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TRANSCRIPCIÓN

**INTERVENCIÓN DEL PRESIDENTE EN LA LONDON SCHOOL OF ECONOMICS:
“EUROPA, REINO UNIDO Y ESPAÑA: UN DESAFIANTE CAMINO POR
RECORRER”**

Madrid, 3 de marzo de 2021

INTERVENCIÓN DEL PRESIDENTE DEL GOBIERNO, PEDRO SÁNCHEZ

Allow me to first thank the London School of Economics and the German Society for inviting me to participate in their annual symposium. I am extremely glad to share this debate with you. Thank you as well to the Spanish society, which is co-hosting this afternoon's event. I am particularly happy to be, at least virtually, again at this School, that so greatly contributes to critical thinking. I am convinced that now, more than ever, we need to preserve and build more bridges between public institutions and Academia.

It comes as no surprise to hear that Europe, and the international community, are facing an unprecedented challenge. Just a year ago, we were struck by a virus we knew nothing about, except for three facts: 1) it was potentially lethal and highly contagious, 2) it represented a great challenge to society and 3) it could overwhelm the public and private resources we had to fight it. We had to confront an unexpected threat without the appropriate tools.

It seems that we are stating the obvious when we recall where we were and what was happening this time last year. However, it is still necessary to remember the point we were at a year ago so that we can fully grasp how far we have come and depict what can lie ahead.

Millions of lives have been lost to this virus in the world, and many more are enduring the subsequent economic crisis that the pandemic has generated. Faced with that challenge my country, Europe, and the European Union, have not remained inactive.

We, in the EU, have tried to fight the health crisis while protecting EU freedoms. It has not been an easy road. We have had to strike difficult balances, always bearing in mind that health comes first. We decided to join our efforts, through the Commission, for the purchase of vaccines, and we have to recognize that the EU played a decisive role by early supporting and working with the private sector for the development of safe and effective vaccines at record speed. That coordinated response is now enabling the roll-out of the vaccine and the protection of all European citizens no matter where they live, avoiding a race between EU Member States to get vaccines on their own account.

While fighting the virus, we also had to mitigate the socio-economic impact of this economic major challenge that we are all facing. First, we put some of our common fiscal rules on hold, so we could employ all the national resources at our disposal. We then established European instruments to support workers, businesses and Member States, such as the SURE programme, which has been key, I can tell you,



to alleviate the increase in unemployment. But, most importantly, we were able to reach an agreement on a recovery fund, “Next Generation EU”, which will boost our recovery and lay the foundations for a modern and more sustainable Europe. “Next Generation EU” is unprecedented in both its size and way of financing: it sets us in the path towards further integration. Together with the new Multiannual Financial Framework, it is the largest stimulus package ever financed through the EU budget, and will allow us to pursue our priorities within the EU and our global agenda.

There has been room for improvement in managing the pandemic, and there still is, but let us not forget that it has been a learning-by-doing process. That does not mean, however, that I am taking a complacent attitude, or that I minimize the gravity of the current situation or the loss of lives that we are enduring. Much remains to be done for our citizens and for the international community.

Covid-19 has affected us greatly, but it is having even more ravaging socio-economic effects in other areas of the world, like Latin America and Africa to name a few. We all need to work hand in hand. Spain and the UK are participating together in initiatives like the ACT-Accelerator, where we are co-leaders from the very outset, and we are playing our part in ensuring affordable and equitable access to vaccines for all. For that purpose, the Spanish Government approved last month a Solidarity Plan for Universal Access to Vaccines that will be channelled through *Team Europe* and our participation in the COVAX facility, among others. We have also supported, together with the UK and our European partners, G20 initiatives to ease the heavy burden of debt on low income countries, and we must continue to ensure that humanitarian aid and development cooperation, which are now more needed than ever, continue to reach their recipients.

We are dealing with neither an isolated nor a cyclical crisis. On top of the pandemic itself, what we are witnessing after a year with Covid-19 is the reshaping of the world as we knew it. The onus is on us to ensure that it comes out of it stronger and that we, as a whole, transition together to more sustainable and resilient models without leaving anyone behind.

It is clear that the biggest steps in international cooperation have usually stemmed from common crises, and this is no exception. I remain confident, however, that this particular pandemic can become a turning point, bringing about a fundamental leap forward in international cooperation that will endure for generations. For that to happen, we need to underpin multilateralism and international solidarity. Only a joint effort will bring us towards more cohesive and inclusive societies.

In Spain we are convinced that we need more centripetal rather than centrifugal movements to ensure a smooth transition to greener, digital and more sustainable models. It is urgent to secure the highest level of welfare for workers and citizens as

a whole, and that translates into a more social Europe. We also need to extend that vision to our relationships with our neighbours and partners. Europe has to continue to lead in addressing the major challenges of our times: the defence of peace and democracy, migration management and protection of asylum seekers as well as the fight against climate change, just to name a few.

In this sense, the post-Covid Europe that I envision is one that uses its democratic legitimacy to stand up for its citizens' expectations. A European Union that finds unity in its diversity; that protects human and social rights, the planet and its biodiversity. An EU that plays a relevant role in the global agenda.

In this sense, let me say a few words on an important concept that everybody is talking about nowadays: the strategic autonomy of the EU. We see it precisely in this context: not as an end in itself but as a tool for the EU to be a reliable partner, to ensure it has the required instruments and capacities to defend our values and a clear vision of how it can contribute to the multilateral agenda. That will enable us to send our partners the genuine message that we believe in cooperation, not just in our self-interest, but as a way to address the key challenges facing the international community.

In this big picture, we are counting on the UK.

Both the UK and the EU have the responsibility to work for a shared objective, which is to come out globally stronger from this crisis. I do not sympathize with those who structure the future of EU-UK relations in terms of rivalry.

We have gone through a long journey in the past few years, first agreeing on the terms of the UK's departure from the EU and then defining the legal infrastructure for managing our interdependence. However, we need to be aware that our realities are so intertwined that our future will go far beyond any specific agreements.

We have gone through a long journey in the past few years, first agreeing on the terms of the UK's departure from the EU and then defining the legal infrastructure for managing our interdependence. However, we need to be aware that our realities are so intertwined that our future will go far beyond any specific agreements.

Much has been already accomplished. We have finalized a Trade and Cooperation Agreement that sets the basis for the exchange of goods and services as well as bilateral cooperation in key areas, such as health and cybersecurity. It also ensures a reasonably level playing field and adequate solutions on governance. As you know, the EU and the UK have also negotiated an agreement on information security and another one on nuclear energy. I think it is really, really important those agreements.



But we cannot see our relationship only in terms of socioeconomic interdependence, let alone base it solely on competition and certainly not on confrontation. We need to be able to reflect together on the Europe and the world that we want to contribute to shape. There is an underlying common European identity that, hopefully, will transcend the sovereignty debate. I am referring to a similar way of understanding the world we live in. That should be our common ground and the larger framework for our bilateral relations.

We both probably need time to adapt to a new way of interacting. The UK probably also needs some room for self-discovery in a post-EU scenario. We are already starting to see what is and is not working properly. We will have to find ways to overcome these difficulties. We also need to accept that there will be bumps and friction along the way and that they are natural and can be overcome if properly addressed. The European Union will remain a solid partner for the UK and both, on equal footing, should build their relationship on trust, good will and frank dialogue.

After all, the UK is a key neighbour for us. It shares with us geographical interests and is a relevant player in the global agenda. It is in our mutual interest to cooperate. The EU needs a strong and stable UK because their success, your success, will also be our success.

If the EU remains a solid partner for the UK, so does Spain.

The UK and Spain have always had intense and privileged relations, due to historic, economic and social ties.

Up to the present day, Brexit has taken up a large part of our bilateral efforts. We are tirelessly working on mitigating the impact it is having for our two countries.

The task is not easy, I can tell you, but we have a very encouraging framework.

Spain is among the first European destinations of British residents, and so is the UK for Spaniards: over 260.000 British citizens live in Spain, and around 240.000 Spaniards live in the UK. Around a million of British citizens own property in our country. Many British companies are active, very active, in Spain, and Spanish companies play a big role in the UK market, in key sectors such as telecom, aviation or financial services. Spain is at the top of the list of trade partners for the UK: in trade in services, Spain is the UK's second partner, and the UK is the first client for Spain's exports. Our degree of bilateral direct investment is also remarkable: the UK is our second biggest foreign investor, and we are also the UK's second biggest foreign investor.

That means many things, it means having to find solutions on many fronts, from transportation to health assistance, unemployment support, social security or access

to education. This is still a work in progress. **But it is also an opportunity.** Even if we regret to have seen the UK leave the European Union, we respect this decision and we want to try to make the most of it. We see it as a chance to boost our bilateral relationship and configure a new partnership based on three pillars: first, economic, social and, finally, academic. The potential of our relationship is evident.

As for Gibraltar, negotiations have already borne remarkable fruits in terms of cooperation and managing our interdependence. So far, we have signed a fiscal agreement and four Memoranda of Understanding, and we have agreed the fundamentals for the post-Brexit future of Gibraltar, which will now pave the way for an agreement with the EU. These are historical achievements and a good example of how, without giving up on our interests and demands, we choose cooperation, collaboration, rather than confrontation. The future of Gibraltar does not have to be an irritant in our bilateral relations with the UK, but rather a showcase of how we foresee the UK's relationship with the EU and with, my country, with Spain.

That is why we believe in a bottom-up and pragmatic approach for our bilateral relations. There are many areas of mutual interest to build upon. From them, we could start reshaping our relations, establishing:

-1st A new political partnership, through a robust, structured dialogue, deepening our regular communication at all levels.

-2nd A new economic partnership: boosting our economic and trade relationship, so that we unleash its full potential. There are key areas where exchanges could increase: financial services, infrastructures, clean energy, biotechnology, renewable energy or transportation, to name a few, mobility, industrial policy and climate policies are areas where we could look at a joint approach. They could also benefit from the strength of our companies' knowhow.

-And 3rd A new security partnership: our police and judicial cooperation is already very intense, very very intense, but the fight against terrorism, cybersecurity and e-justice are relevant areas that could profit from new ways of collaboration.

-And let me also name the new defence partnership: my country, Spain and the UK are allies on many fields, we are allies in NATO, and they have collaborated in multiple projects. Maybe you don't know that Spain exports more defence components to the UK than to France, for example. Therefore, our cooperation on security and defence must go on.

-And finally (inaudible) this new partnership on culture and education: the participation on Erasmus+ is a gap we need to bridge in the best interests of our



students. More than 4.000 British students have been choosing Spain for their Erasmus+, and around 4.300 Spaniards chose the UK in the last Erasmus+ calls.

-A new social partnership too: promoting cooperation between our cities and regions. Many of our Autonomous Communities have already voiced their interest in intensifying bilateral relations. And I cannot forget to mention the relevance of our already existing social exchanges. We have a vibrant civil society and powerful people-to-people contacts that we need to preserve. The British-Spanish tertulias or the Spanish society at LSE are a great example of it. They, you, contribute to a better understanding between our Governments and of course our societies and countries.

-And, finally, on the global agenda, we need to remember, we need to remember, that the UK left the EU, but not Europe. On top of our common history, Spain and the UK share their membership in relevant international organizations and fora, where we can develop common strategies. Spain and the UK have already been working for instance, together in the United Nations on the agenda for Women, Peace and Security, just to give a, very very good example of this collaboration. We can also explore joint initiatives in certain regions: we share an Atlantic history and perspective that should enable us to work together in geographical areas that, thus far, are close to our history and our future.

We, at the Spanish Government, are ready to work to strengthen our bilateral relationship with the UK as much I mentioned before. And let me finish just saying that we, the Spanish Government, we are ready to work to strengthen our bilateral relations with the UK, as much as possible since we want to be (inaudible) for our citizens. Expectations, I can tell you, are high, and we need to do our utmost to meet them. You also have a share in this endeavour.

Many thanks for your time and Thank you very much for your invitation.

Q. Obviously the pandemic has highlighted inequalities in all our society. Spain and the UK have been some of the worst affected European countries as a result of the virus. As Prime Minister, what is the biggest challenge for you in managing the pandemic in Spain?. And you mentioned also that this is an opportunity for more international cooperation. The world hasn't done very well at managing the covid pandemic internationally, in terms of international cooperation. What are your thoughts in the lessons that we've learned in the face of the crisis and how we have (inaudible) international cooperation going forward?

President.- Thank you for your question. I would say that the biggest lessons that we have to learn from these crisis, this global crisis is that we need to strengthen our international cooperation. So for instance, we have witnessed during this last year

really really big countries putting into question the work of key multilateral organizations dealing with this pandemic such as the WHO. So we need to really strengthen our multilateral cooperation and multilateral organizations. So in my opinion, the UN and its System must be strengthened by all countries, specially the biggest and the strongest.

And of course, the UK, Spain and New York at the beginning of the pandemic and Italy as well in the beginning in Europe...we suffered the most this pandemic because we were and we are international hubs. Absolutely we are international hubs. And then we realized that our strenghts were also our biggest weakness. So I would say that the lessons that we need to learn from these, at the national level are:

First of all, we need to strengthen our capacities and our strategic autonomy as I explained in my first speech. This is crucial. We suffered this lack of strategic autonomy in the first wave not only in Europe but also in China and asian countries.

The second lesson that we need to learn is that we need to invest in science, research and innovation, particularly in áreas that are proving to be crucial for our near future, for instance health.

And finally, this is something that I also witnessed in my country but I believed this is the same in the rest of european countries which is the need to strengthen public care and the care system for elderly people.

So this, in my opinion, are the lessons that we need to learn from this crisis and to modernize in the near future.

Q: IN your speech you have also said that there Is an opportunity for a renewal after this crises and you have recently unveiled an ambitious economic recovery plan for Spain. The EU, for the first time, has pooled its fiscal capacity to finance the post-Covid recovery. We had [inaudible] at LSE last week, and he talked about this being a hamiltonian moment for Europe in terms of pooling fiscal capacity How do you envisage Spain, and the EU, will change after the pandemic? How a fundamental a change is this?

President.- Well, in my opinion the agreement that the EU reached in July last year, this is... perhaps we don't see it today but we will see it in the mid-term, in some years, it's is a historical step, more or less of the same importance that the creation of the single market or the creation of Euro as a single currency, because in the end what we reached is an agreement where we all go to the financial market in order to get public debt and finance specific programmes linked to transitions, the digital transition and the ecological transition.



So the political message of this agreement, in my view, is that the EU understood that we, first of all, need to give a positive and integrative response to this crises. And secondly, that we understand as a common political project that the basis of the competitiveness of our economies and our political project are founded on these two major pillars: the ecological transition and the digital transition. And to do so, we need also to incorporate three integrative perspectives. The first one is the social integration, especially for the youth. The second is the gender integration, because unfortunately women, 51% of our societies, are the most damaged by this, because of the economic and social consequences of this pandemic. And finally, the territorial integration, the territorial cohesion, because it is also true that we are going to witness territories that are going to be especially damaged because of this pandemic. And perhaps I am thinking on territories that their economies are well founded on the tourist sector.

So that is why I think it's not only important to understand that we need to engage resources and make this modernisation of our economy on these two pillars, the transition towards a more digitalised economy and also the ecological transition, but also to give an integrative response to these transitions.

Q.- Thank you very much PM, you gave a wonderful description of all the complicated interconnections between the UK and Spain, among people, among business, civil society and universities. And now with the UK outside of the EU, and with Spain and the UK obviously so closely linked, how do you think the relationship between the two countries will evolve over the medium term? What are the issues that will divide us, the issues that might bring us together, and if you have to predict what the relationship will be like in a decade, what would you predict?

President.- As I said in my first speech, it is pitty that the UK leaves the EU but it is something that we respect, and this is the decision that has been taken by the Parliament, the British Parliament, so we need to redefine our bilateral relations. And in my opinion, it is true that is not going to be the same, we are now, let's say, different parts, but we share the same continent, Europe and we share common values, we see the world, in many fields, with the same eyes and same values, and for that I do believe that we need to strengthen our collaboration in security, and also in defence, and also on education, culture, and of course, the academia, and finally on many issues on the economic side, like for instance, the financial services, and so on. So, I do believe that what is really important is the attitude, and so far the attitude of the Spanish institutions, the Spanish Government and also the British Government

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is been very positive and very constructive and with this attitude I think we can redefine this relations with very very good paces.

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