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On September 21, an historic fiber-optic cable directly connecting Virginia Beach with Bilbao was switched on. It was a symbolic moment, representing how the centuries-old cultural and commercial relationship between Spain and the United States is strengthening in the modern age.

Lighting up the cable also fittingly served as a kickoff for the 22nd annual US-Spain Forum, in nearby Williamsburg, Virginia. The Forum’s mission is to promote trade and investment between the U.S. and Spain, and to facilitate educational and cultural exchange between the two countries. The ties between the countries are deep and full of surprises: dishes associated with Spanish cuisine may actually have American roots, for example. The nearly 200 attendees enjoyed two days of programs to learn more about those ties, and to foster cultural, educational and economic exchange between the nations. The core of the program involved three dialogues that covered infrastructure, tourism and NATO.
AND IN A FAR-REACHING PUBLIC POLICY ADDRESS EARLIER
Infrastructure Opportunities

High-functioning economies need efficient and modern infrastructure to be competitive and to maintain growth. IMF economists have found that in advanced economies, a one percentage point of GDP increase in infrastructure spending leads to a 0.4% boost in output in the first year, and a 1.5% increase four years out.

In the United States, an estimated $2 trillion of investment would be required to maintain infrastructure through 2025. Infrastructure is generally an area with broad public and political support. However, the time required for projects to get regulatory approvals is lengthy and makes firms risk averse. The permitting process needs to be simplified to stimulate more infrastructure projects.

Another issue is financing. The federal government funds just a small portion of the $400+ billion spent on infrastructure every year, with state and local authorities accounting for the remainder. How the federal government directs its spending is important, in order to motivate other funders and attract financing. Public-private partnerships (PPPs) are an important way
to involve the private sector and bring in more private capital, as investors are attracted to the stable long-term cash flows that infrastructure projects can represent.

While U.S. experience with PPPs is limited, Spain has used PPPs for high-speed rail, high-capacity roads, maritime facilities and airports, among other infrastructure. As a result, Spanish infrastructure firms are world-class competitors not only in engineering and construction but also in operating concessions. Six of the largest 11 infrastructure firms in the world are Spanish. The U.S. market is their largest foreign market.

While PPPs can seem complicated, broad support for infrastructure improvement means they’ll likely be taken up when the benefits to local communities can be demonstrated. In other words, the social return on investment needs to be demonstrated as much as the business ROI.

Infrastructure development must also address digital infrastructure. Developing smart city infrastructure, for example, with interoperable elements that are adaptable will be required for competitiveness in the future. And investing in infrastructure that is resilient, particularly to extreme weather events, pays for itself in reduced recovery costs in the long run.
Tourism and Technology with a side of Food and Wine

Transport infrastructure such as airports and roads perform a vital role in facilitating tourism. But think about the relationship between infrastructure and tourism a different way: how we experience infrastructure is a part of our travel and tourism experience. Sometimes, a trip through an airport can be as memorable as one to a museum. (To be sure, memorable probably for different reasons.)

Spain is the most competitive country in the world for its travel and tourism, according to the World Economic Forum, partly because its tourism service infrastructure, air transport connectivity and policy support are top-10 in the world. While there are questions about whether tourism can continue to grow at its current rate, the industry is adapting and policy is proactive.

Tourists are gravitating away from the cheapest visit to the beach and toward immersive and authentic experiences in communities. This plays to Spain’s advantages, with its vibrant cities and top-ranked cultural resources.
Gastronomy is a part of those cultural resources and it’s a major draw for tourists, particularly those from the United States. Visitors may not initially visit a new country for its food. In the case of Spain, they often return for it. That’s how integral food and wine is to tourism memories, anchoring travel in cultural authenticity and bridging differences over shared experiences.

Food and wine is also an export industry. Food and wine have been traded among nations for millennia: Sherry wines were exported to Rome 3,000 years ago. Technology is an enabler of that trade. Over the Internet, anyone in America can get jamón ibérico straight from the Iberian peninsula. But that’s not authentic enough for some buyers, who want to know who and where the producer is. Authentic experiences are coming into vogue, such as pairing sherry from a small producer in Jerez with a main course rather than taking it as an after-dinner drink.

Food entrepreneurs are resilient and resourceful in pursuing new markets, but they also need more help than they’re getting. Small producers need help, both in scaling operations and in navigating regulation in a foreign market. Enabling such food entrepreneurs to succeed also helps a country’s people. Rural areas need economic growth, for example, and have food and farming histories. Supporting food businesses can be a pathway for social change and economic development in those areas.
Technology is also changing travel and tourism experiences. While data privacy is an ever-present concern, tourists are using technology to enhance their experiences. They read bloggers’ stories about authentic experiences, take trips via virtual reality that spur trips in physical reality, and use travel sites that provide personalized recommendations – and a little bit of pleasant surprise.

Food and tourism bring people and nations closer together and can serve as a precursor to economic exchange. “You travel first. Then, you do business,” as one speaker put it. One drag on travel, whether for business or tourism, is the rise in security concerns and preventative measures. However, traveling and staying secure are far from mutually exclusive.
The Future of NATO

The interoperability of security apparatus in the travel industry helps to keep visitors both secure and on the move. However, the interoperability of the world’s defense infrastructure holds it all together. Without peace, tourism and infrastructure would be backburner discussions.

NATO is the most important military alliance in modern history. But alliances aren’t static; they either get weaker or get stronger as threats evolve. In NATO’s case, the alliance is pivoting to be as relevant as ever, with new tactics for new threats.

Those threats are using all tools, including cyber and economic tools, to try to divide the alliance. With a strongman trying to redraw Europe’s map, NATO’s traditional posture facing its Eastern front remains. However, the alliance is also shifting attention to its Southern border, with asymmetric threats emerging in the Middle East and North Africa. Problems starting in the Sahel and Maghreb don’t end there. Emphasizing the Southern front is part of a shift to a 360-degree view, although, to be sure, the 360-degree view encompasses global awareness of threats to borders and to ways of life.
The United States and Spain have been cooperating militarily for decades and both are key contributors to the NATO alliance. This relationship will tighten as NATO shifts to the Southern front. After all, Spain is only 14 kilometers from North Africa.
The shift to a 360-degree view also requires a shift in resources. NATO has set forth guidelines that alliance members spend 2% of GDP on defense, in order to maintain the capabilities needed to combat threats. It has also guidelines that 20% of that spending should be on major equipment, to maintain a modern and interoperable defense infrastructure and adapt as threats evolve. Think of intelligence gathering, for example. While intelligence might in the past have stressed knowledge of military assets and movements, now it means building an understanding of cultures, relationships and influences. It takes different skills to do this kind of intelligence gathering. And it takes more coordination within whole governments and within inter-governmental alliances.

The shift in spending won’t be easy for all countries. It will require some political persuasiveness. However, there is a shared understanding that threats are adapting and that no nation on its own can protect itself. NATO is an alliance of free democracies with respect for rule of law. They will have to work together to maintain those values, and be willing to work at times with countries that don’t share all of those values.

And working together is not always a military operation. NATO is a part of a web of international cooperation; NATO reinforces cooperation within the European Union, for example, which helps to build trust amongst European nations. Ultimately, the military only buys time for diplomats to build longer-term solutions that involve political reform and economic development. That, too, requires high levels of international cooperation.
The trans-Atlantic cable is a symbol of ties between the United States and Spain growing stronger. Infrastructure, food and wine and defense are real manifestations of those ties. Food and wine is a vital part of cultural and tourism connections between the two nations, which in turn helps to drive commerce. Bilateral commerce holds huge promise for the development of vital infrastructure. And US-Spanish relations help to anchor NATO’s 360-degree view of the world.

The US-Spain Forum is a celebration of those historic ties. It’s also a recognition of the importance of continuing dialogue on the critical issues that affect the relationship between Americans and Spaniards in the future. That dialogue remains core to the mission of the US-Spain Forum.

*The US-Spain Forum is sponsored by the United States-Spain Council, led by Honorary Chair, Senator Tim Kaine, and Chair of the Fundación Consejo España-Estados Unidos, José Manuel Entrecanales, the Chairman and CEO of ACCIONA.*