Capabilities/nmc3-02.htm>

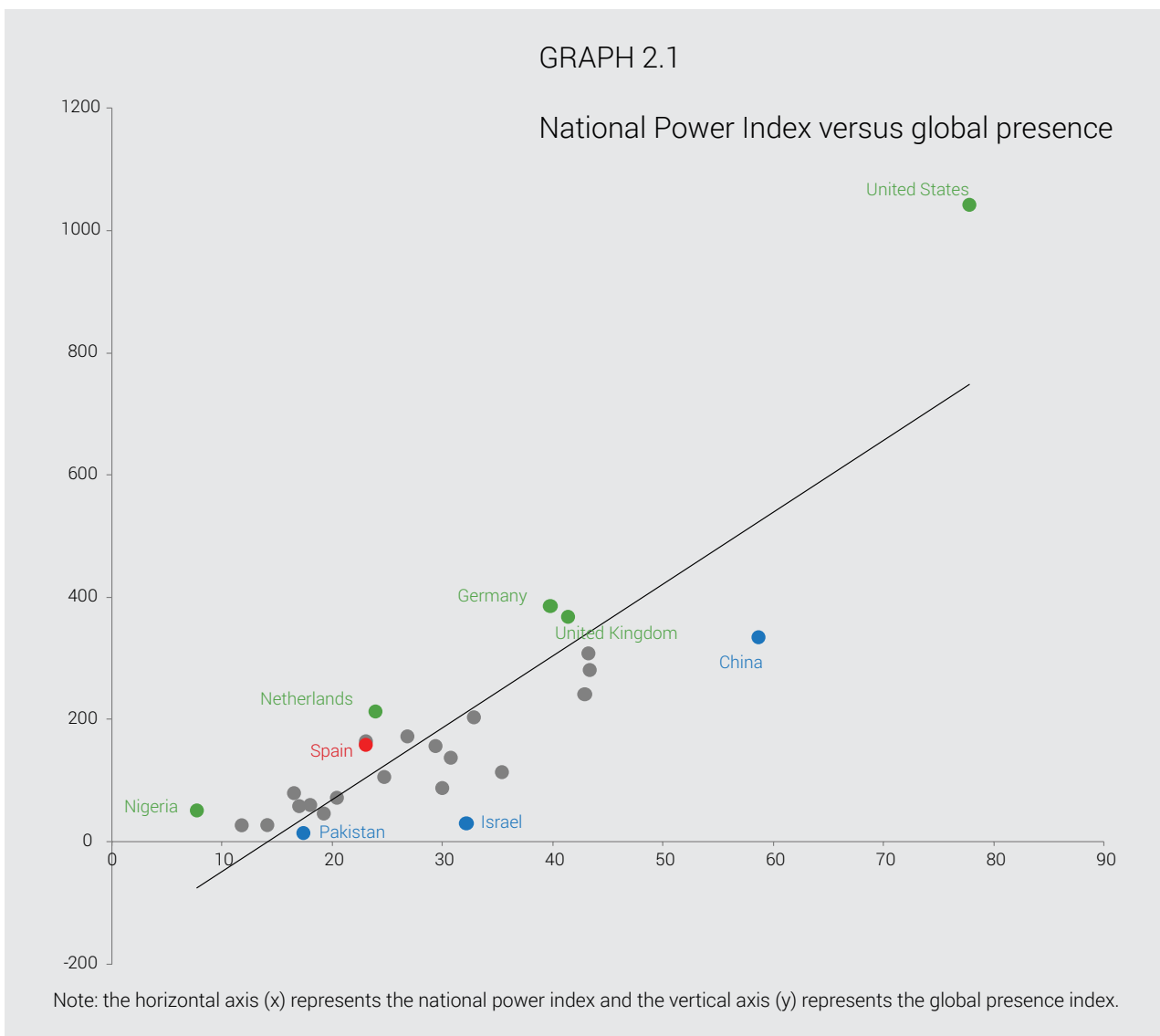
<sup>30</sup> Singer, J. David, Stuart Bremer, and John Stuckey (1972), "Capability Distribution, Uncertainty, and Major Power War, 1820-1965." in Bruce Russett (ed) *Peace, War, and Numbers*, Sage, Beverly Hills: 19-48.

<sup>31</sup> <http://pardee.du.edu>

<sup>32</sup> [http://www.fnsr.org/index.php?option=com\\_content&view=article&id=4173:national-power-index-2012&catid=25:the-project](http://www.fnsr.org/index.php?option=com_content&view=article&id=4173:national-power-index-2012&catid=25:the-project)

After the fall of the Berlin Wall and the end of the two-bloc world, new approaches to international relations and global power, such as Nye's, have influenced new designs of metrics of global power. Take, for instance, Monocle's Soft Power Index put together by the Institute for Government<sup>33</sup>, the AT Kearney Global Cities Index, and the Audit for Major Powers published by European Geostrategy<sup>34</sup> (table 2.1).

The results of the comparison of the Elcano Global Presence Index with these power indexes must be interpreted with caution. First of all, the samples in all three indexes plotted in the following graphs include a small number of countries (in relation to the total number of existing nations), and for only one year (the latest available in all cases). This being the case, average presence and power as well as the trend line may not always be significant, particularly if we take into account that, in all cases, the distortion introduced by the outlier of the series (the United States) is manifest.

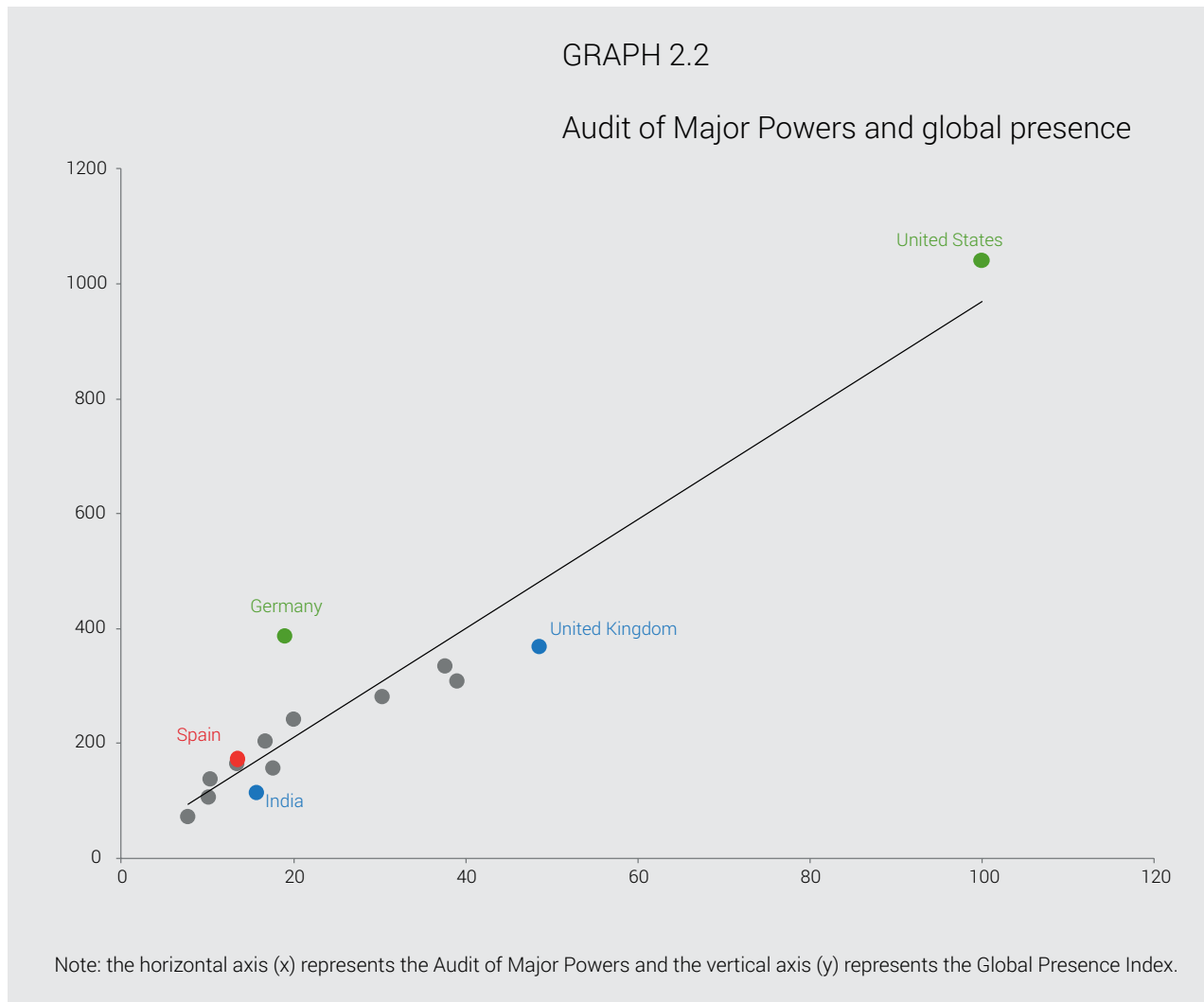


Nevertheless, two interesting phenomena can be observed. Countries such as Nigeria, Spain, the Netherlands, Germany, the United Kingdom and the United States record a global presence which is higher than the average (which is 182.94 for this set), while exerting power

<sup>33</sup> <http://monocle.com/film/affairs/soft-power-survey-2013/>

<sup>34</sup> <http://www.europeangeostrategy.org/2014/01/european-geostrategy-audit-major-powers-worlds-fifteen-most-powerful-countries-2014/>

at a level below the average (that is, 29.69). On the other hand, states such as Pakistan, Israel, or China are exerting power at levels well above the average with a relatively low global presence. Within the methodological limitations mentioned above, if we assume that global presence reflects, among other things, the basis on which global power (or influence) is sustained, it could be said that the first group of countries are not capitalizing their global presence adequately (and may even be eluding their responsibility as global players), while the second group are proving to be more efficient in the exercise of power, given their more limited global presence.

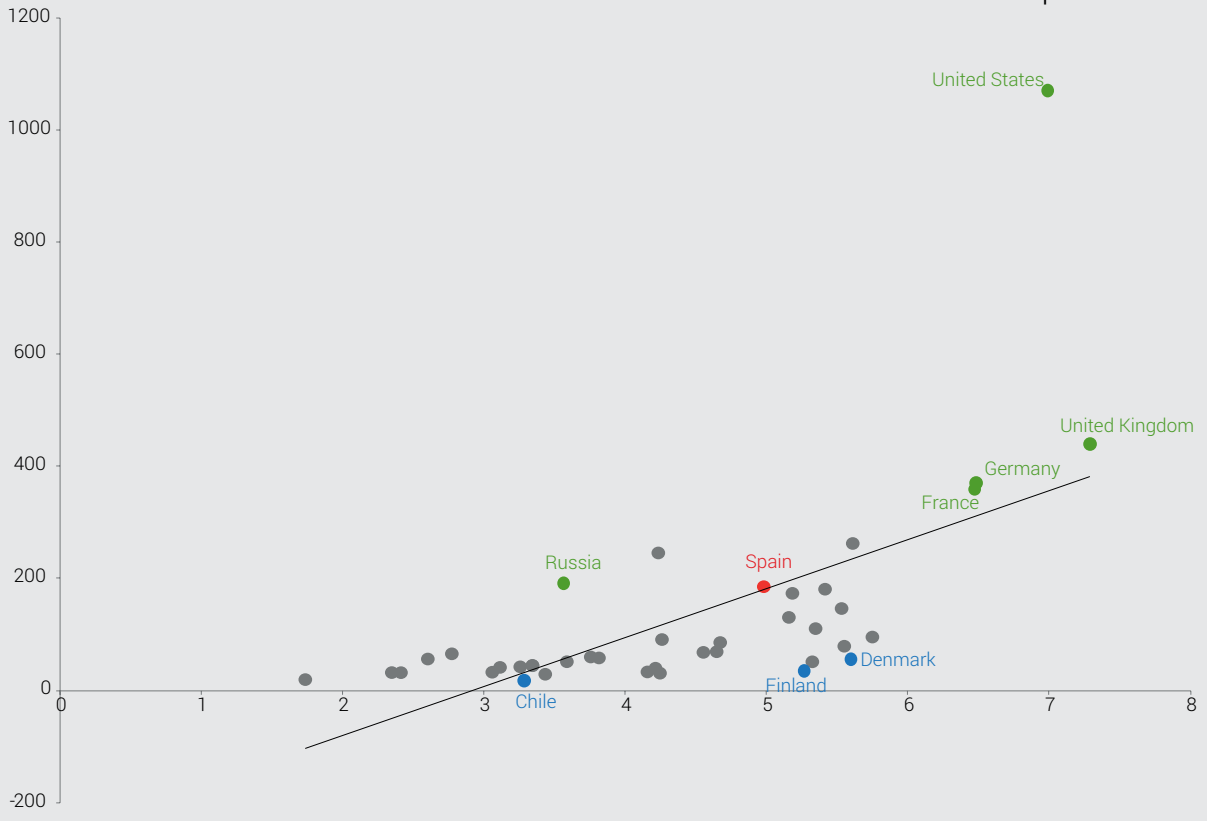


A comparison of global presence and the results of the Audit of Major Powers produces very similar results, with some interesting exceptions. For instance, in this case the United Kingdom records a power-presence ratio which is above the average (graph 2.2).

Despite the fact that the 'new persuaders' (that is to say, the major soft powers identified in the IfG-Monocle Soft Power Index) exert power exclusively on a soft basis, the countries that record a (soft) power / (soft) presence ratio below the average are more or less the same as those that also underperform according to the National Power Index and the Audit of Major Powers (graph 2.3).

GRAPH 2.3

The New Persuaders and their soft presence



Note: the horizontal axis (x) represents the New Persuaders Soft Power Index and the vertical axis (y) represents the Global Presence Index.

Very briefly, if we accept that global presence might be a pre-condition for global or regional power, a quantitative approach to these two concepts might reveal the extent to which different countries are punching below or above their weight. If this is the case, it would appear that several European countries are not fulfilling their potential ability to exert regional or global power.

## 3. Slower globalisation

### **Aggregate global presence seems to stagnate**

There are no major surprises in the 2013 Elcano Global Presence Index ranking, which nevertheless offers a number of interesting novelties.

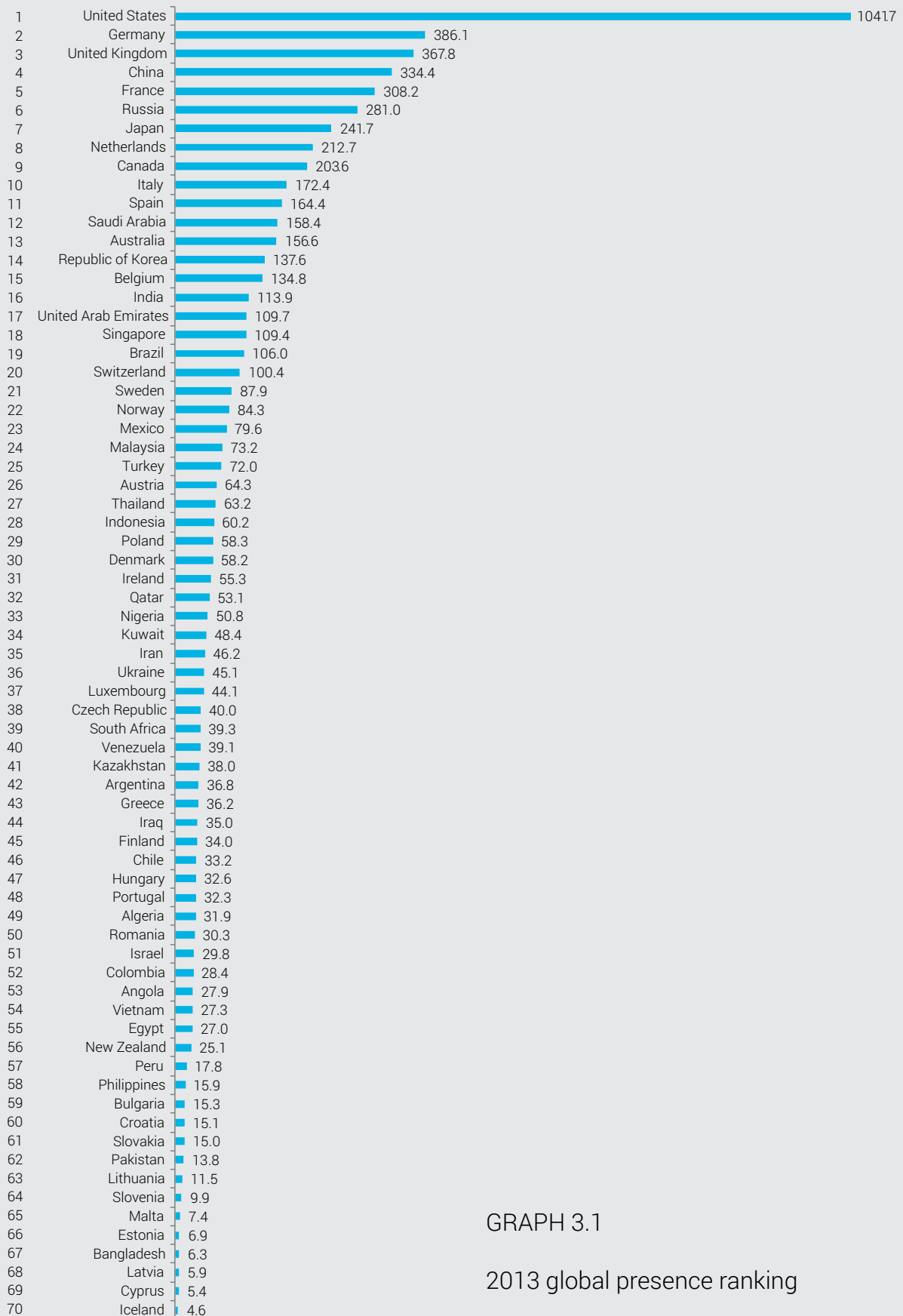
The top ten slots are occupied by the United States, which still ranks first, followed by six European countries ranging between positions two and ten, China and Japan at four and seven, and Russia in sixth position (table 3.1 and graph 3.1). The first year-on-year change appears in the 12<sup>th</sup> rank, as Saudi Arabia climbs one position.

Besides their positions in the ranking, when it comes to variations in value in the global presence index, as many as 44 countries follow the same trend as in previous years, recording increases in total global presence value (graph 3.2). The biggest increases are those of emerging countries. Seven out of 10 countries with the highest positive variation of global presence between 2012 and 2013 are emerging or in transition (China, Kuwait, Nigeria, Qatar, Russia, Singapore, Turkey, United Arab Emirates). Only two Western countries appear in this top 10: the United States is placed fourth, followed by France, which is ninth.

TABLE 3.1  
2013 global presence ranking and  
variations since 2012

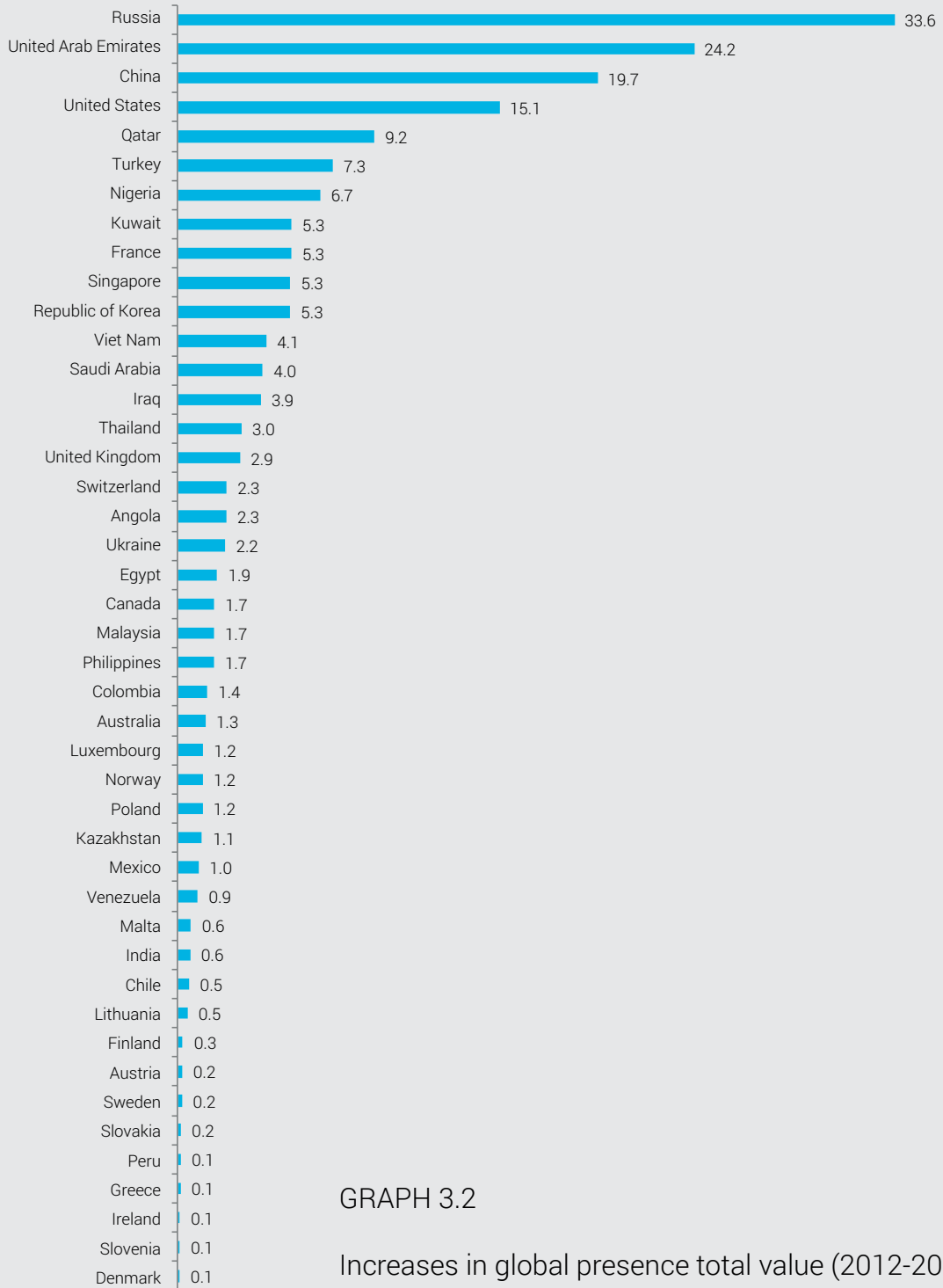
	2013	2012	2012-13 Difference
1	United States	United States	=
2	Germany	Germany	=
3	United Kingdom	United Kingdom	=
4	China	China	=
5	France	France	=
6	Russia	Russia	=
7	Japan	Japan	=
8	Netherlands	Netherlands	=
9	Canada	Canada	=
10	Italy	Italy	=
11	Spain	Spain	=
12	Saudi Arabia	Australia	1
13	Australia	Saudi Arabia	-1
14	Republic of Korea	Belgium	1
15	Belgium	Republic of Korea	-1
16	India	India	=
17	United Arab Emirates	Brazil	4
18	Singapore	Singapore	=
19	Brazil	Switzerland	-2
20	Switzerland	Sweden	-1
21	Sweden	United Arab Emirates	-1
22	Norway	Norway	=
23	Mexico	Mexico	=
24	Malaysia	Malaysia	=
25	Turkey	Turkey	=
26	Austria	Austria	2
27	Thailand	Indonesia	1
28	Indonesia	Thailand	-1
29	Poland	Denmark	1
30	Denmark	Poland	-1
31	Ireland	Ireland	=
32	Qatar	Iran	1
33	Nigeria	Nigeria	1
34	Kuwait	Qatar	1
35	Iran	Kuwait	-3
36	Ukraine	Luxembourg	1
37	Luxembourg	Ukraine	-1
38	Czech Republic	South Africa	=
39	South Africa	Czech Republic	-1
40	Venezuela	Venezuela	=
41	Kazakhstan	Argentina	1
42	Argentina	Kazakhstan	-1
43	Greece	Greece	=
44	Iraq	Finland	5
45	Finland	Hungary	-1
46	Chile	Chile	=
47	Hungary	Portugal	-2
48	Portugal	Algeria	-1
49	Algeria	Iraq	-1
50	Romania	Romania	=
51	Israel	Israel	=
52	Colombia	Colombia	=
53	Angola	Angola	=
54	Vietnam	New Zealand	2
55	Egypt	Egypt	=
56	New Zealand	Vietnam	-2
57	Peru	Peru	=
58	Philippines	Bulgaria	3
59	Bulgaria	Croatia	-1
60	Croatia	Slovakia	-1
61	Slovakia	Philippines	-1
62	Pakistan	Pakistan	=
63	Lithuania	Lithuania	=
64	Slovenia	Slovenia	=
65	Malta	Estonia	1
66	Estonia	Malta	-1
67	Bangladesh	Bangladesh	=
68	Latvia	Latvia	=
69	Cyprus	Cyprus	=
70	Iceland	Iceland	=





GRAPH 3.1

2013 global presence ranking



GRAPH 3.2

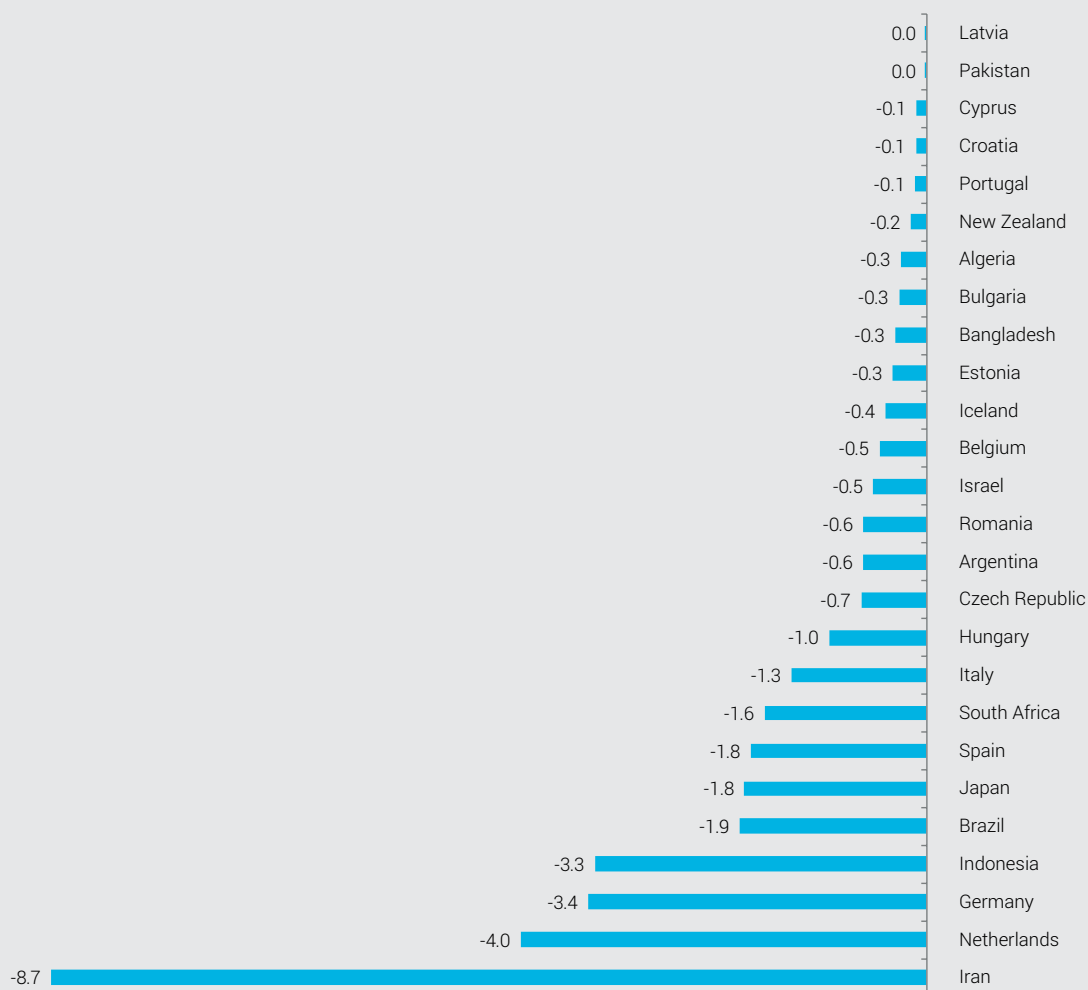
Increases in global presence total value (2012-2013)

However, the 2013 data show an important change of trend. Unlike in previous years, 26 of the countries selected for the global presence calculation recorded decreases in their external projection (graph 3.3). The greatest declines of global presence were those of several emerging countries such as Indonesia, Brazil, South Africa, or Iran – between 1.6 and 8.7 points in these cases. Nonetheless, it is important to point out that, out of the 26 countries which decreased their global presence with respect to 2012, 15 were European and 14 were European Union member states.

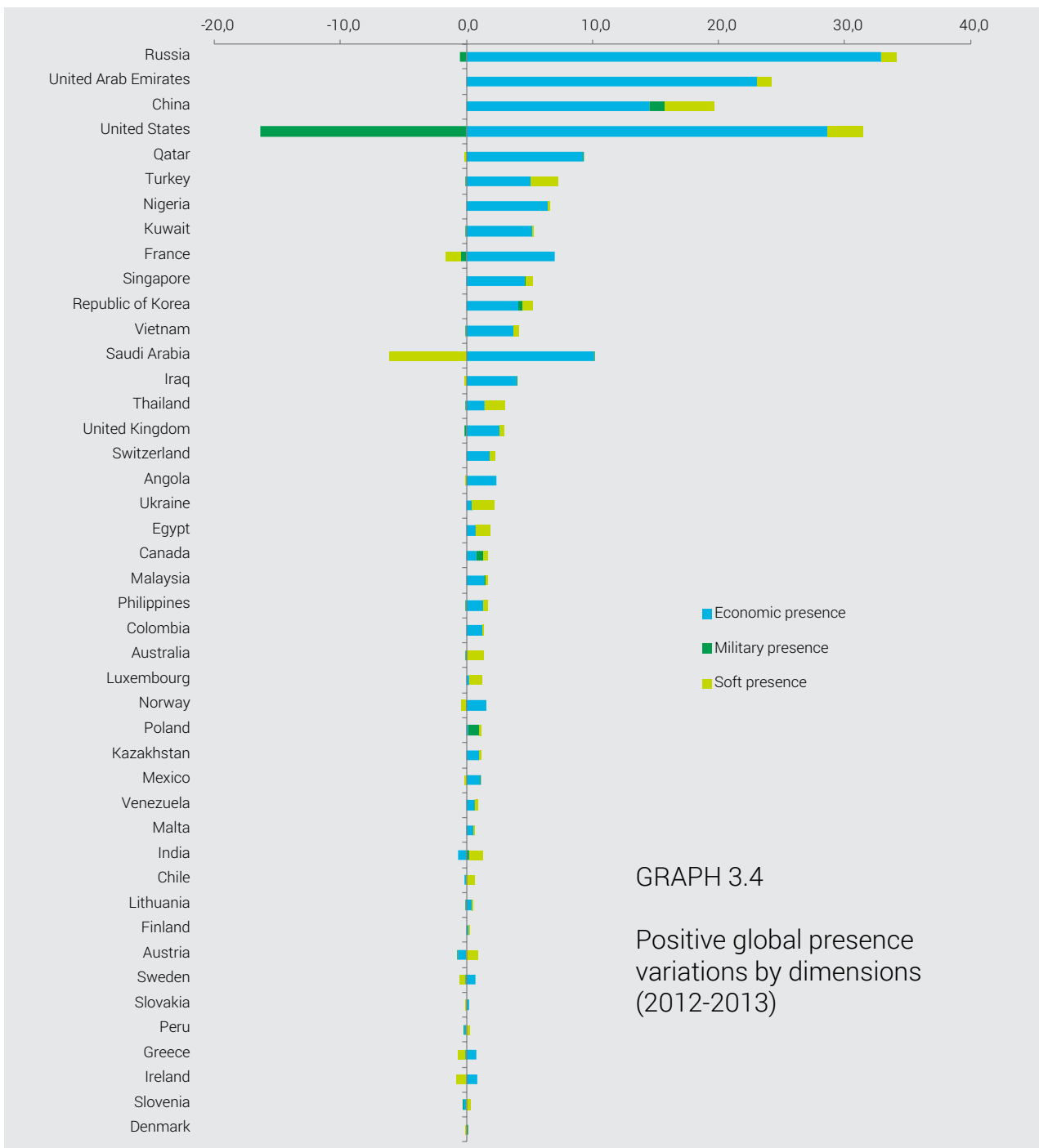
Moreover, the aggregation of global presence recorded by each of the 70 countries selected for this calculation shows a certain degree of stagnation of external projection in the last year. This figure has experienced a modest increase from 6,512.0 in 2012 to 6,659.9 in 2013 – a 147-point increase, which is quite low when compared to the 2011-2012 comparison (733 points) or the 2010-2011 variations (676).

GRAPH 3.3

Decreases in global presence total value (2012-2013)



Graph 3.4 plots the relative contribution of each dimension –economic, military, and soft presence– to the total variation in global presence for those countries that record an increase in their total external projection. Again, as in previous years, the economic dimension appears as the most dynamic facet of the globalisation process. Thus, over 99% of the aggregated net global presence increase of these 44 countries corresponded to the economic dimension. There is a net negative contribution of military presence (-7.76% of the aggregate variation of global presence of the 44 countries) and a positive contribution of soft presence to this total increase (8.56%). However, a closer look at the figures shows an increase of military presence for a great number of these countries –the highest being recorded by China, Canada and Poland– overcompensated by the significant decrease in United States’ military projection since 2012.



GRAPH 3.4  
Positive global presence variations by dimensions (2012-2013)

Something similar occurs with those countries recording decreases of global presence. Over 84.6% of the aggregated decrease belongs to the economic dimension, whereas contributions by the military (2.1%) and soft presence (13.3%) dimensions are positive but very low (graph 3.5).

GRAPH 3.5

Negative global presence variations by dimensions (2012-2013)



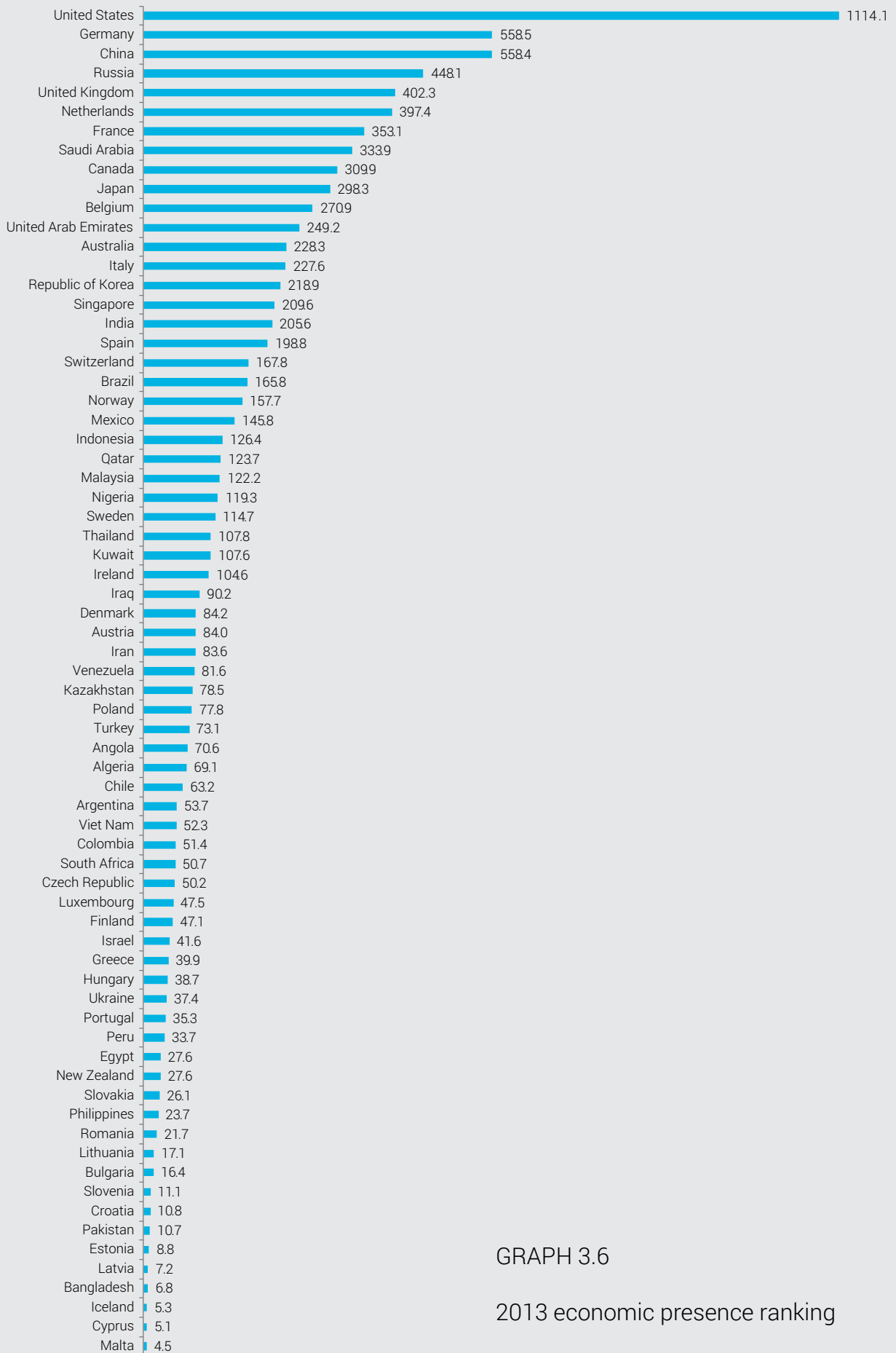
The 2013 economic presence ranking does not differ substantially from that of the previous edition (graph 3.6), despite uneven value changes for each country since last year (graphs 3.7 and 3.8). The United States ranks first and the same 20 countries occupy the first 20 positions. However, China shortens its distance with Germany to almost a draw, Russia climbs to the fourth position, while the United Kingdom and the Netherlands fall to fifth and sixth, respectively. The United Arab Emirates climbs several positions and Spain falls to 18<sup>th</sup>.

Similarly to changes in dimensions, there are also interesting trends in the differentiated growth rates of economic variables from one country to another (graph 3.9). For those 43 countries that gain economic presence, on average, almost 59% of the increase in this dimension corresponds to a higher value in the energy indicator. This share is even higher for some countries with important economic presence gains such as Russia, United Arab Emirates, Saudi Arabia, or Nigeria. To a lesser extent, an increase in outward foreign direct investment stocks accounts for almost 28% of the difference between the economic presence index value in 2013 and that of 2012. Here again, some countries record a much more significant variation of the investments indicator. Take, for instance, the United States, Singapore, and Switzerland. As for primary goods, manufactures, and services, these account for only 3.8%, 6.7%, and 12.7% of the average increase of the economic dimension for those countries that record a positive change.

Interestingly, it is the primary goods variable that explains a large part of the decline of the economic presence of those 27 countries that experienced a setback in this area of presence. More specifically, lower levels of primary goods exports account for over 76% of the average decrease, manufactures account for 37%, and energy for 32%. On the other hand, the changes in services and investments are positive for this group of countries (graph 3.10). This pattern is very evident in the case of South Africa, Brazil, Germany, and the Netherlands.

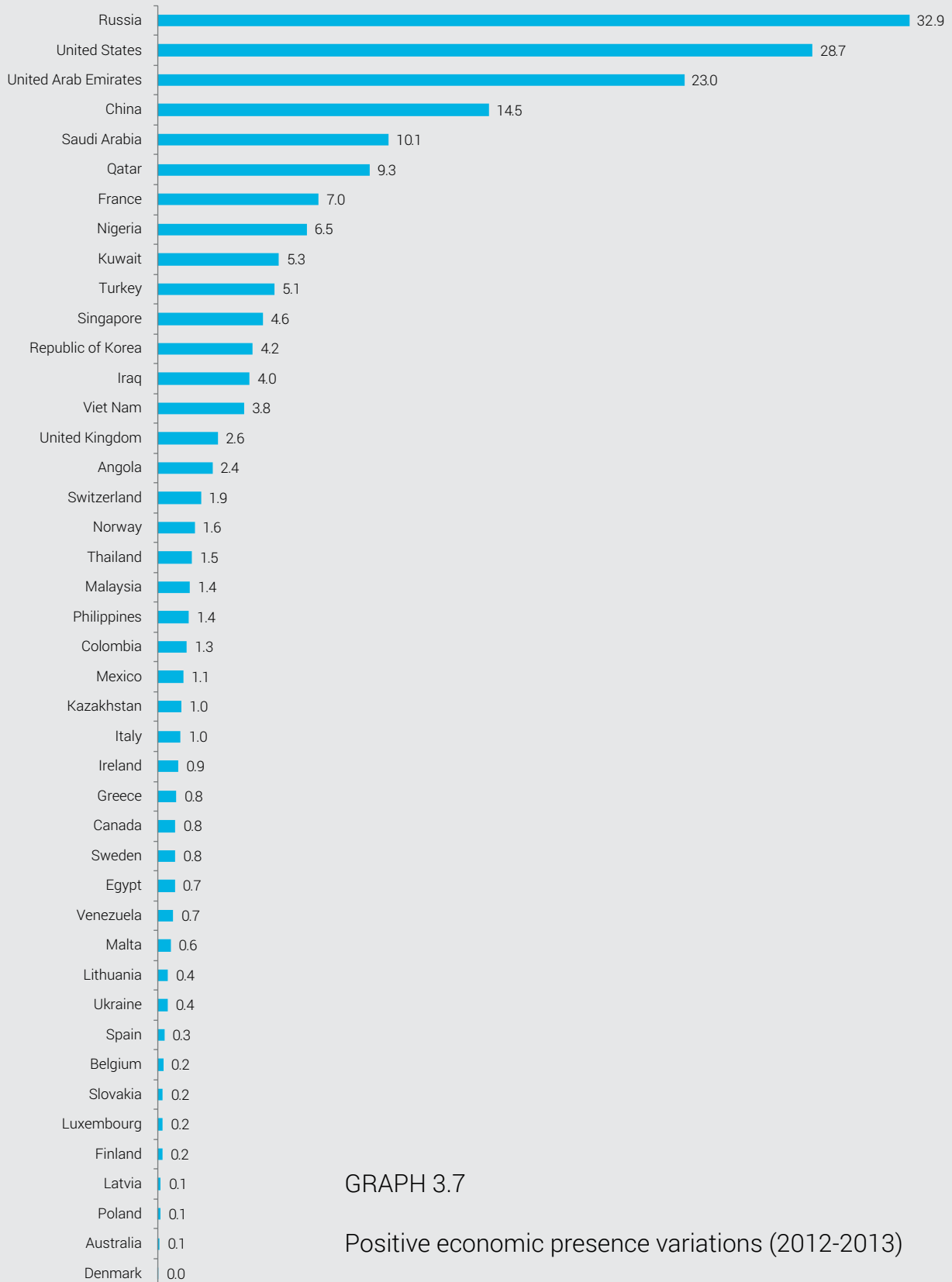
The top 10 countries in military presence are the same in 2013 as in 2012. Here again, the United States ranks first (graph 3.11). Approximately half the selection of countries record military presence increases (graph 3.12), while the other half tends to have a less intense military projection (graph 3.13). It is mainly the increase in the military capacities of a significant number of emerging countries that explain the positive variation, with China, Poland, Algeria, South Korea, India, and Singapore all being noteworthy. As for the declines in military presence, there are a good number of mild decreases in several European, Asian, and Latin American countries. However, the greatest decline is that recorded by the United States as a result of its significant troop withdrawals in 2012 (the year of the data recorded for this 2013 index). This is largely related to the ending of the missions in Afghanistan and Iraq, but also –in a more structural way– with the retrenchment of military expenditure and the trend towards a reduction of United States' troops posted abroad.

The list of top ten countries in soft presence has hardly varied since last year. The first eight countries –from the United States to Spain– appear in exactly the same positions as they did in 2012, and these positions are mostly occupied by post-industrial developed countries, with the notable exception of China, which ranks sixth (graph 3.15). As with the economic and military dimensions, there are countries that strengthen their soft external position (graph 3.16) while others are weakened (graph 3.17). Among the first group, composed of 46 countries, all types of regional profiles are represented. Unlike with the economic and military dimensions, there seems to be no clear pattern of leading variables in the annual variation –despite the fact that tourism and science account for 40% and 32%, respectively, of the aggregated increase for all 46 countries. The most striking figure, perhaps, is the dramatic increase of China's soft presence on the strength of the scientific component. Among the few countries that decrease their international soft projection, there is an over-representation of European countries (16 of 24). This is mostly explained by the impact of weaker development cooperation from countries like the Netherlands, France, Spain, and Italy. In fact, development cooperation explains over 113% of the total decrease of soft presence for this 16-country group.



GRAPH 3.6

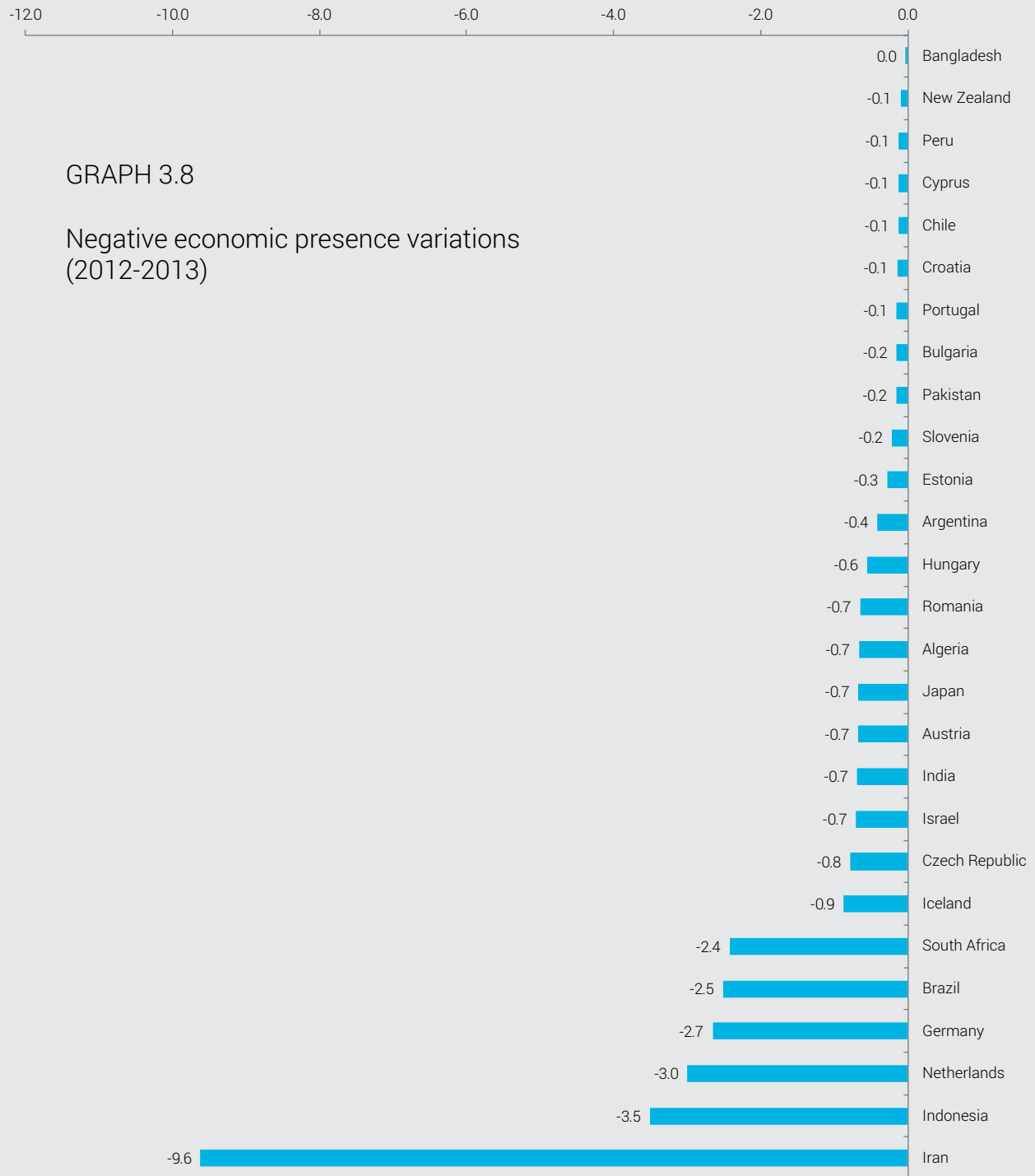
2013 economic presence ranking

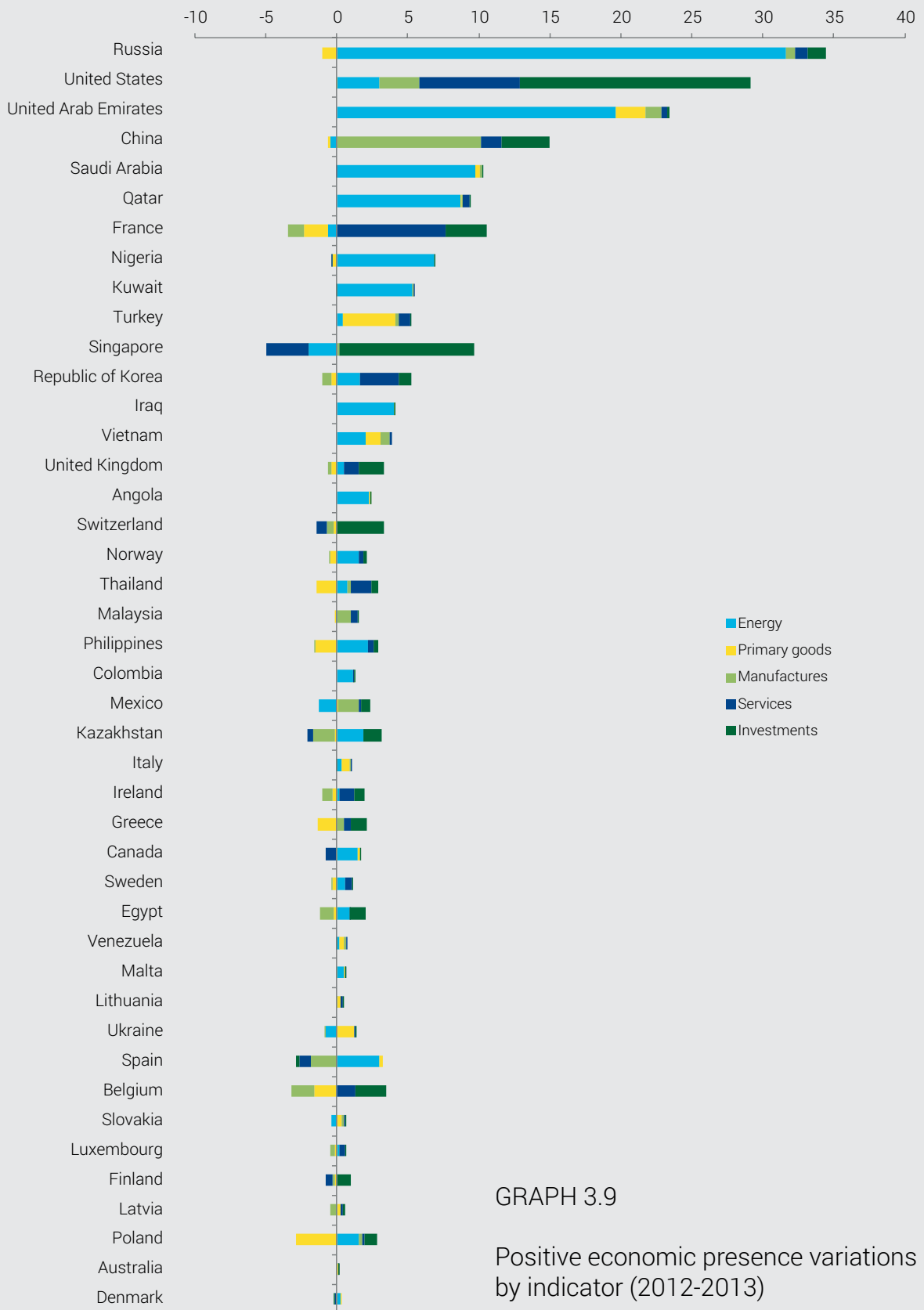


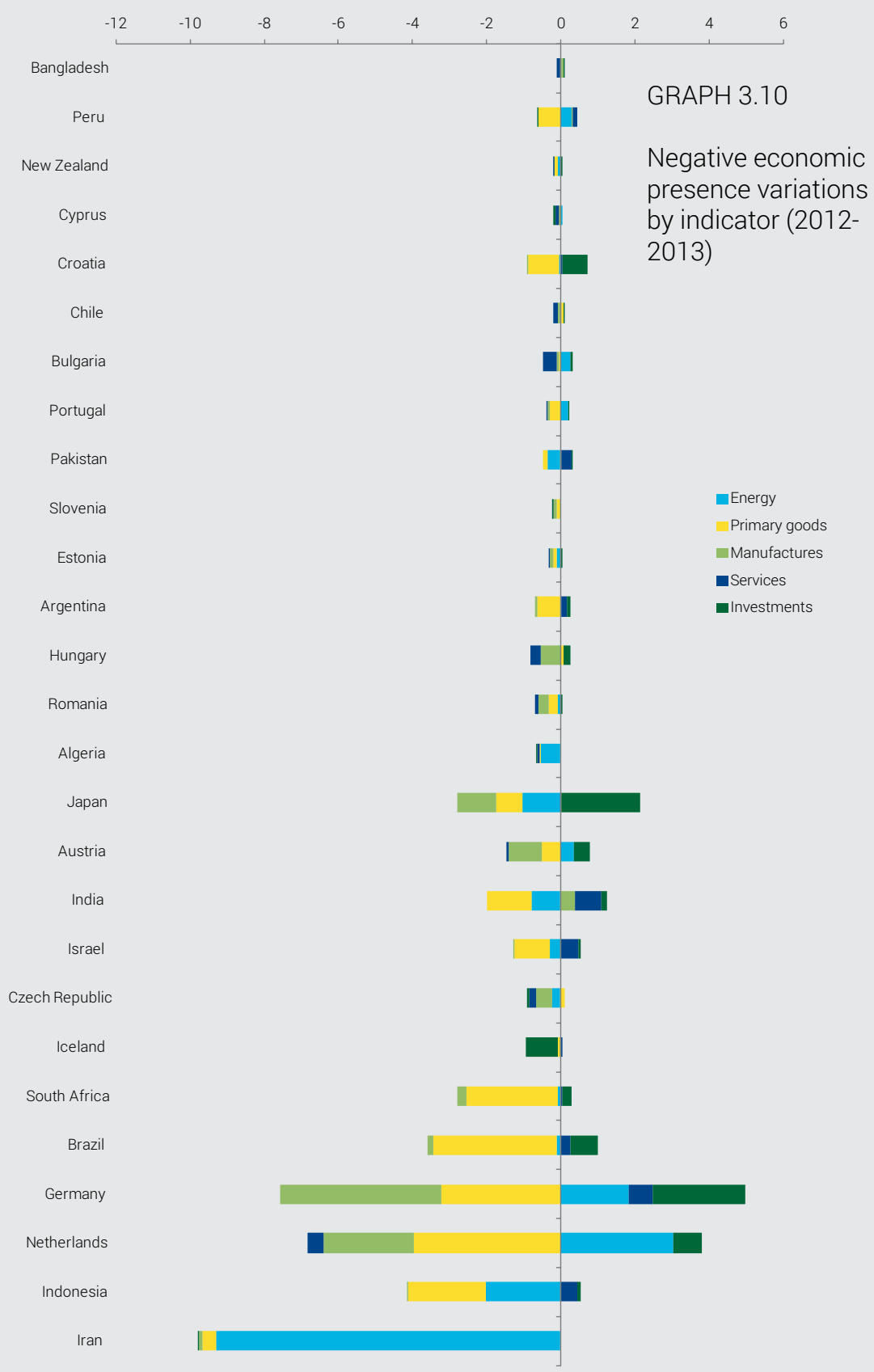
GRAPH 3.7

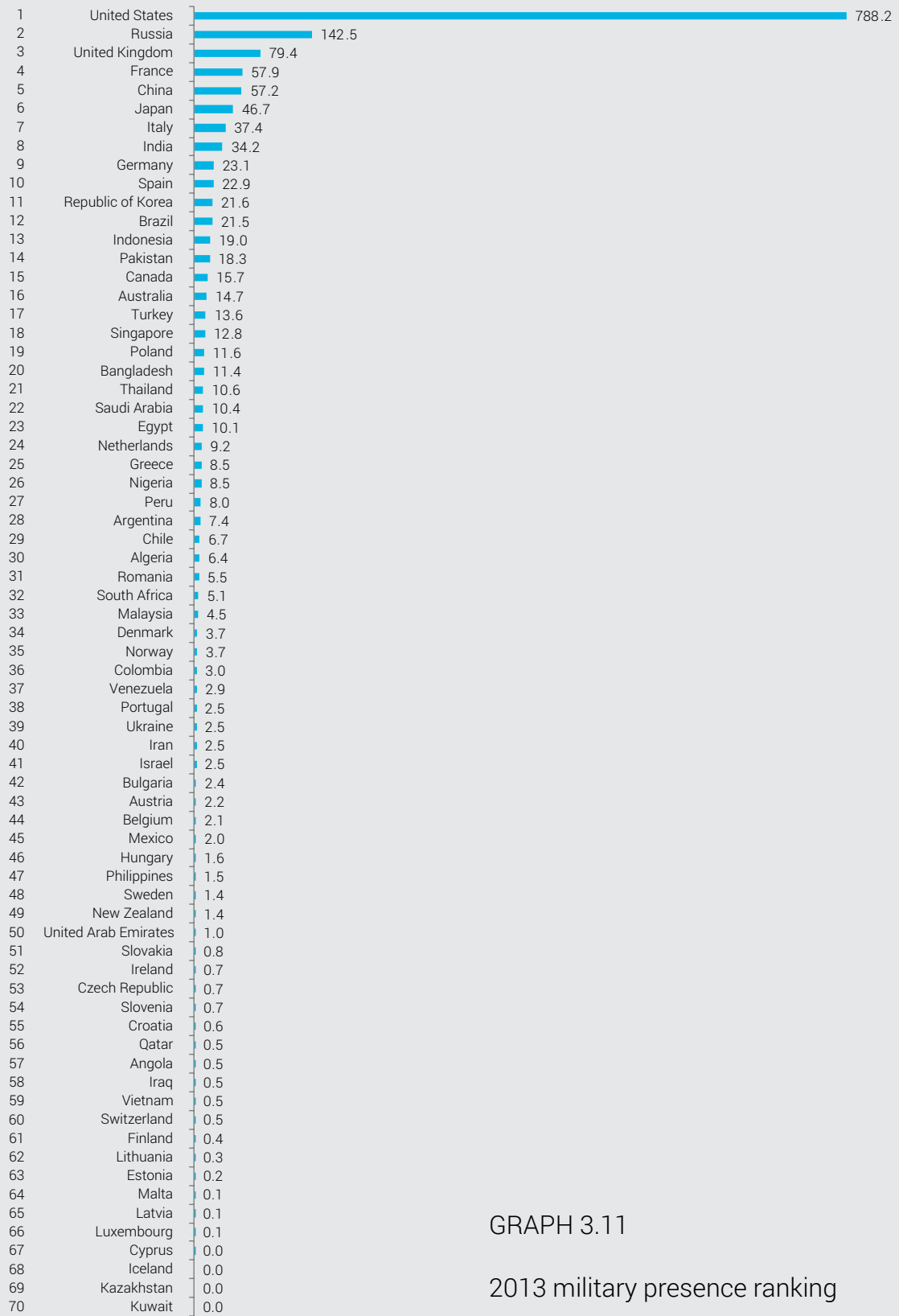
Positive economic presence variations (2012-2013)





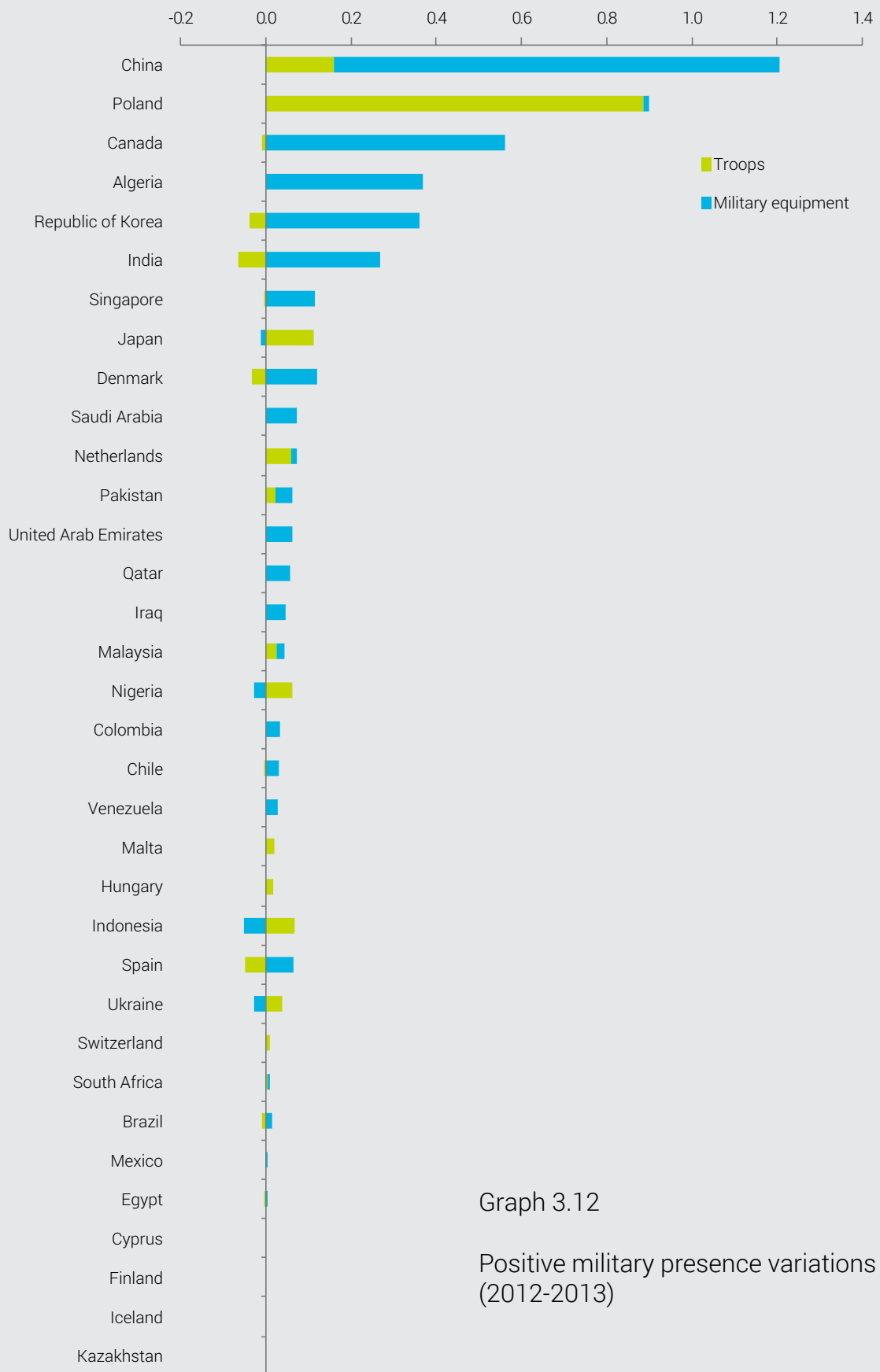




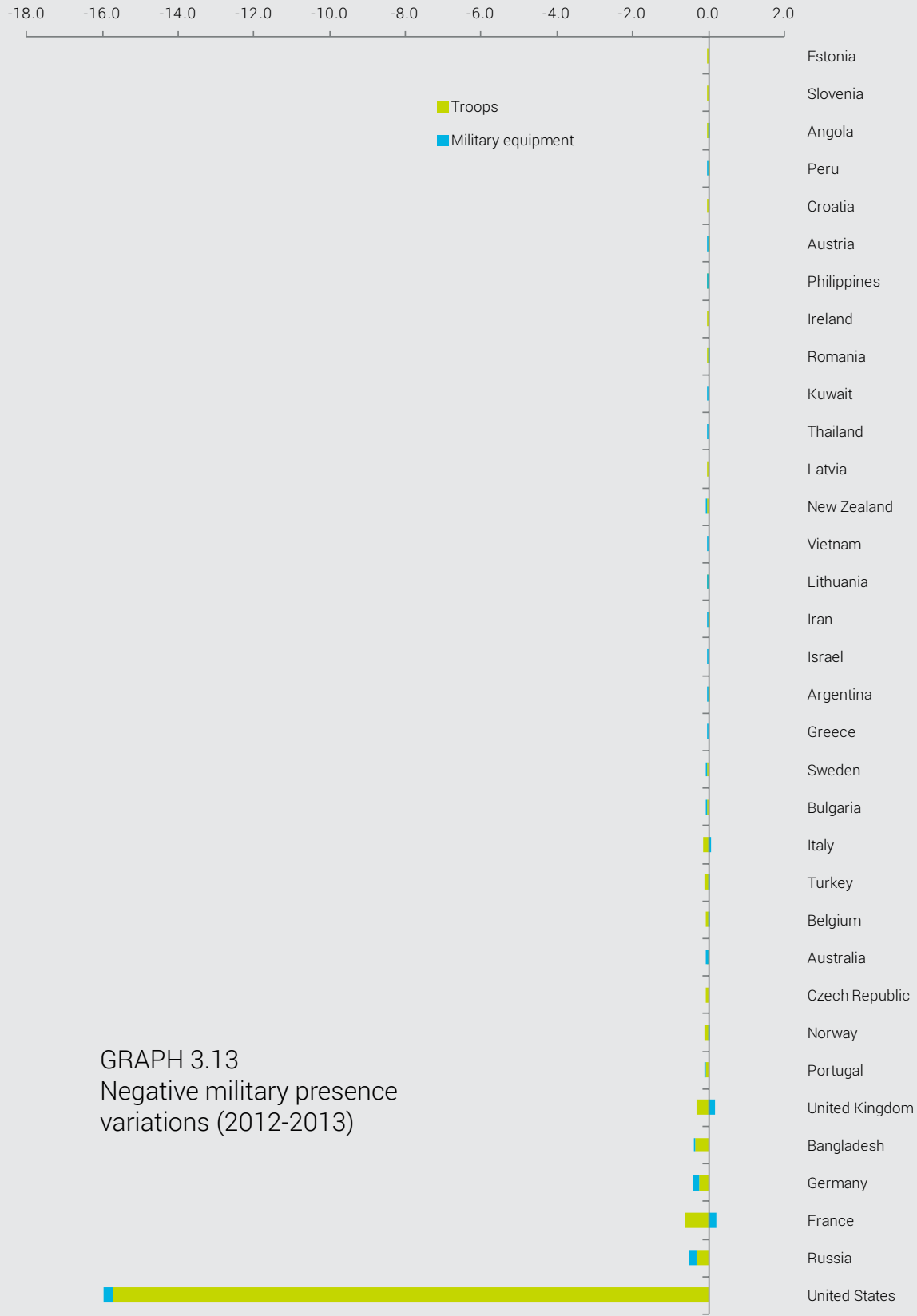


GRAPH 3.11

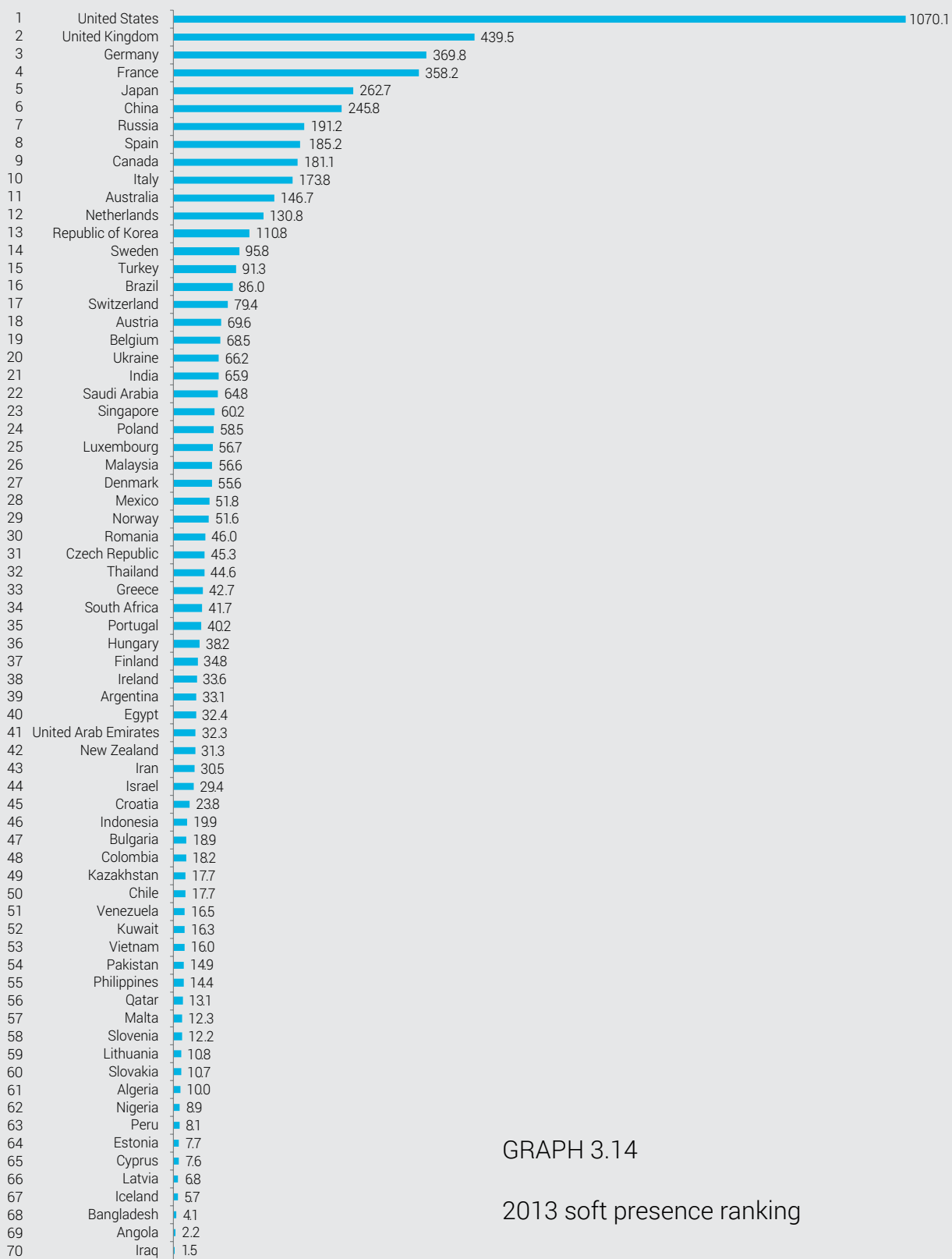
2013 military presence ranking



Graph 3.12  
Positive military presence variations  
(2012-2013)

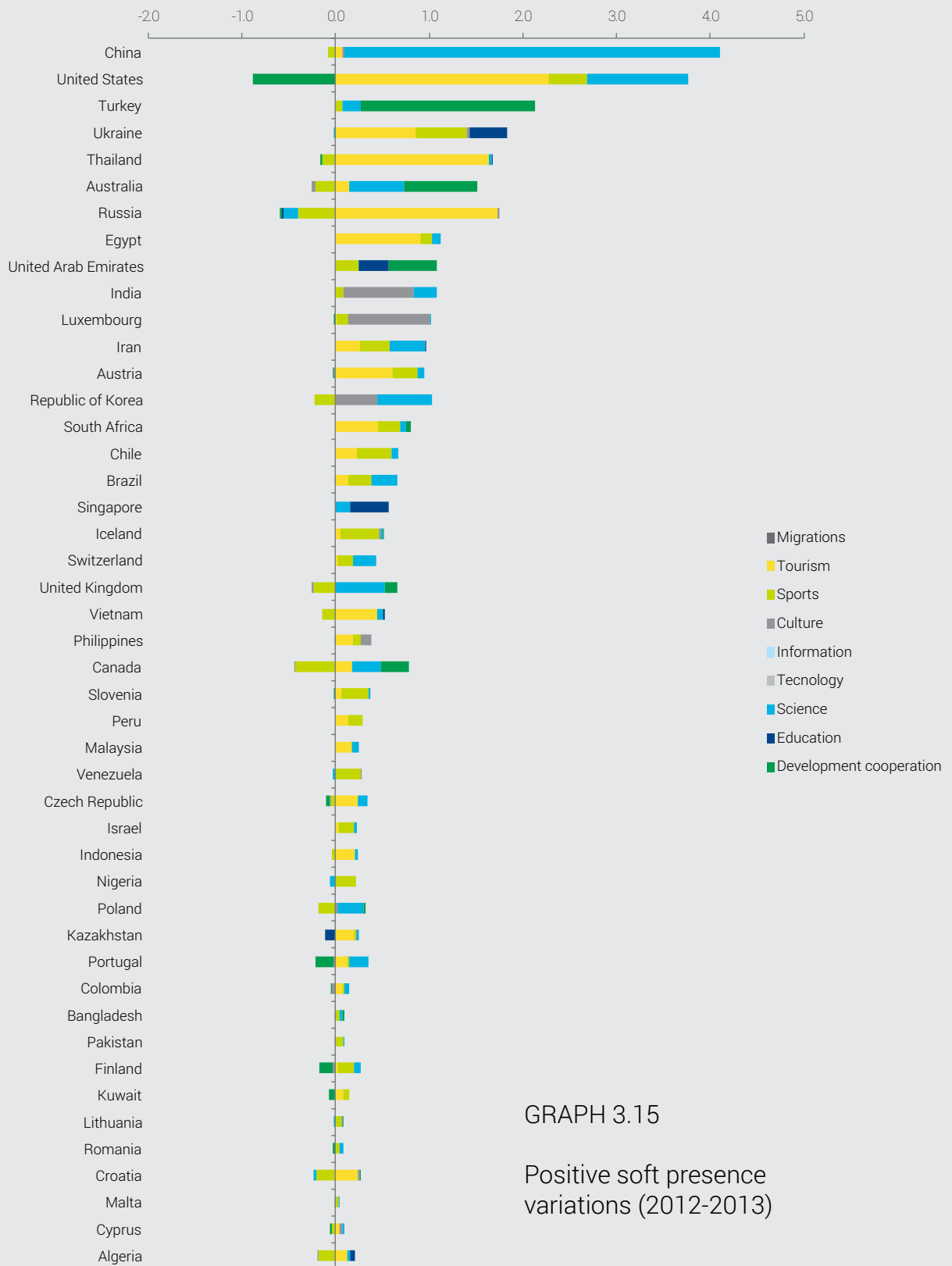


GRAPH 3.13  
Negative military presence  
variations (2012-2013)



GRAPH 3.14

2013 soft presence ranking



GRAPH 3.15  
Positive soft presence variations (2012-2013)





## What about Europe?

As already mentioned, the inclusion of each of the European Union's member states in the selection of countries for which we calculate global presence, together with the availability of detailed information on a very wide variety of international relations within the sphere of the Union (which is compiled by Eurostat) allows for the construction of a specific index for a hypothetical United States of Europe.

Last year's edition of the Index showed that this figured super-state would have ranked first in the global presence ranking, with an index value slightly above that of the United States. However, during this past year, several member states have lost weight in the world sphere (graph 3.5), which could affect the position of the Union as a whole. However, the data for 2013 shows that the European Union's position has not decreased. On the contrary, it has increased by 78 points and widened the gap with the United States – whose own global presence increase amounts to only 15.1 points (graphs 3.17 and 3.18).

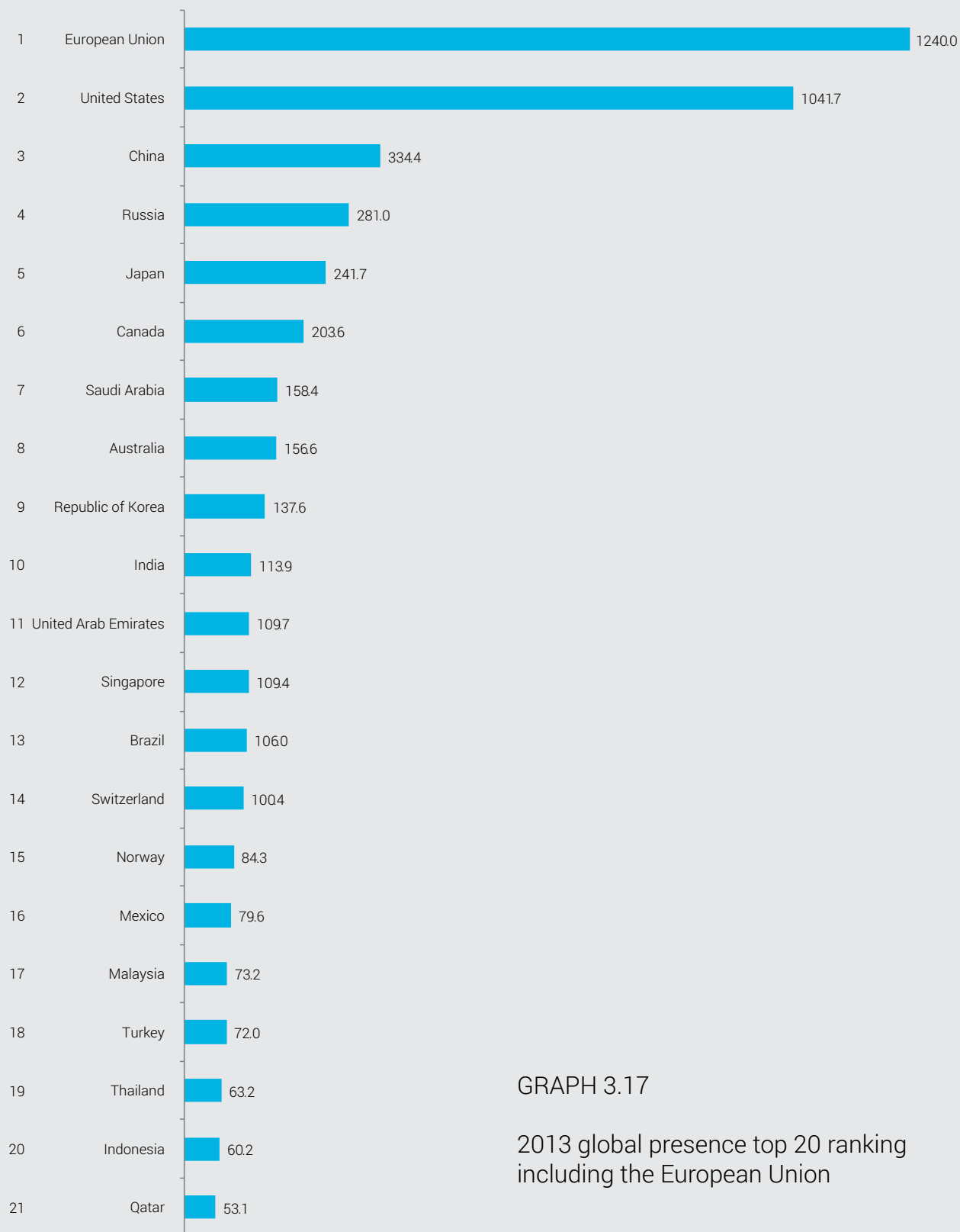
There are three possible explanations to this apparent paradox of European member countries losing presence while the whole Union gains it.

Firstly, the magnitude of individual decreases recorded by European countries is small – changes are below 2 points in index value for the cases of Latvia, Cyprus, Portugal, Bulgaria, Estonia, Belgium, Croatia, Czech Republic, Hungary, Italy, and Spain. Moreover, other European member states record increases of global presence between 2012 and 2013. Such is the case with France, the United Kingdom, or Sweden (graph 3.4). As a result, the aggregate variation could be positive for the Union – although this might imply that the structural intra-European differences may be widening when it comes to global presence.<sup>35</sup>

Secondly, overall the Union's increase in presence is very modest, though it is still greater than the increases scored by its closest 'competitors', as already mentioned in the case of the United States.

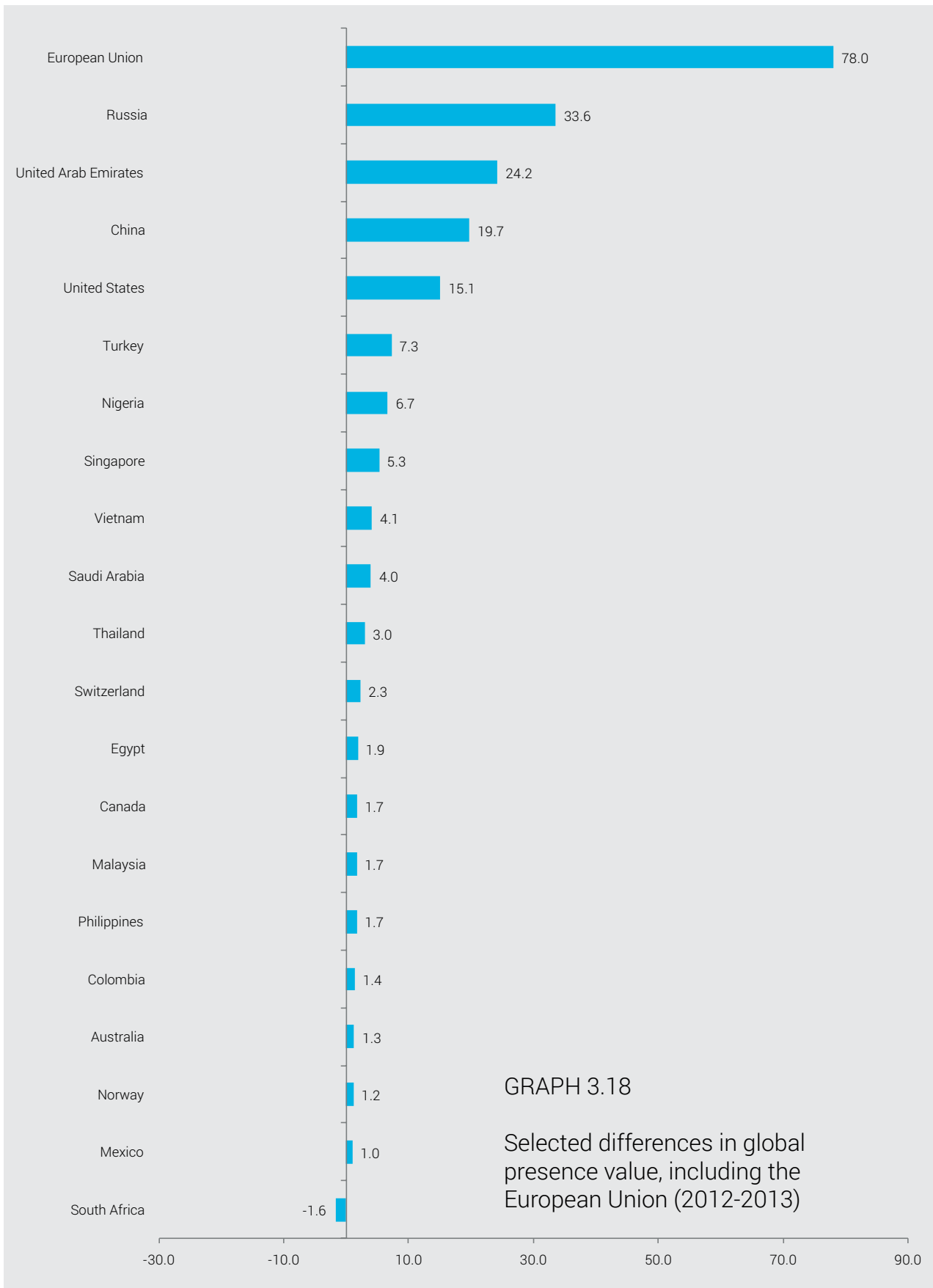
Thirdly, what may have happened is that those member states that have lost global presence have lost it mainly within the intra-European sphere. If so, this should be reflected in the Elcano European Presence Index, which calculates the external projection of member states in the narrower sphere of the European Union (employing the same economic, military, and soft grounds as for the global sphere). However, unlike global presence, European presence has increased for almost all member countries, with the exceptions of Cyprus and Greece (Graphs 3.19 and 3.20). That is, despite the current and long lasting economic recession that is finally affecting global presence in a substantive way, and despite the limited capacity of the European Union to deepen its economic and political integration, there has been an increase in the relative presence of almost all member states in other countries of the Union. Nonetheless, there are two methodological features of the Index that might imply an over-valuation of European presence. On the one

<sup>35</sup> It should be noted, however, that Germany is among the European countries losing global presence.

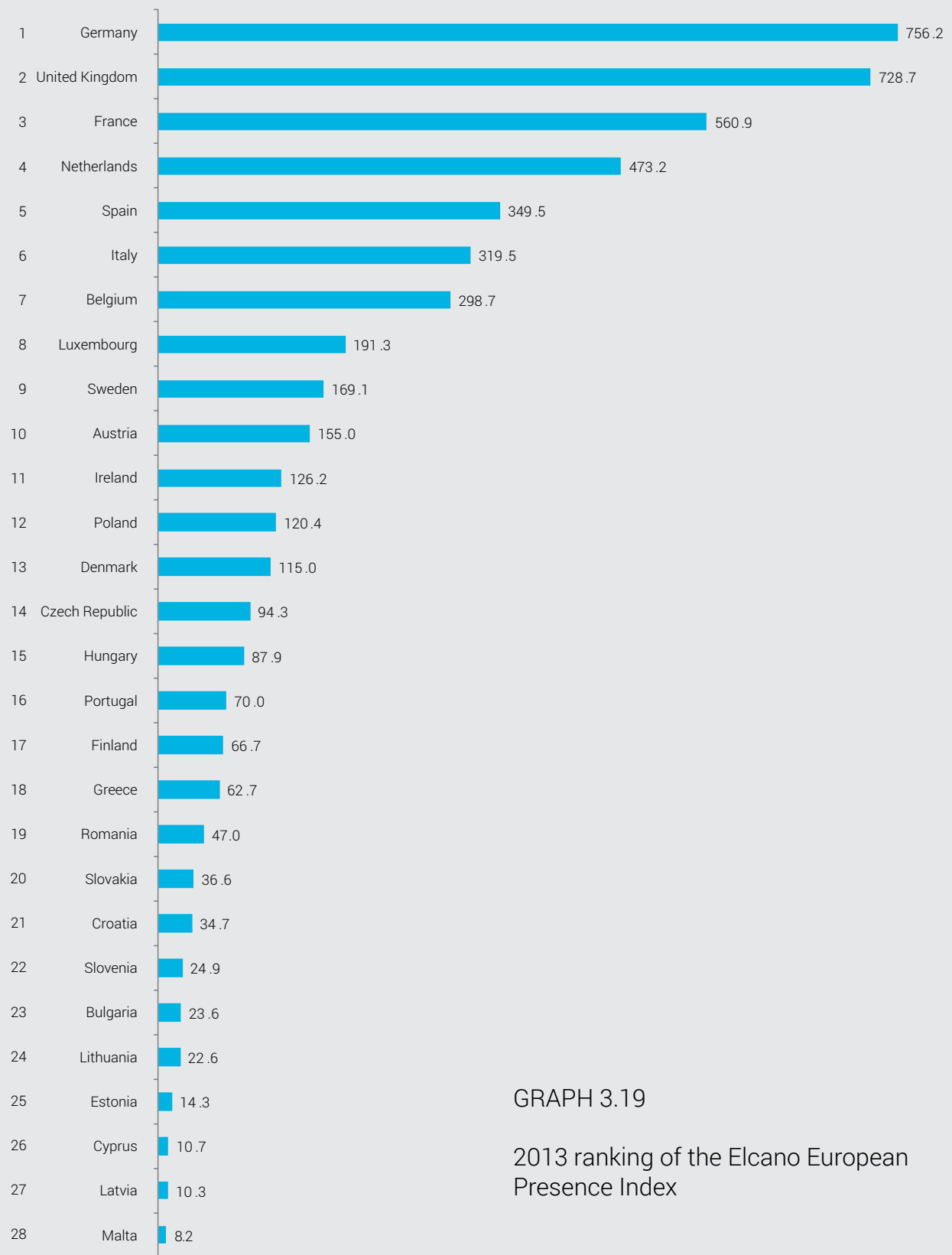


GRAPH 3.17

2013 global presence top 20 ranking including the European Union



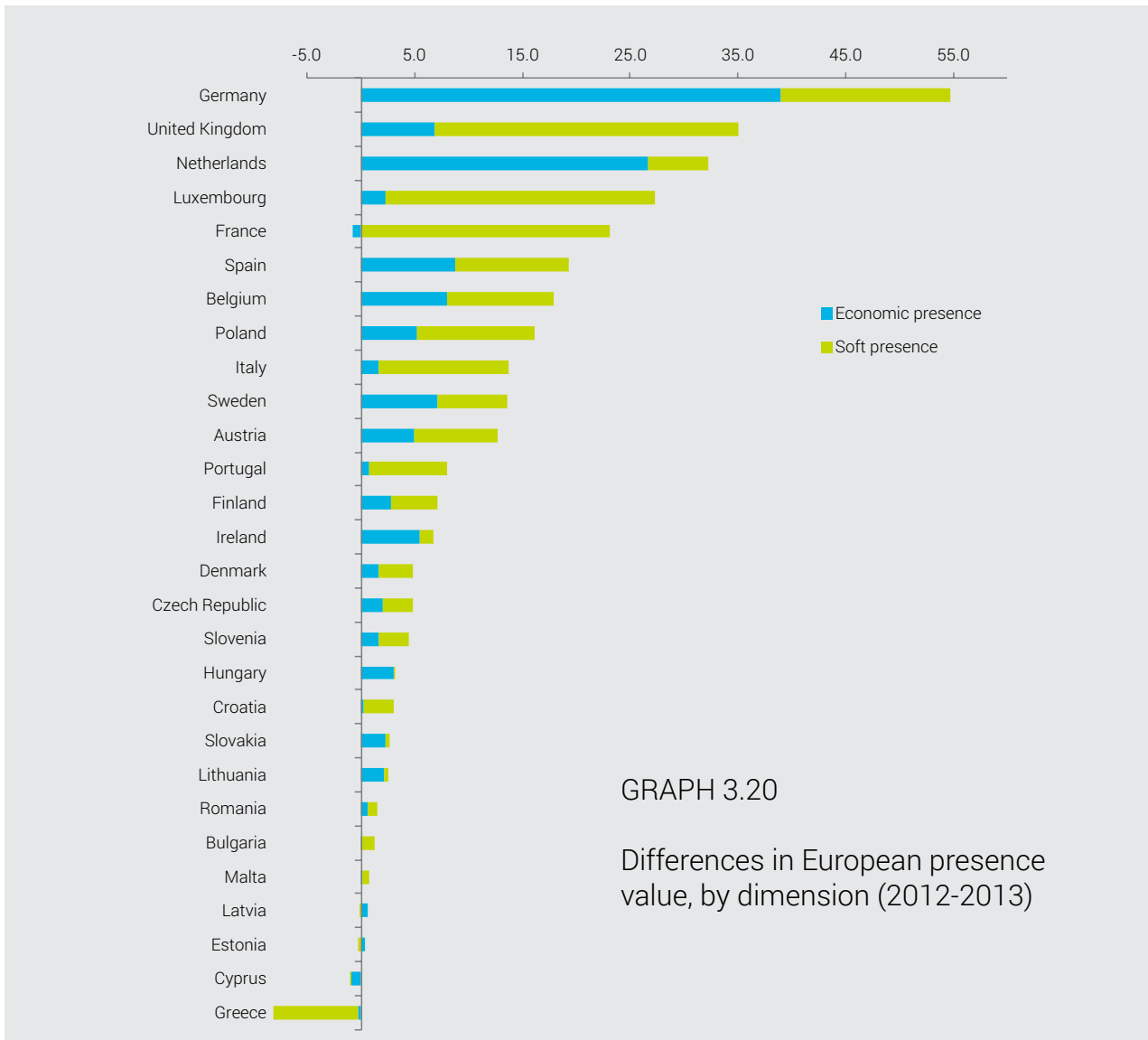
GRAPH 3.18  
Selected differences in global presence value, including the European Union (2012-2013)



GRAPH 3.19

2013 ranking of the Elcano European Presence Index

hand, the number of members defining the European space has increased over time (the Elcano European Presence Index considered 25 members for 2005, 27 for 2010-2012, and 28 for this year's edition). In this way, global presence that was once extra-European –for example, Germany's economic presence in Croatia in 2012– has become intra-European –that same presence in 2013. On the other hand, European presence results are influenced by the euro/dollar exchange rate. For many variables, input data –from exports of primary goods to foreign investment stocks– are made available in euros and later transformed into US dollars. Given the strength of the European currency in recent years, the exchange rate has definitely raised the presence values within the European sphere.



GRAPH 3.20  
Differences in European presence value, by dimension (2012-2013)

## A return to bipolarity?

The aggregated global presence for all 70 countries under consideration has been steadily increasing since 1990, the earliest year of calculation. Graph 3.21 shows how each of the economic, military, and soft dimensions has been contributing to this aggregated 'foreign policy space'. As revealed in previous studies, the relative importance of the military dimension has been decreasing, simultaneous with increases in the economic and soft areas.

Moreover, growth rates were uneven throughout the period. The acceleration of globalisation in recent decades slowed down abruptly between 2012 and 2013. Although it would be premature to conclude that there is actually a change of trend, the economic recession seems to have finally had an impact on countries' external projection.

Not all countries, indicators or dimensions have been affected by this deceleration with the same intensity. As already shown, there has been a significant decline in primary goods exports from several countries, a drastic reduction of United States troops deployed, and a decrease in the development assistance budgets of several OECD donor countries (France, Japan, Italy, and Spain). This deceleration could also affect each country's share of external projection in 2013 (in relation to 2012) and, therefore, the trend and balance of global presence shares described in the previous edition of this report (see Olivie and Gracia<sup>36</sup>).

Last year's edition showed a structural trend towards a greater dispersion of presence among all countries, and a steady fall in the combined shares of the United States and China since 1990. This structural trend towards dispersion is confirmed by 2013 data for all 70 countries. The calculation of the Herfindahl-Hirschman Index (HHI) shows a de-concentration process for both the economic and soft dimensions in each sub-period since 1990, although the intensity of this process varies from one period to another, and from one dimension to another (graph 3.22)<sup>37</sup>.

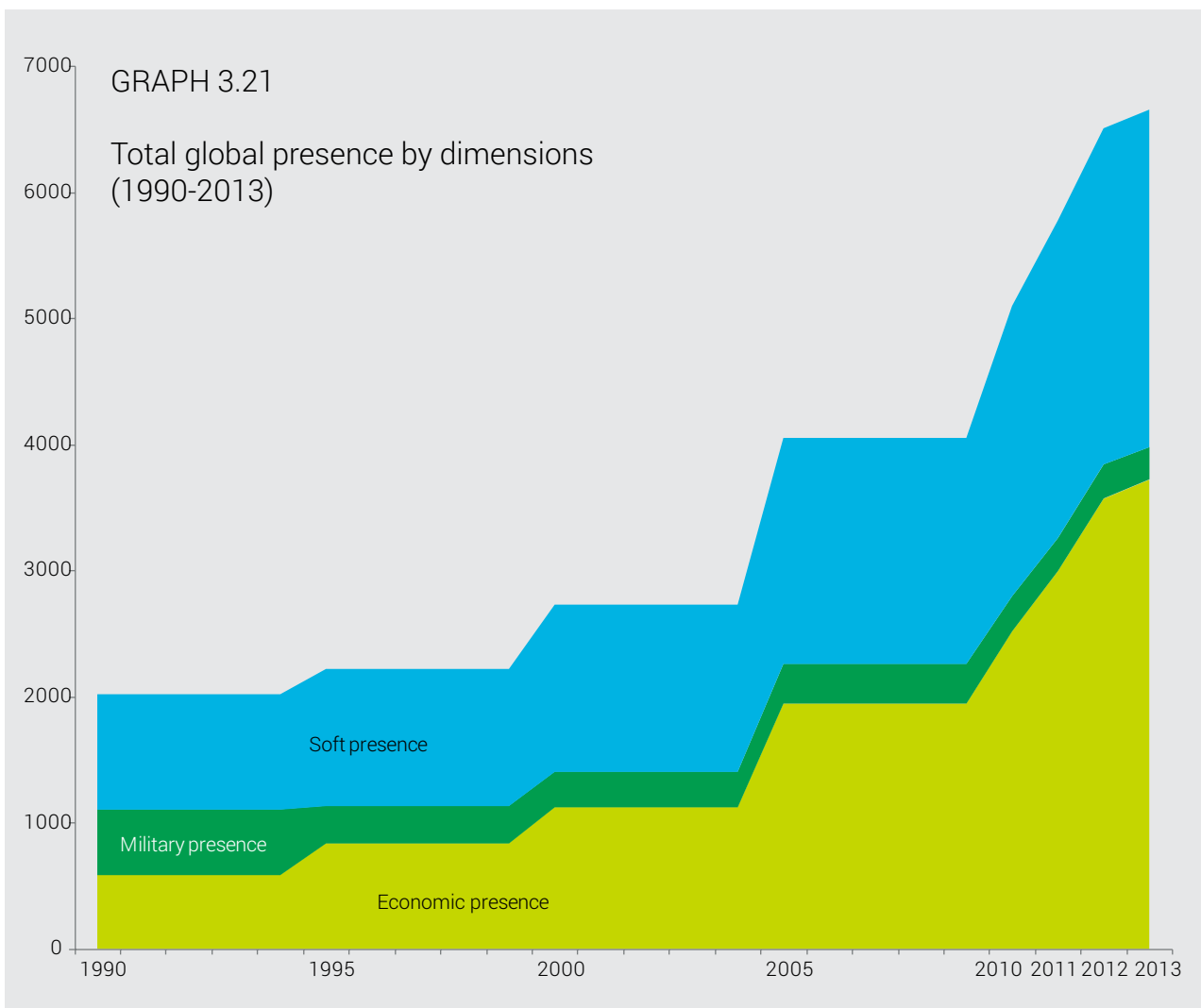
However, last year's change reveals a slowdown of this trend towards de-concentration (graph 3.23). This despite a higher dispersion of military presence –as a result of repatriation of United States' troops– and a (near) stagnation of soft presence concentration. Thus it is the economic dimension that is provoking it.

Does this imply that the trend towards apolarity or multipolarity of recent decades is slowing or even being reversed, moving towards a new polarity in global presence? The combination of the global presence shares of the United States and China suggest this: the steady decline observed between 1990 and 2012 –with the exception of the 1995-2000 period– has stopped, and even slightly reversed, rising from 20.2% in 2012 to 20.7% in 2013 (table 3.2). Here again, we should bear in mind that new data show a change of pattern only since last year. Therefore, we cannot jump to any conclusion on a more structural change of trend.

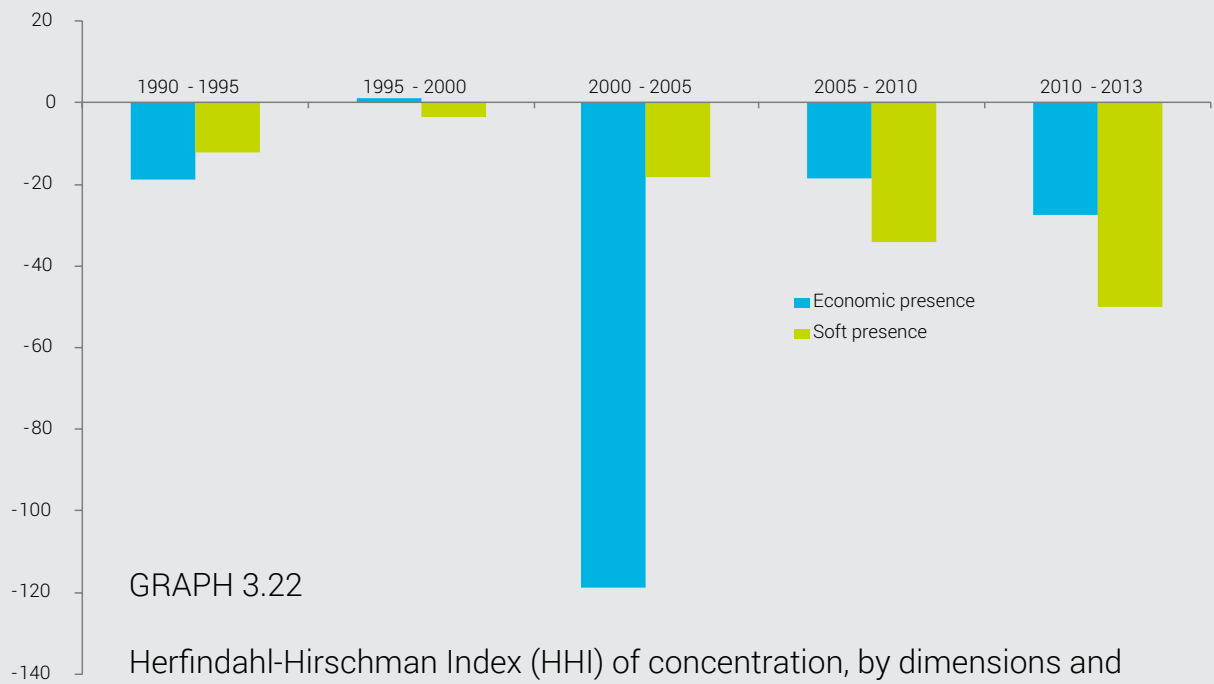
<sup>36</sup> Olivie, Iliana and Manuel Gracia (2013), *Elcano Global Presence Index 2012*, Elcano Royal Institute, Madrid.

<sup>37</sup> Actually, data for this year's edition show a greater dispersion of global presence compared with last year's data, as we now calculate the HHI for 70 countries, whereas last edition included only 60 countries.

In the same vein, it should be noted that during 2013, the United States and some emerging countries (particularly Russia) seem to have been leading the process of globalisation (graph 3.24). Many European countries have been decreasing their share of global presence, including the Netherlands, Germany, Spain, Hungary, Italy, Belgium, France, Norway, Switzerland, the United Kingdom, Poland, the Czech Republic and Luxembourg (graph 3.25). However, many of these losses are limited to less than 0.05%.







GRAPH 3.23

Herfindahl-Hirschman Index (HHI) of concentration, by dimensions (2012-2013)

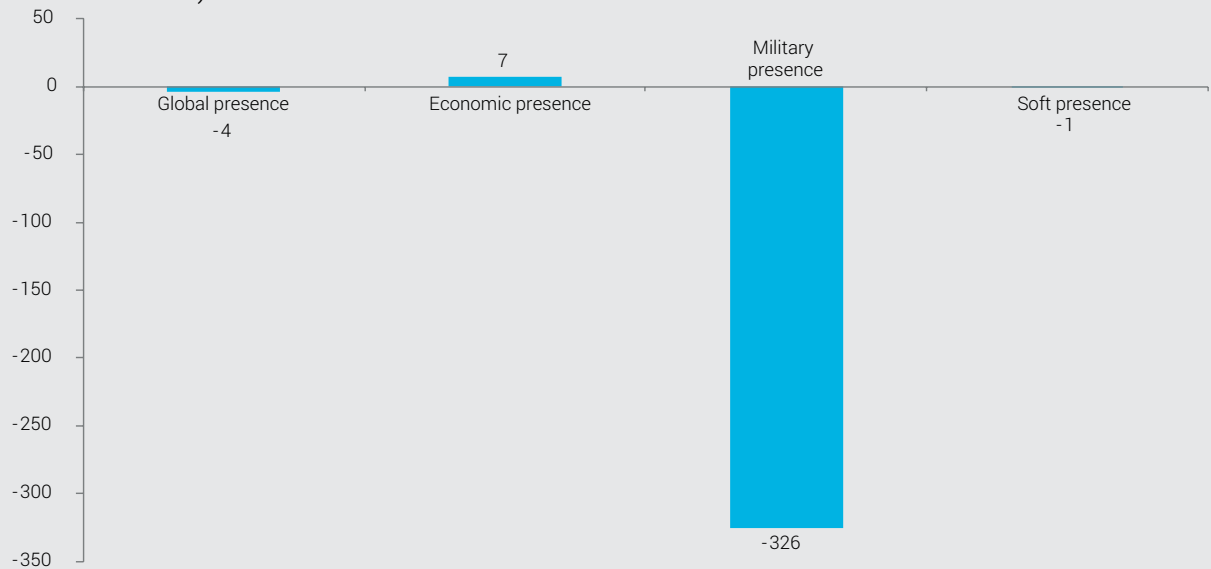


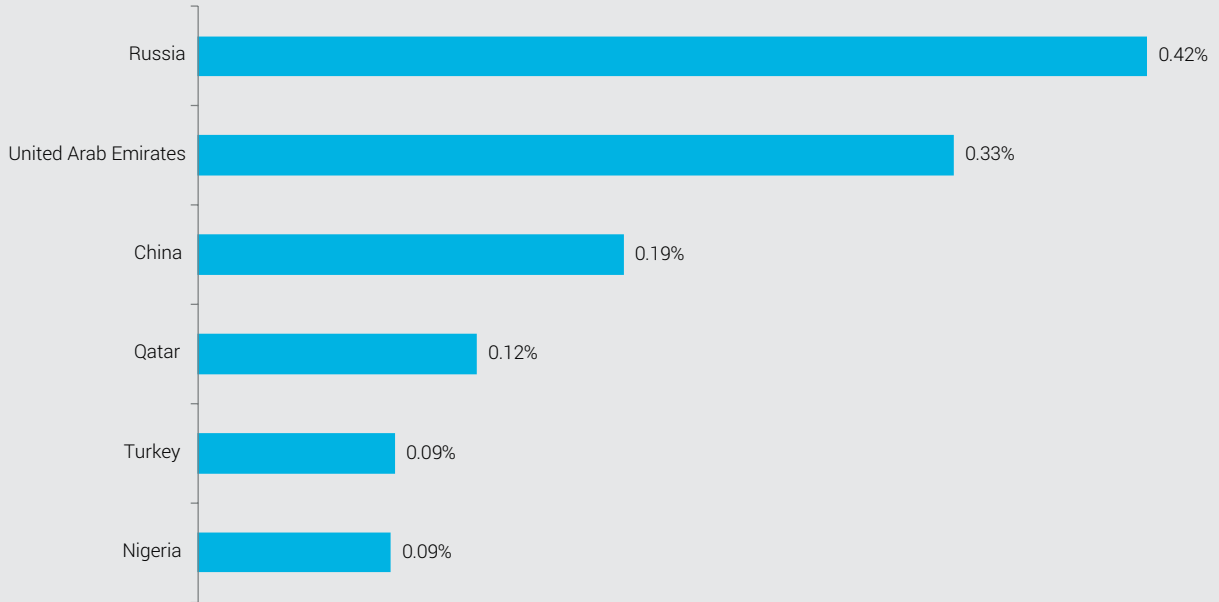
TABLE 3.2

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

	1990	1995	2000	2005	2010	2011	2012	2013
China	1.4%	2.3%	2.6%	3.7%	4.6%	4.9%	4.8%	5.0%
United States	23.5%	21.9%	22.6%	19.5%	17.9%	16.8%	15.8%	15.6%
Total	25.0%	24.2%	25.2%	23.2%	22.5%	21.7%	20.6%	20.7%

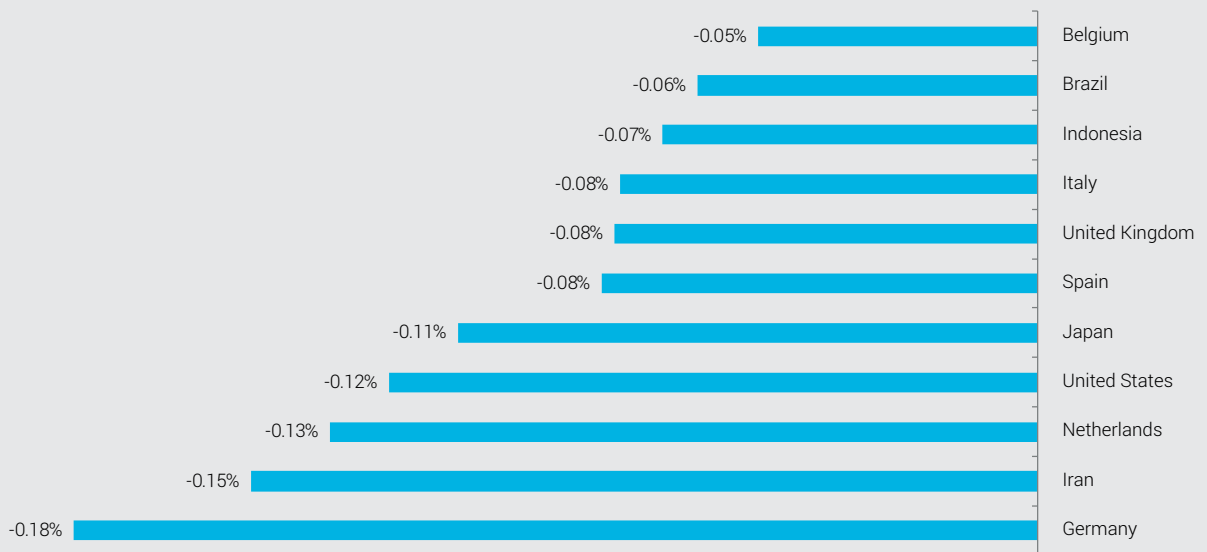
GRAPH 3.24

Major gains in global presence shares (2012-2013)



GRAPH 3.25

Major losses in global presence shares (2012-2013)



## 4. What can we expect in the years ahead?

Major geopolitical changes such as the fall of the Berlin Wall, the new security landscape following 9/11, and the shifting wealth of nations have led to varying forecasts and projections as to how the world will evolve in the near future. According to the National Intelligence Council<sup>38</sup>, by 2030 Asia will have surpassed North America and Europe combined in terms of global power. This shifting of the world's centre of gravity from the Atlantic to the Pacific Ocean might also mean that the so-called Next-11<sup>39</sup> could collectively overtake the European Union by that same date, in terms of power.

A great deal of this rising influence is obviously based on economic size and, therefore, changes in the share of the world's output. According to the NIC study, China's GDP measured at purchasing power parity (PPP) could be higher than that of the United States by 2022. This forecast shows a trend consistent both with Maddison's<sup>40</sup> projections and Mold's<sup>41</sup> revision (table 4.1); and with more recent OECD (2012)<sup>42</sup> estimates (graph 4.1).

Table 4.1.  
Shifting wealth and the world in 2030 (in millions of dollars)

Country/region	GDP (millions Geary-Kharis dollars)		Maddison's forecast	Mold's revision	
	1990	1998	2030	2030	World's output share (%)
Western Europe	6,033	8,698	12,556	12,069	11.03
United States	5,803	9,485	16,662	15,475	14.15
Latin America	2,240	4,046	6,074	7,753	7.09
Africa	905	1,735	2,937	3,778	3.45
Japan	2,321	2,904	3,488	3,575	3.27
Russia	1,151	1,282	2,017	2,017	1.84
China	2,124	8,909	22,983	30,797	28.16
India	1,098	3,415	10,074	12,306	11.25

Source: Mold (2010)

What are the implications of this for global presence? As argued elsewhere, although global presence is related to economic weight, it does not necessarily behave in exactly the same way (Olivié and Molina, 2011). In terms of power, any gaps between power and presence might be revealing of the extent to which countries 'punch above (or below) their weight' (section 2 of this report).

<sup>38</sup> NIC (2012), "Global Trends 2030: Alternative Worlds" *NIC 2012-001*, National Intelligence Council, Washington DC, December.

<sup>39</sup> Bangladesh, Egypt, Indonesia, Iran, Mexico, Nigeria, Pakistan, the Philippines, Turkey, Republic of Korea and Vietnam.

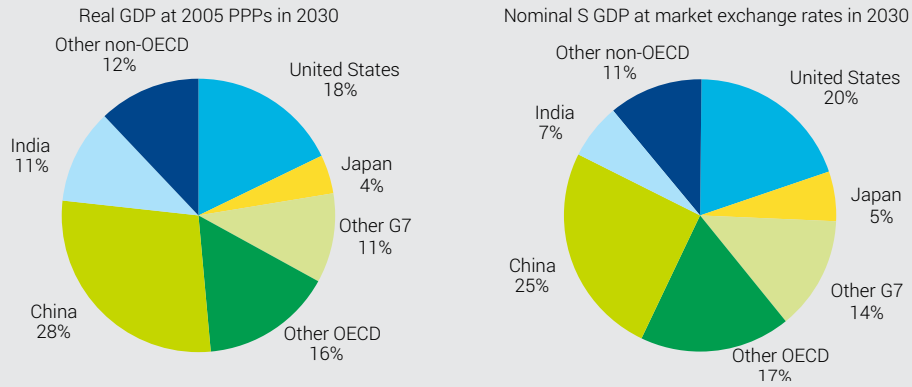
<sup>40</sup> Maddison, Angus (2007), *Contours of the World Economy 1-2030 AD: Essays in Macro-Economic History*, Oxford University Press.

<sup>41</sup> Mold, Andrew (2010), "Maddison's Forecasts Revisited: What Will the World Look Like in 2030?" *VOX. Research-based policy analysis and commentary from leading economists*, 24 October.

<sup>42</sup> OECD (2012), *OECD Economic Outlook*, Vol. 2012/1, Organisation for Economic Co-operation and Development.

GRAPH 4.1

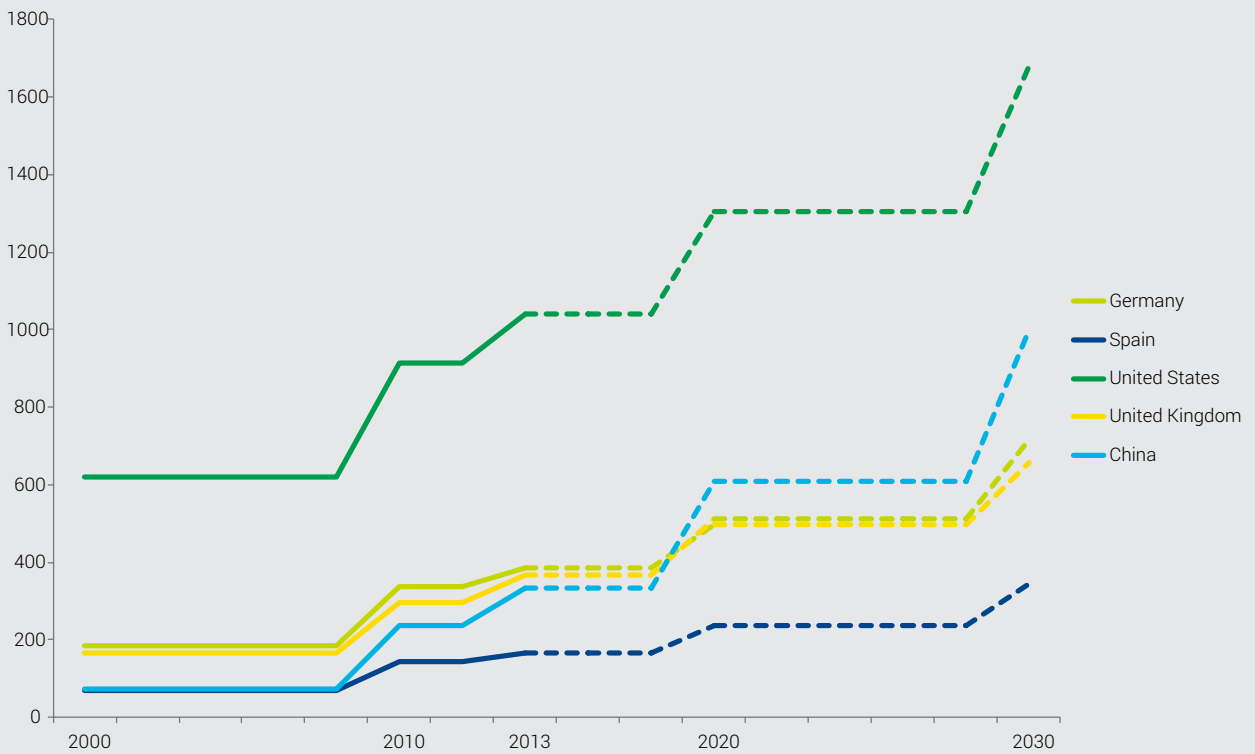
OECD GDP estimates

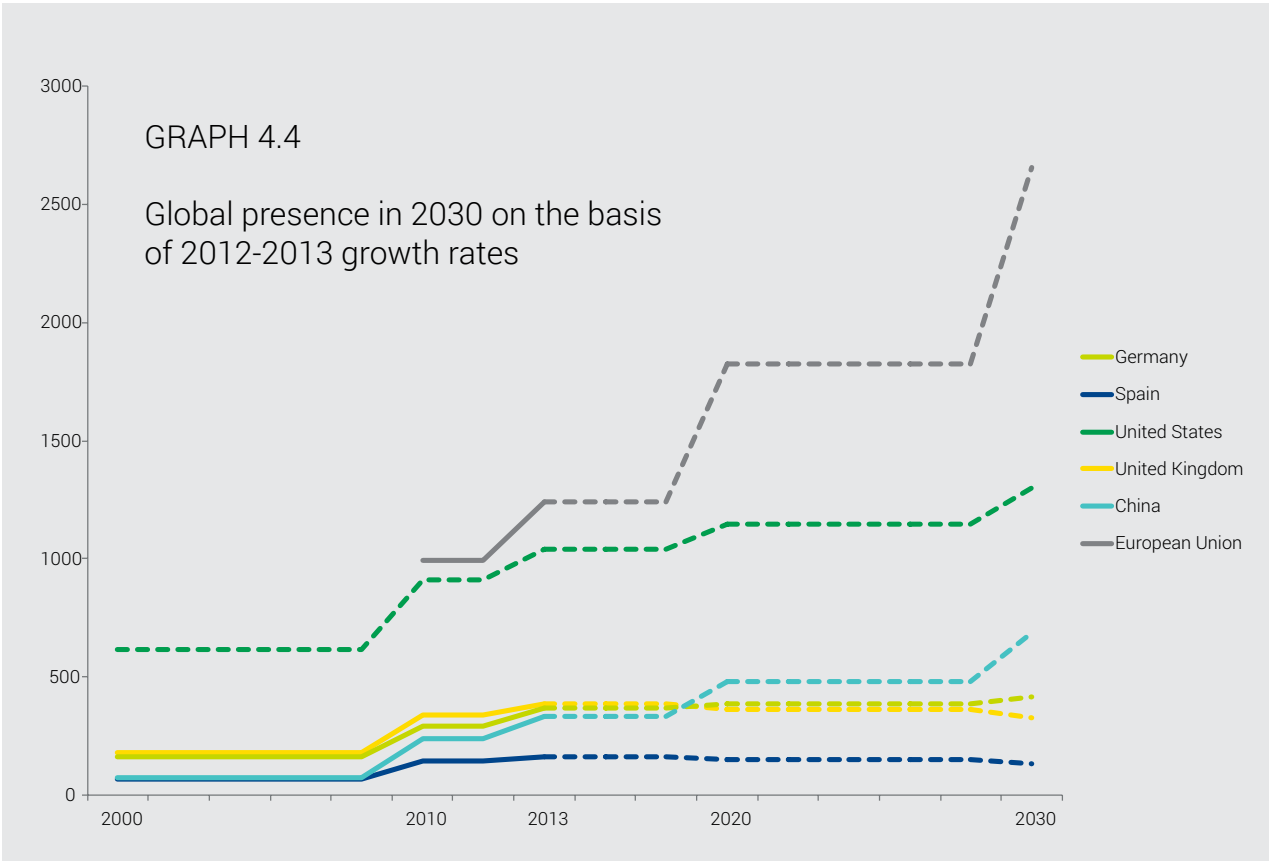
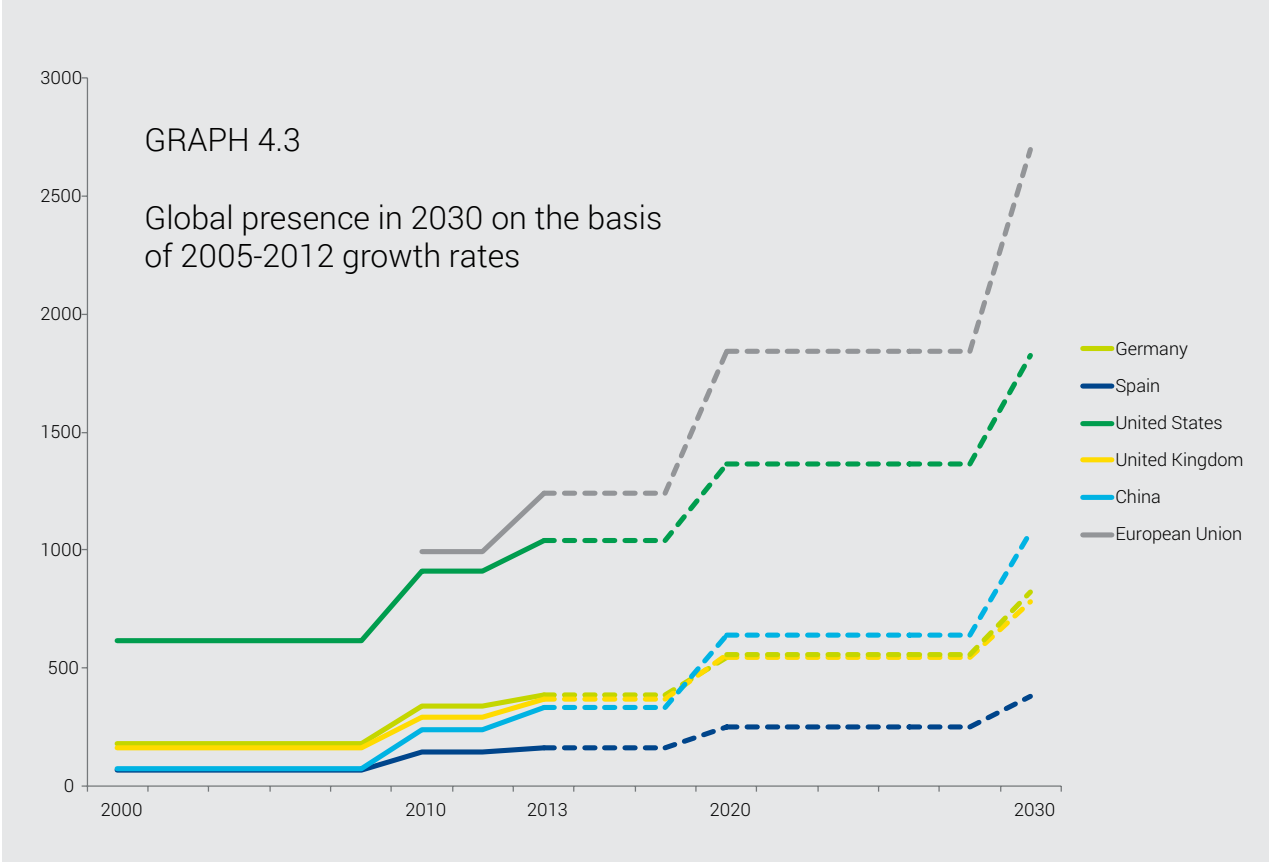


Source: OECD (2012)

GRAPH 4.2

Global presence in 2030 on the basis of 1990-2013 growth rates





If we make a very simple projection of global presence data, we find that, under all scenarios, by 2030, China will have narrowed the gap in relation to both the United States and the European Union, but it will not surpass either of them. The projections plotted in graphs 4.2 to 4.4 are calculated exclusively on the basis of past growth rates. In the first scenario, we extend the average annual growth rates of the 1990-2013 period (graph 4.2) to 2030. However, it should be noted that this long-term process of globalisation has attained different speeds during different periods. In order to take this into account, our second scenario presents the evolution of a selection of countries' global presence assuming that, between 2013 and 2030, the annual variation will be that of the period of rapid globalisation (experienced in 1995-2012) (graph 4.3). Finally, our third scenario corresponds to the recession period, that is to say the low growth rates experienced in 2012-2013 are extrapolated for the next 17 years (graph 4.4).

Lastly, it should be noted that in all these scenarios, the European Union continues to consistently increase its global presence value. This is partly due to the process of enlargement itself— from 25 to 28 member states since 2005, the first year for which the European Union's reach is calculated. But it might also suggest the extent to which the Union is underperforming by failing to embrace its role as a global player, given its increasing importance in terms of effective presence on the world scene.

# METHODOLOGICAL ANNEX

The methodology of this 2013 edition of the Elcano Global Presence Index mainly replicates that of the previous edition (Olivié and Gracia, 2013), which was itself the result of a process of methodological discussions initiated in 2008.

The first version of the Index, published in 2011, ranks 54 countries according to their 2010 global presence (Olivié and Molina, 2011). That edition and, therefore, the design of the Index itself, was coordinated by Ignacio Molina and Iliana Olivié –both senior analysts at the Elcano Royal Institute– and was the result of nearly three years of methodological discussions. These discussions were conducted in the framework of a working group composed by the above-mentioned coordinators of the Index, Narciso Michavila and Antonio Vargas (from GAD3), Émêrson Correa (Olympus Consulting), several Elcano senior analysts and other staff members (Félix Arteaga, Carola García-Calvo, Carmen González, Jaime Otero, Juan Antonio Sánchez, and Federico Steinberg), and external experts (Alfredo Arahetes (Pontificia University of Comillas), Ángel Badillo (University of Salamanca, currently also senior analyst at Elcano Royal Institute), José Fernández Albertos (Spanish National Research Council – CSIC) and José Ignacio Torreblanca (ECFR Madrid)). We also received methodological suggestions from Philip Purnell (Thomson Reuters), Santiago de Mora-Figueroa, Marqués de Tamarón (ambassador of Spain), Teresa G. del Valle Irala (University of the Basque Country), Ángel Vilariño (Complutense University of Madrid), Cristina Ortega, Cintia Castellano, and Amaia Bernara (from the FECYT of the Ministry of Science and Innovation).

The 2011 edition of the Index<sup>43</sup> included a re-designing of the military equipment variable according to the IISS categories of projection. This methodological change, led by Félix Arteaga, was based on previous methodological discussions with several experts on that field – Francisco Asensi (Ministry of Defense), Alberto de Blas (Ministry of Defense), Amador Enseñat (Ministry of Defense), Dagmar de Mora-Figueroa (NATO), Pablo Murga (Ministry of Defense), Diego Ruiz Palmer (NATO), Andrés Sanz (Ministry of Defense), Steven R. Sturn (NATO), and Federico Yaniz (Ministry of Defense).

For the design of both the Elcano European Presence Index, an initiative led by Manuel Gracia, and the calculation of the European Union's global presence, several external experts were consulted anew: Alfredo Arahetes, Marisa Figueroa (ECFR Madrid), Narciso Michavila, and José Molero (Complutense University of Madrid).

Moreover, the project and its methodology have been presented to and discussed with the Institute's Board of Trustees, the Executive Committee, the Media Committee, the Management Committee, and, on several occasions, with the Institute's Scientific Council. We have also received useful comments and suggestions, over the years, as a result of numerous meetings to present and discuss progress on the Index. At the national level, these discussions have taken place with members of the Spanish Parliament (2011), officials from the ministries of Foreign Affairs and Cooperation (2011) and of Economy (2011), analysts and officials from the Presidency of the Government (2011), Google (2011), Red.Es (2011), experts from Accenture Spain (2013), and members of the Central Bank of Spain (2014). The Index has also been presented to foreign diplomats based in Madrid

<sup>43</sup> Olivié, Iliana and Ignacio Molina (coord.) (2012), "Measuring the International Presence of Countries. The Elcano Institute's IEPG Index Methodology Revisited", *Working Paper* WP 9/2012, Elcano Royal Institute.

(2014) and discussed at the Matías Romero Institute in Mexico (2011), and at the GIGA Institute in Hamburg (2011).

Lastly, throughout the life of the project, the final calculation of the Index has been made possible thanks to the generous aid provided in data-gathering by several people and institutions: Barbara d'Ándrea (World Trade Organization), Bruno Ayllón (Complutense University of Madrid), Gordan Bosanac (Centar za mirovne studije, Croatia), Chiao-Ling Chien (UNESCO), Rafael Domínguez (University of Cantabria), Katie Jost (GAD), Carlos Latorre (Spanish Agency for International Development Cooperation), Salvador Maspoch (Spanish Ministry of Foreign Affairs and Cooperation), Ramón Molina (Spanish Ministry of Foreign Affairs and Cooperation), Manuel Moreno (Spanish delegation to the United Nations and other international organizations based in Geneva), Arantxa Prieto (World Trade Organization), Juan Pita (Spanish Agency for International Development Cooperation), Philip Purnell and Sébastien Velley (Thomson Reuters), Robert Robinson (Universidad Pontificia de Comillas), Ventura Rodríguez (Spanish Agency for International Development Cooperation), Patrick Sandoval (Spanish Ministry of Foreign Affairs and Cooperation), Pedro Sosa (Spanish Ministry of Foreign Affairs and Cooperation), Bibian Zamora (Spanish Ministry of Foreign Affairs and Cooperation), and Ann Zimmerman (OECD).

## Main elements of the Elcano Global Presence Index

This year's edition covers the global presence of a selection of 70 countries. Said selection includes the first 60 world economies according to World Bank data (nations with the highest GDP in current US dollars) as well as countries that are smaller in their economic size but are members of the Organisation for Economic Cooperation and Development (OECD) and/or the European Union (table A.1).

Table A.1. Countries listed in the Elcano Global Presence Index

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



For this 2013 edition, 10 new countries have been added to the selection. These are Angola, Bangladesh, Iraq, Kazakhstan, Kuwait, Peru, Qatar, Ukraine, and Vietnam –which are all ranked in the first 60 positions according to their GDP– and Croatia, which joined the European Union in July 2013.

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

Table A.2. Structure of the Elcano Global Presence Index

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

The variables, indicators and sources for this 2013 Elcano Global Presence Index are the same as for the previous edition (table A.3). Several criteria guided the selection of these variables. First, presence is reflected in a single direction, or what could be deemed its unidirectionality. Second, the results of presence are measured, and not the means or assets needed to achieve these results. In addition, all the variables have an explicitly external component, in the sense that they reflect cross-border presence. Presence is given in absolute and not relative terms. In other words, the indicators are not proportional to the demographic or economic size of the country. Likewise, as for any other index, the best explanatory capacity is sought with the fewest number of variables or indicators possible. Finally, hard data on presence are taken, and not data based on judgments or opinions. For more details on the debates and criteria that guided this selection, see Olivé and Molina (2011 and 2012).

Table A.3. Variables, indicators and sources of the Elcano Global Presence Index

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

Obviously, the three areas –economic, military and soft presence– do not contribute to the global presence of countries in the same way, but it is rather complicated to assign a specific weight to each of them, as well as to each indicator of the respective areas. That is why, in defining the weightings of each of the elements included in the Index, we decided to conduct a survey with a panel of experts in international relations. The panel was selected based on the think tanks report published annually by the University of Pennsylvania,<sup>44</sup> including a total of 150 centres involved in international relations – specifically, the person responsible for research at each centre, or, if unavailable, the highest ranking expert specialised in international relations, or the top management of the institution. The questionnaire was sent to 45 institutions in the United States, 40 in Europe, 27 in Asia, 17 in Latin America, 12 in Africa, eight in the Middle East and North Africa, and three in Oceania.

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

Table A.4. Weighting factors of the different areas and indicators

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

<sup>44</sup> James G. McGann (2012), 'The Global Go To Think Tanks Report 2011. The Leading Public Policy Research Organizations in the World', *Final United Nations University Edition*, January.

In this 2013 edition, approximately 703 cases have been estimated. Thus the proportion of missing and estimated cases only represents 4.7% of a database of more than 14,700 observations. Again, the hotdeck method has been used for these estimates.

This year, as for previous editions, the performance of the variables is assumed to be linear with the exception of the sports variable (until 2010). Neither do the limits of the scales vary, minimum (theoretical null (0) presence) or maximum (maximum presence registered in the series in 2010). It should be noted that when adding data for this new 2013 edition, a review of figures corresponding to previous years was also conducted, on the basis of data availability in each source. As a result, some records for 2010 have changed, thus modifying the maximum value that is referenced in the 0-1000 scaling. More precisely, this has led to changes in both the Science and the Technology series. Original data sources were contacted, and both WIPO and Thomson Reuters confirmed these. Moreover, the inclusion of new countries systematically affects the index values of the variables that are built on the existing spatial sample. This is the case for Sports and Military Equipment, where the addition of new countries to the Index leads to a lower record for each of the 70 countries.

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

One of the new features of last year's edition was the calculation for the 27 European Union member states. This was undertaken in order to try to quantify the global projection of the Union, as if it were a political and economic union with its own identity.

Last year, foreign presence of the European Union was measured starting in 2005 for the 27 existing members in 2012. However, for this edition, we have considered that the varying composition of the Union should be reflected in the Index. Both the Union's global presence and the Union as the sphere of external projection calculated in the European Presence Index do change with every new enlargement, and this is a phenomenon that should be reflected by both indexes. As a consequence, in this current edition, the Union's presence corresponds to that of the 25 members in 2005, 27 members from 2010 to 2012, and 28 members in 2013.

Moreover, to measure the European Union's presence in the world, the same variables used in the Elcano Global Presence Index calculations for the rest of the countries must always be maintained, as far as possible, in order to facilitate comparison. For each of these variables and for each European country, the intra-European and extra-European flows must be differentiated, since a mere totaling of the results of each member state would also record their projection into other member states (e.g. consider the intra- and extra-European trade in German goods). This distinction between flows has been made feasible by using additional sources of data which differ from those used for the global presence index, and especially Eurostat (table A.5).

Table A.5.

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

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

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

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

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

Finally, just as in the index for the European Union, the reference area for which European presence is measured is the Union as it has been composed in different moments of time, variations being the result of the enlargement process. Therefore, the 2005 Elcano European Presence Index shows the presence of each member state in the Union of 25 members; the 2010 to 2012 indexes refer to the Union of 27 members; and, lastly, this current edition is calculated for the enlarged, 28-member European Union. However, the distinction of intra-flows for the EU-25, 27 or 28 is not available for all variables in Eurostat. In these cases, it has been necessary to build the figure for the EU-27 and then deduct or add bilateral flows of each member state in the cases of Bulgaria, Romania, and Croatia, depending on the year and reference area. This problem should be solved in the near future as Eurostat is expected to complete these series. Particularly, for this edition, we have dealt with information difficulties in the following cases:

- Services: No possibility of selecting the EU-28, as partner and bilateral data with Croatia are scarce (records available only for Belgium, Czech Republic, Malta, Poland, and Romania). No availability of data for the EU-25 as a partner, and no bilateral data for Romania and Bulgaria. Therefore, for 2005 European presence, and for the Services series, we are considering the

EU-27 as the reference area; and also in 2013 for most countries.

- Investments: no bilateral data available for Croatia in relation to Denmark, Finland, Ireland, Luxembourg, Malta, Portugal, Spain or the United Kingdom. For these countries, 2013 data refer to the EU-27.
- Migrations: no bilateral data on immigrants in Croatia where countries of origin are Cyprus, Estonia, Greece, Luxembourg, or Malta. For these countries, 2013 data refer to the EU-27.
- Tourism: no bilateral data on Croatia's flow of tourists. For this country, 2013 data refer to the EU-27.
- Culture: no bilateral data on Croatia's audio-visual exports to Greece, Portugal, Spain, or the United Kingdom. For these countries, 2013 data refer to the EU-27.
- Technology: due to the features of the variable considered (EPO patents) there is no possibility of differentiating reference areas.
- Education: no data available for differentiating the EU-25 and the EU-28. For all countries and years the reference area is the EU-27.

Table A.6. Variables, indicators and sources of the Elcano European Presence Index

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













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