

# TRANSCRIPCIÓN

**INTERVENCIÓN DEL PRESIDENTE DE GOBIERNO, PEDRO SÁNCHEZ, EN EL KEY NOTE ADDRESS DE LA 54ª REUNIÓN ANUAL DEL FORO ECONÓMICO MUNDIAL**

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## INTERVENCIÓN DEL PRESIDENTE DEL GOBIERNO, PEDRO SÁNCHEZ

Dear friends:

So I would start with an exercise.

Imagine for a moment that we are in the year 2030, in the 60<sup>th</sup> edition of this forum.

Imagine that the world has failed to achieve the Sustainable Development Goals and the goals of the Paris Agreement.

Imagine that the planet's temperature has risen more than 1.5 degrees, causing the degradation of our ecosystems, and that our GDP has fallen by 15 points.

Imagine that fake news and political polarization have reduced the number of democracies. That the advance of digitalization and Artificial Intelligence has not been properly governed and has increased inequality, and expelled millions of people from the labor market.

Imagine this scenario and tell me: would it be good for your business?

More importantly: would it be good for your children, for your grandchildren, for your friends, for your fellow citizens?

Because the future I am describing to you is not a dystopia. It is a possible future. A likely projection of the world we will end up having if we let ourselves be carried away by inertia or resignation.

The stakes are high: 76 countries –more than half of the world's population– will hold elections this year. And crucial political decisions will have to be made regarding some of the main societal dilemmas we face.

So here, I would like to refer to three of them, that I consider particularly timely.

**The first concerns the very survival of the rules-based international order that has brought us so much prosperity since the end of World War II.**

Spain is a full democracy. It is an open, modern and tolerant country that defends the European project, but also the globalist dream that inspired the creation of the United Nations and the Bretton Woods institutions.

That is why we are committed to economic openness, to international solidarity and to the multilateral system.



A system that is threatened by those who promote fragmentation, intimidation or the use of force to impose their interests and will.

It is happening in Ukraine, a country that is fighting for its freedom against Putin's authoritarianism, and where millions of people have been displaced from their homes.

And let me be clear: we support Ukraine and we welcome the recent announcement of a future Peace Summit that upholds the principles and values enshrined in the UN Charter.

It is also happening in Syria, where a now forgotten war has taken the lives of more than 300,000 souls. 4,000 last year alone.

And it is happening in Gaza, where 24,000 people have died in just one hundred days and hundreds of thousands stand on the brink of a humanitarian catastrophe. Elderly people, women and innocent children who have lost their homes, their jobs, their families. And are now on the verge of losing their hope.

We recognize Israel's legitimate right to defend itself against a vile and monstrous terrorist attack. But we also demand the respect of international humanitarian law. That is why, here today, I would like to reiterate –once again– the need for an immediate cease-fire and for convening an international conference to implement a definitive solution to this long-lasting conflict. A solution that recognizes the existence of two States, Israel and Palestine, living in peace and security.

I want to do so because this human drama must be stopped. Because the current course of events will not help either the Palestinian people nor the Israeli.

But also, because what is at stake is the security of the global supply chains. It is trade. Prosperity. The stability of the entire Middle East. And the continuity of the multilateral order.

Friends, the future stability of the world is being decided in Ukraine and Gaza while we speak.

We cannot get this wrong. As we got it wrong in other places. We must be coherent and uphold the same principles and values wherever and whenever there is a breach. We have to push for dialogue, for the rule of law, and for peace.

**The second global challenge I would like to share with you is that we need to address the governance of Artificial Intelligence.**

Look, I am a firm believer in scientific progress. I am sure that AI and other cutting-edge technologies are the best option we have to overcome challenges such as aging,

the environmental crisis, the spread of diseases, or low productivity. And that, if we use them well, they will allow us to reach unimagined levels of welfare.

But I also believe that these opportunities should not make us ignore the threats. Polls reveal that a majority of citizens think AI will destroy their jobs, widen the gap between the rich and the poor, and worsen their standards of living.

And we must listen to these fears. We must pay more attention to the concerns of our workers, our youth, our elders, and less attention, if I may, to the empty promises of some Silicon Valley gurus, who are more interested in gaining followers or climbing the Forbes list than in the true progress of humanity.

Our duty is to understand that people's concerns are not ignored. That the danger is real, and that we should give them an effective and coordinated response.

Today, more than ever, the world needs a global governance of digitalization. A governance that defends the fundamental rights of citizens above the interests of states and corporations.

A governance that tackles the cyber threats, deep fakes and toxic lies that circulate online and threaten our democracies and the very safety of our children.

A governance that guarantees that AI systems do not incorporate discriminatory biases or replicate old injustices, while it facilitates innovation and investments for the development of this technology...

That is the purpose of the European AI regulation recently approved under the Spanish presidency of the Council.

And, please. Don't take me for a Luddite. I am a staunch defender of technological progress. I am the president of a country that is determined to have a leading role in the current industrial revolution.

A country that has launched a strategic plan with more than 12.5 billion euros to foster semiconductor manufacturing in Spain

A country that leads the European rankings on the digitalization of the public sector. And that has just launched one of the ten most powerful supercomputers in the world.

I firmly believe that digitalization will be good and necessary. That it will make life better for all of us.

But I also believe that history teaches that this result will not come by itself. We will have to fight for it.

And we are going to do it. For the sake of our children and our planet.



Those of us who learned to not to believe in the invisible hand of the market, cannot now profess blind faith in the invisible hand of Artificial Intelligence.

Invisibility is usually sought to do evil, not good.

I only trust the hands of flesh and bone. The hands that raise the shutters of a business every morning. The ones that hold a book at school, make dinner at night for their family, or cast a vote in the ballot box. I care for those hands, real and visible.

**That is why I believe that the third major challenge ahead of us is to ensure the prosperity of our citizens.**

The far right is growing. Autocratic regimes are proliferating in the West and other regions of the world. But the truth is that this terrible trend is only a symptom of deeper problems.

One of them is the erosion of the middle and working classes. The same middle and working classes that have not always benefited from the economic transformations of the last few decades. That suffered during the financial crises of 2008 and 2012. And that now are anguished about a future marked by uncertainty while they keep losing purchasing power.

Life is expensive. It already was before Putin's war and the pandemic combined to unleash an inflationary crisis. Saving some money, buying a home, or simply going on vacation is becoming increasingly difficult for a growing part of the world's population.

And that is a problem. A betrayal to those who built this system with their hard work and sacrifice and to whom we owe everything: democracy, social justice, freedom.

We must stop this erosion. And we must do so without turning our backs on our values, the environmental crisis, or the needs of the poorer countries.

In short, we must be bold and define a new paradigm of prosperity. A new economic and social orthodoxy that takes advantage of the knowledge and the new tools we have to couple economic growth with environmental sustainability and prosperity for all.

I am fully aware that this is the goal pursued by many governments around the world, of different ideologies. And I must tell you that this is –ultimately– the main project that my country, Spain, is undertaking.

In recent years, we have shown that it is possible to create wealth and improve workers' conditions at the same time. We have increased the minimum wage by 54%. We have expanded labor rights. We have reduced temporary employment, inequality and poverty.

And we have created more than 2 million new jobs, many of them in high value-added sectors, such as the tech industry.

At the same time, we have grown above the euro zone and OECD averages. We have been one of the fastest in Europe in bringing down inflation. We have attracted more FDI than ever before and our companies have produced record profits.

In short, we have shown that economic competitiveness and the people's prosperity are not incompatible.

Furthermore, we have also shown that it is possible to strengthen the welfare state while underpinning its sustainability.

That advancing gender equality is not only a matter of justice, but that it has a positive impact on economic growth. That investing in science, innovation and human capital will result in long term productivity gains.

We have lowered taxes for the middle and working classes and raised them for the wealthy.

We have cut the public deficit by half.

We have expanded the support that the State provides to both citizens and companies.

We have implemented unprecedented policies: billions of euros to support workers and households, free public transportation, and a pioneering minimum vital income that already benefits more than two million vulnerable people in my country.

We have promoted policies that we were told were impossible or reckless. And yet, they have proven to be possible and beneficial.

Today, Spaniards know that neoliberal policies do not work. That the option of cutting the size of the public sector and leaving citizens and small businesses on their own when problems arise makes no sense. And that, when we collaborate and stand together, we are stronger.

My country has shown that it is possible to grow while fighting climate change. I say that in five years, we have cut our consumption of natural resources by 7%, reduced our emissions by 10 points, and increased our renewable energy production by 34%.

In 2023, Spain generated half of its electricity from the sun, wind and water. We have been the first major EU economy to achieve this.

And these environmental advances have not made us poorer. Nor have they made us less competitive. Quite the contrary. They have allowed us to develop new industries, create thousands of new jobs and generate energy at very competitive prices. Today,



my country, Spain, households and businesses pay 58% less for their electricity bill than in 2022.

But to further succeed, this new model of prosperity will need to increase the involvement of the private sector.

Companies are essential for the growth and well-being of our country. They create employment, innovation, territorial cohesion, opportunities to make us better.

But that creation does not occur in a vacuum. You –your companies– are a product of democracy. A product of a rules-based international order, and of welfare states that sustain the middle and working classes, that guarantee peace and ensure adequate levels of human capital and prosperity.

Without these pillars, your business models would collapse like a house of cards.

For that reason, I call upon you to get involved. Help us to raise the purchasing power of workers, to stop the climate emergency, to vindicate international rules, and to defend democracy and fight the involution represented by the reactionary wave sweeping the world. In short: help us to give people a better life.

Do not buy the old neoliberal postulates that portray the State as a purely extractive entity that does not generate value. Or that claim that the only responsibility of companies is to increase the profits of their shareholders.

These ideas have been proven wrong. By science and by experience.

You know it. You know that companies need governments to innovate and grow. And that if companies do not work together –if they do not align their interests with those of society as a whole– we will not be able to overcome the great challenges of our time. And this will have an impact for good on your businesses.

Act accordingly. Act responsibly. Think in the long term. Do not allow yourselves to be dragged along by those radical media outlets and political parties that are obsessed with projecting us as systemic rivals. That profit from selling polarization. Do not fall into their trap. Let's cooperate. Let's collaborate. Let us take advantage of the major challenges I mentioned earlier to build bridges, enhance synergies and establish new forms of public-private cooperation and collaboration.

The government of Spain is your ally.

We have learnt by our own experience that there is a virtuous circle between growth and redistribution of growth. That the best and the most resilient way of growing is by making sure that the benefits of growth reach the entire population, especially the most vulnerable.

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Spain is a paradise for those companies that want to prosper through innovation, talent, clean and cheap energy, institutional stability and top-notch infrastructures.

For those companies that want to get rich by generating real value and paying their fair share of taxes.

We welcome these companies with open arms.

Dear friends,

We are at the dawn of a crucial year. A year in which the future of the international order and of liberal societies will be shaped.

Our citizens won't fail us. I am sure.

They will be up to the task, as they always are, in the crucial moments.

But it is important that governments and companies are too.

We must work together to build a new prosperity. A new virtuous triangle formed by the private sector, the State and civil society that will allow us to guarantee economic prosperity, enhance wellbeing and equality and ensure environmental sustainability for all and all across the world.

It won't be easy. But it will be worth the effort.

Muchas gracias. Thank you very much.

**P.- Thank you very much, Prime Minister. As you said, FDI inflow to Spain is very high, the highest you have seen in the past. Economic growth is higher than the euro average and also inflation lower.**

**Do you think that some of your colleagues in Europe can learn something from your policies? And what policies do you think they should be inspired by?**

**Presidente.-** Well, thank you for for your question. I would say that we are living in a period that we need leaders that transform societies and not administrate societies.

And so to keep that stability, political stability, social stability, economic stability within our societies, but also thinking broader at the European level, we need to transform ourselves, to earn competitiveness, to understand that climate change, digital transformations are big tools for the good of our societies, and not to use some of the crisis that we are facing, such as the war in Ukraine and the energy prices to slow down or to put aside our commitment regarding the ecological transition of our economies.



And of course, that idea of transformation means that, for instance, when we touch our experience chairing the European Council during the last semester and the reform that you mentioned before, the electoral reform, you know, this has been a real and very complex debate.

And I thank, you know, the companies, I thank also the Commission and the Parliament, because I think that we reach a very important agreement for the good of our continent and our competitiveness.

**P.- Do you, Prime Minister, think that sometimes we lack self-confidence in Europe? You know, in 2012, international actors were saying that the euro was gonna be in really deep problems even challenged as a currency. It is still the second most important currency in the world.**

**Then it was Greece that was gonna go busted and now, together with Spain, is one of the fastest growing economies.**

**You had one of the highest youth unemployment and unemployment rates, and you are now in like a comeback situation.**

**And we were gonna also be freezing the whole winter because of making ourselves independent of Russian gas.**

**Is it a little bit... Do we have to explain all the more the political processes we have in Europe? And there are democratic states that come together. Of course there will be discussions.** Then it usually ends up with something. But the media is writing so much about the process.

So people think that maybe this is a mess, but this is democracy.

**Presidente.-** It is democracy. And I completely agree with you. I think that, the most wonderful experience that I have from this debate around the table of the European Council is to see prime ministers and head of states debating and trying to find a landing zone for the good of our societies.

And this is democracy, and democracy has its timing to move forward, further. And I think that this is what we did, for instance, during the pandemic, during this very important agreement on the next generation funds, and, of course, our common approach with regard to the conflict in Ukraine.

So, you know, this are the instruments that we have and I think that this is the most important strength that we, as Europe, have.

**P.- But maybe sometimes you think it's ...**

**Presidente.-** ...of course.

**P.- ... is a little bit tough. And you also...**

**Presidente.-** And, of course, you know, you were telling before in your remarks that, of course, we have this. In the Spanish presidency we opened the talks of negotiations with Ukraine, Moldova, Western Balkans.

**P.- There are some breaks there, weren't there.**

**Presidente.-** And indeed, this enlargement will table the urgency and necessity to reform our institutions, and our decision-making process, passing from a unanimity to a qualified majority. But these are like instruments, tools. The most important thing is the geopolitical shift that we are going to witness in Europe in the coming years. And I think this is for good.

And this will also stabilize, in my opinion, in the short term and medium term, the situation in the eastern part of Europe.

**P.- But in your speech, you also strongly underline the importance of sticking, uh, to core values, European values, UN charter democracy and all this.**

**And we are seeing currently polarization, in the US there is fundamental polarization, but aren't we seeing the same happening in the EU today? And, are you afraid that this polarization will just escalate, or do you see possibilities for some convergence? Moving forward, you were able to push through, for example, the accession of Ukraine and and Moldova.**

**That was not expected.**

**But how do you see that? How is it possible to get more convergence and not end up in disagreeing on everything?**

**Presidente.-** So you have like three dimensions of the debate and three institutions in the European Union framework.

The first one is the European Council and I see, you know, a common sense that we need to move further, even even if, I mean, it doesn't matter if you belong to a right wing political family or a left wing political family.

I mean, I think that there is a landing zone and a common sense to move forward in some, uh, issues such as this internal reform that we need to face in order to be effective in the enlargement process.

Then you have the Commission.



And for that, I believe that after the European elections, what we need is to have an agreement among the major political families, social Democrats, the Popular Party and also liberals.

And finally, we have the European Parliament.

And for that, I think is crucial.

It will be instrumental that our citizens, you know, they strengthen, I would say, the traditional families, not the far right in order to have the best outcome of these elections and we can have a constructive European Parliament, but I have, you know, a positive instinct on what is going to happen in Europe in the coming years.

I think that we have learned a lot from the crisis that we suffered over the past 5 years, the pandemic, but not only the pandemic, also the war in Ukraine. And what we are going to witness is a more federal European Union and a more integrated European Union. I am really happy to see that, you know, we are opening ourselves to Western Balkans, which is a region that we, you know, are very committed.

**P.- You see President Vučić...**

**Presidente.-** He's a good friend, he's a good friend of Spain and myself. So, you know, happy to see him again here with me. And of course, with Ukraine, Moldova and Georgia.

**P.- How historic was the negotiation on the accession of Ukraine and Moldova?**

**Presidente.-** I come from a country, thanks to the leadership of Jacques Delors, Spain and Portugal, we entered the European Union back in the 80s of last century. So, you know, we're very happy and very grateful to have been the presidency of the European Council in this very historical moment of the European Union project. And I think it was a very important political message, the one that we sent to the Ukrainian society and the Ukrainian government. And let's hope that in the coming months we can end this war and respect the territorial integrity of Ukraine, and we can build peace in the Middle East and the eastern side of Europe.

**P.- And the West Balkans are the next EU members?**

**Presidente.-** Well, I mean, that's for sure. You know, we are very, very committed and very vocal. You know, Aleksandar knows, on his accession to the European Union, I think that that will bring us a lot of strength and we will provide the stability that that part of the European Union or Europe needs.

**P.- Muchas gracias [en español en el original].**

**Presidente.-** Thanks.

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**P.- So great to see you here again. And we are now moving from Prime Minister Sanchez and Spain to your friend, President Macron of France.**

**Presidente.-** Good friend.

**P.- Good segue.**

**Presidente.-** Absolutely.

**P.- Thank you, thank you.**

*(Transcripción editada por la Secretaría de Estado de Comunicación)  
(Intervención original en inglés)*