



FOUNDATION
RAFAEL DEL PINO
ANNUAL REPORT 2007

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21 July 2008

LETTER FROM THE PRESIDENT

This is the first time I am introducing the Foundation's Annual Report, and I am moved to be doing so on the same day that the Board of Trustees has placed its trust in my leadership for the immediate future.

At this moment, analysis of the projects undertaken in 2007 - which were both numerous and important - must take second place due to the loss of the man who created the Foundation with enthusiasm, generosity and patriotism.

I write these words with the grief of a person who has lost someone very dear to them and prompted by circumstances that I would not have wished for, but guided by the hope that I have been able to interpret his wishes, expressed with youthful enthusiasm and initially hazy outlines, and turn them into concrete realities. And with the firm intention of continuing to do so. Not just my family but all who work at the Foundation have spent almost the last four years in painful transition. Four years of illness - a brief eternity - during which my father combined his apparent absence with the lively and constant presence of his calm and creative mastership, being unwilling, as always - in accordance with the criteria that guided his life path, and assisted by a will of iron - to abandon the projects into which he poured his boundless enthusiasm and hopes, and which he undertook with the obstinacy of someone whose only objective is to succeed in whatever he does, whether it be a company like Ferrovial or the Foundation that bears his name.

The Foundation has benefited constantly over these past four years from this creative - almost always effervescent - and permanent combination of presence and present absence, supported in both cases by the enthusiasm of seeing how a singular, much desired and wanted objective such as achieving better training for the Spanish leaders of the future, gradually began to materialise as the initial intuitions were shaped into precise and real objectives that have changed the lives of many of our fellow citizens, to benefit the Spain of the future which is already here. And it has done so with the efficient support of the Board of Trustees and its Advisory Board, together with the daily work, performed always with dedication and enthusiasm by this "small but great team" - as I like to call it - that has given itself generously to a fascinating project.

The Foundation has sailed the uncertain seas of the apparent absence but constant presence of the man who set up a Foundation that he loved and in which he believed. His legacy will always be present in our lives and his goals are and will be our goals. When the time comes for us to meet again, there will be no need to take stock. We will have carried out the task entrusted to us with the enthusiasm of those who feel an objective to be their own, designed by someone who has always been admired by all who have worked at or with the Foundation. We have received many moving expressions of condolence these days from specific people for whom the work of the Foundation has done so much good and has helped them to grow as individuals. One of the letters said: please, carry on. Another: thank you for changing my life.

You need have no doubt, father, that that is what we shall do. We will continue doing what we can to change people's lives. May you rest in peace.

María del Pino y Calvo-Sotelo
President

21 July 2008

LETTER FROM THE DIRECTOR

In Memoriam. Rafael del Pino: work, patriotism, innovation, knowledge and generosity

A few days ago - although they seem like an eternity - a great man left us. Rafael del Pino was one of those people whose life was shaped, day by day, on the basis of a set of ideals that were reaffirmed as time went by. It makes no sense right now to refer to the successes of the Foundation, since such a dreadful loss overshadows whatever may have been achieved in the course of 2007. There is only space for remembrance of the man who, though we cannot see him, is present among us and will remain so despite the relentless passing of the days.

With a PhD in Civil Engineering, an honorary doctor's degree from the University of Castile-La Mancha and a Knight Grand Cross of the Order of Civil Merit, he made self-reliance, work, innovation, knowledge, generosity and love of Spain the ensign of his ideals.

Having completed his education in 1947, five years later, in the business wasteland that characterised Spain after the wars in Spain and Europe, this determined man - a giant in the words of Carlos Espinosa de los Monteros - gave proof of his powerful spirit of enterprise and of having the necessary *areté* to which Homer's poems refer, by founding Ferrovial, the company to which he devoted more than fifty years until, after some years of reflection, when he felt that the time had come, he set up the Foundation that bears his name, and handed over the running of the business to his son Rafael. It was half a century of sustained effort and study supported by the solid pillars of his extraordinary intelligence and strength that were fuelled by his conviction that "without effort there are no achievements or success".

The Ferrovial venture is the result of an impassioned process led by a tireless worker, who demanded permanent innovation of himself as a means to better working processes, convinced that the marketplace and freedom of enterprise, together with the efforts of everyone, are the pillars on which the economy of Spain today must rest. And within the framework of the market economy he believed in the freedom of individuals "to follow their dreams" without obstacles to their creativity and initiative.

He liked business risk, even internationalised risk, but he never took decisions without the necessary prior research and knowledge. He did not accept improvisation and he studied problems down to the last detail. He had the rare skill of distilling the core ideas of problems and reducing them to their basic elements. For these reasons he was a pioneer in a multitude of initiatives that helped to transform production processes and modernise the construction sector. His innovative spirit also left its mark on the management of the Foundation. In addition, his broad vision as an entrepreneur and a seafarer took him to Latin America, North America, Europe as well as the Arab countries, following his dreams and proving that companies that are competitive in Spain can also compete internationally.

Rafael del Pino was always a generous man and a patriot. It should be no surprise therefore that by setting up the Foundation that bears his name he translated his determination to set in motion a project full of hope the objective of which, he said, is to contribute "to the development of my country and to social cohesion". The same hope with which, fifty years earlier, he had founded a leading company. To his activities as a businessman and his intellectual curiosity must be added his altruism, which he put into practical effect on numerous occasions, and most particularly when he set up the Rafael del Pino Foundation in 1999, generously endowed, with the intention that its future should develop independently, putting into effect the mission for which it was set up. Why a Foundation? The answer to this question is simple: "to give back to Spanish society a part of what that same society has given to me in the course of my personal and professional life. It is my desire that the Foundation should be independent and have a long life. For that I have the commitment of my family".

Generosity must be understood as an act of service to our fellow citizens and our country. In accordance with these convictions, Rafael del Pino liked to recall Einstein in his human facet: we are in the world "to serve each other". And his wish to serve was not translated only into the setting-up of the Foundation. It also led him to help those who, like him, suffered the pain of spinal injury. One of his last decisions was to endow the Foundation with extraordinary funds directed at alleviating the pain of people with spinal injuries, with his particularly noteworthy contribution for the construction of a sports centre adjacent to the National Hospital for Paraplegics at Toledo.

He always supplemented his business activities with an uncommon dedication to reading: in-depth reading with the skill of assimilating the core of the arguments and the development of the ideas. Whenever something aroused his interest he would read about it to gain a thorough knowledge of the subject. His knowledge extended to the fields of history and astronomy and his reflections from behind the lens of his telescope led him along the paths of the study of the origin of the universe and of life. But his knowledge was translated into actions, in accordance with Cicero's advice: "It is not enough to acquire wisdom, it is necessary to employ it."

He was convinced that the main ingredient of modern societies is knowledge, and that entrepreneurs are their actors. For him, knowledge serves to understand and plan, but is also a source of progress and wellbeing. The Rafael del Pino Foundation came into being with one aim: to train both Spain's leaders of the future and its academics, since "it is not so much knowledge as the transmission of knowledge that has enabled us to survive and dominate the earth".

For Rafael del Pino, being an entrepreneur was not just the application of a deep-rooted vocation. It was also the means of contributing to improving the wellbeing of the settlers of the planet. To be an entrepreneur means creating and transforming. And continuing learning means creating and transforming continuously, as he showed throughout his life. "The smallest spark may here kindle into the greatest flame", said David Hume.

But the thing is to create in freedom: "We know that man was created free. Free to take decisions, free to choose his path, free to act at any time, free to believe, free to love, free to work. But the freedom of man is one alone and it encompasses all freedoms." Fine words that translate not only sentiments but also vital elements of huge importance on which to base the actions of a life.

14 June 2008 saw the passing of a man who loved Spain and its people and who by his efforts and good works helped to make everything around him better. But he has left us his dreams for us to take them forward. As Eckermann said of Goethe, Rafael del Pino was too attractive a figure not to try and imitate him, but too great to succeed in the attempt. All countries need people like Rafael del Pino. We have been lucky.

Let these words be the expression of my feelings towards Rafael del Pino, with whom I had the good fortune to work on an enthusiastic and exciting project for almost eight years. May he rest in peace.

Amadeo Petitbò Juan
Director

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The Board of Trustees of the Foundation held an ordinary meeting on 25 May 2007 and an extraordinary meeting on 20 December 2007.

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There were Advisory Board meetings on 10 May and 19 November 2007.

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The Foundation had the invaluable assistance and cooperation of the staff of Casa Grande de Cartagena, S.L.

INTRODUCTION AND STRATEGIC APPROACH

The Rafael del Pino Foundation is classified and registered in the Foundations Register of the Charities Supervisory Body (Protectorado) of the Spanish Ministry of Education, Social Policy and Sports under number 479. It is included among the entities regulated by the Law on Foundations and Tax Incentives for Private Participation in Activities of General Interest. The principles that inspire the Rafael del Pino Foundation are:

- Defence of the general interest
- Freedom
- Innovative spirit
- Transparency
- Rigour

The Rafael del Pino Foundation has set as its objectives:

TO TRAIN LEADERS

The Foundation aims to train current and future leaders so they can successfully put their initiatives and capabilities into practice.

The Foundation does not confine the idea of a leader strictly to the business world as it considers other fields of knowledge to be important too, such as economics, the law and justice, the news media, politics and public management, international relations, history and education.

TO FOSTER PERSONAL INITIATIVE, THE PRINCIPLES OF THE FREE MARKET AND FREEDOM OF ENTERPRISE

At a time characterised by market globalisation and the new information economy, the Foundation wishes to contribute to improving the knowledge of leaders based on the principles of free personal initiative, the free market and freedom of enterprise.

TO PROMOTE AND PRESERVE THE CULTURAL AND HISTORICAL HERITAGE OF SPAIN

Knowledge of the past helps to plan for the future. Consequently, the Foundation wishes to contribute to raising awareness of Spanish history, protecting Spain's cultural heritage and fostering the growing importance of the Spanish language as a vehicle for communication in the world.

To achieve these objectives, the Rafael del Pino Foundation envisages the development, protection and support of educational, cultural, social and cooperation-oriented initiatives as well as those for the furtherance of the economy, by organising lectures, courses and seminars, offering scholarships and awards, funding research and other information-dissemination activities, including in particular its collection of publications.

After evaluating its activities with a view to planning for the future in accordance with its aims, the Foundation concluded that its strategic objectives need a strong, flexible framework to provide consistency and continuity for its activities. This requires consideration to be given to the dominant culture and the aspects of diversity within it, to the knowledge acquired and employed by Spanish society and its regulatory framework.

The Foundation believes that the creation of wealth and the dynamism of a country are largely dependent upon the competitiveness of its business enterprises, and that this, in turn, depends mainly on the education of its citizens and the training and capabilities of its leaders. The changes there have been in recent years give credence to the idea that if the competitive edge in industry was based on the availability of capital, technology and primary resources, now, when today's global market provides access to whatever is needed to produce goods and services, businesses set themselves apart by the knowledge, most of it implicit, reflected in their information and problem-solving systems, by their intangible assets and by the ability of their senior management to create and develop knowledge and strategies.

The Foundation considers that to ensure the wellbeing of today's societies, their business enterprises must be both prosperous and efficient, since their future depends, to a large extent, on the results achieved in increasingly globalised and competitive markets. It is therefore necessary to contribute to providing incentives for business creation and entrepreneurship, to build up knowledge of business management, to promote the role of the agencies responsible for facilitating business creation and development, to protect the rights of investors and to firmly support market competition and transparency.

In accordance with the guidelines of its Board of Trustees and its Advisory Board, the Foundation gives priority to in-house programmes, although this does not mean that it does not take outside proposals into consideration. In this way it is intended to continue with the process of articulation between the general principles that underpin the Foundation's work and the conduct of its activities.

Lastly, at the initiative of its President and Founder, in 2007 the Rafael del Pino Foundation embarked on a new line of action aimed at promoting activities to foster research in the field of health and to improve the quality of life of individuals affected by spinal cord injury by developing technological innovations designed to facilitate their physical recovery, to improve their living conditions and to develop adapted sporting infrastructures.

TRAINING FOR LEADERSHIP

1.SCHOLARSHIPS

SCHOLARSHIPS FOR POSTGRADUATE STUDIES

After seven consecutive years of awards, the reputation of the Foundation's scholarships programme has risen progressively, not just because of its financial magnitude, but also because its demanding selection procedure has revealed that the successful candidates are of an undoubtedly high standard both as students and as potential leaders, with an undeniable professional profile, as events have already shown.

The following table shows the numerical variation in the programme of scholarships for Spanish postgraduates.

Rafael del Pino Foundation Postgraduate Scholarships. 2001-2007.

Year	Applications	Scholarships Available	Scholarships awarded
2001	108	22	20
2002	211	22	22
2003	366	15	16
2004	230	15	21
2005	301	15	25
2006	223	15	19
2007	232	15	17

In the period 2001-2007, the Foundation awarded a total of 140 postgraduate scholarships which when added to the scholarships for the extension of studies gives a total of 217, i.e. an average of 31 postgraduate scholarships each year.

The results achieved each year are undoubtedly positive, since the high level of qualification of the applicants and of the beneficiaries of the scholarships has been maintained. As in previous years, mention should be made of the high average marks obtained by Foundation scholars, which in many cases has resulted in their names being published in the Dean's Lists.

The number of postgraduate students with Foundation scholarships who are pursuing their studies in the 2007-2008 academic year is 32, all of them abroad.

Below is the list of universities being attended by students awarded scholarships in 2007 and their universities of origin:

Universities attended:

Columbia Business School: 4
 Columbia University School of Law: 1
 Georgetown University: 1
 Harvard Business School: 2
 Harvard University: 2
 New York University: 1
 Northwestern University: 1
 Princeton University: 1
 Sloan School of Management – MIT: 2
 University of Chicago: 1
 Wharton Business School – Lauder Institute: 1

Universities of origin:

Barcelona University: 1
 Carlos III University of Madrid: 1
 Madrid Complutense University: 2
 Polytechnic University of Madrid: 5
 Polytechnic University of Valencia: 1
 Pompeu Fabra University: 5
 University of Santiago de Compostela: 1
 University of Saint Andrews: 1

For 2008 the Foundation is maintaining its programme of scholarships for Spanish students. The programme is open to graduates with an aptitude for leadership who wish to further their training by following a course of postgraduate study in Spain or abroad.

RAFAEL DEL PINO CHAIRS

In 2002 the Foundation decided to set up the Rafael del Pino Chairs for Spanish or foreign professors of high standing who have international experience and, as a general rule, are taking a sabbatical. The Chairs are not specifically linked to any one academic establishment, it being the professors who choose where they wish to carry out their activities.

The purpose of the Chairs is to give support, as a supplement to the remuneration provided by the academic establishments of the professors holding Chairs, to a top level piece of research that must, without exception, be published in English by a commercial publisher, or must give rise to publications in the world's best specialised journals.

The first Rafael del Pino Chair was held by Professor Mauro F. Guillén, Professor of International Business Management and Sociology at Pennsylvania University (Wharton School). The results of his research were published under the title *The Rise of Spanish Multinationals* in Spanish in the Foundation's Economics and Business Collection and in English by Cambridge University Press.

The second Chair was awarded to Professor Germà Bel, Professor of Applied Economics at Barcelona University. The results of his research were published in the Foundation's Economics and Business Collection under the title *Economía y Política de la Privatización local* [Economics & Politics of local privatisation], as well as in a large number of articles published in prestigious international and Spanish specialised journals.

The research being conducted by the holder of the third Rafael del Pino Chair, Leandro Prados de la Escosura, who is Professor of History and Economic Institutions at the Carlos III University of Madrid, is currently in full progress. His research is entitled *Libertad económica, crecimiento y bienestar en perspectiva histórica. La experiencia de los países de la OCDE, 1850-2000*. [A historical perspective of economic freedom, growth and wellbeing. The experience of OECD countries, 1850-2000.]

In 2007, the Rafael del Pino Foundation decided to award a Rafael del Pino Chair to Professor Amando de Miguel, Professor of Sociology at Madrid Complutense University, who has taught and performed research as a visiting professor, mainly at the University of Texas at San Antonio (United States). Under the arrangement with Professor de Miguel, the purpose of the Chair is to conduct research entitled *El Español de hoy y de mañana* [The Spanish of today and tomorrow], focused on analysing the Spanish language at the present time.

The result will be a book entitled *Se habla español* [Spanish Spoken], produced in collaboration with Professor Francisco A. Marcos-Marín, Professor of Hispanic Linguistics at the University of Texas.

LEADER SCHOLARSHIPS [BECAS LÍDER]

The Rafael del Pino Foundation has given its assistance to the Leader Scholarships programme since it was launched in 2002. This programme is organised by the Carolina Foundation with the support of Banco Santander.

In addition to providing its facilities and logistic support, the Rafael del Pino Foundation is responsible for the inclusion in this programme of 10 Spanish scholars. The aim of the scholarships is for the successful candidates to strengthen their capacity for human and professional leadership as well as to establish links with emerging leaders from other countries.

In 2005 the programme was expanded to include Portuguese participants and the aforementioned sponsors were joined in the organisation by the Calouste Gulbenkian Foundation.

The specific objectives of the scholarships include:

- Furnishing emerging Ibero American and Spanish leaders with more precise knowledge of the situation in Spain;
- Creating links between the Ibero American leaders and Spain with the aim that in the future this may bring their countries of origin and Spain closer together;
- Promoting a new vision of the relationship between Ibero America and Spain, focusing more on what unites us than on what sets us apart;
- Strengthening the participants' capacity for human and professional leadership;
- In the medium and long term, creating a network of Ibero American leaders who are conscious of the need to strengthen and promote relations between the countries of Ibero America and with Portugal and Spain.

After awarding Leader Scholarships for the fifth time, the organisers decided to arrange the 1st International Leader Scholarships conference which took place in Cartagena de Indias (Colombia) from 10-14 July 2007.

The speakers attending included: the President of Colombia, Álvaro Uribe; the writer and winner of the Nobel Prize for Literature, José Saramago; Sergio Ramírez, writer and former Vice President of Nicaragua; former Presidents Belisario Betancur, Andrés Pastrana, Fernando Henrique Cardoso, and former Prime Minister Felipe González; Fernando Araújo, Colombian Minister of Foreign Relations; the State Secretary for Cooperation of the Spanish Government, Leire Pajín; the Vice Chancellor of the Technological University of Bolívar, Patricia Martínez Barrios; Carlos Gaviria, President of the Polo Democrático Alternativo Party of Colombia; Francisco Rojas, Secretary General of FLACSO; José Antonio Ocampo, Professor at the University of Columbia and ex-Assistant Secretary General of the United Nations for Economic and Social Affairs; Francisco Luzón, Deputy Chairman of the Santander Group for Latin America; and María del Pino and Amadeo Petitbò, Vice President and Director, respectively, of the Rafael del Pino Foundation.

The aim of this event, which brought together more than 200 of the scholars who have been awarded scholarships over the years, was to give further momentum to the Leader Scholarships programme by consolidating the network of Ibero American leaders.

INTERNATIONAL BACCALAUREATE SCHOLARSHIPS

The collaboration of the Rafael del Pino Foundation with the Foundation of the Spanish Committee of United World Colleges has made it possible each year from 2001 to 2007 to provide a scholarship to finance the studies of an International Baccalaureate student for two years.

The main aim of these scholarships is to help to bring together young people from different countries, beliefs and cultures in order to educate them in the ideals of universal harmony and understanding.

The United World Colleges were founded in 1963 by the educator Kurt Hahn. They currently consist of twelve colleges all over the world where pre-university students from different countries can go for two years to study the international baccalaureate. These studies lead to a diploma that gives admission to universities all over the world.

In addition to facing the academic demands and the challenges posed by living with students from other countries and cultures, the students of United World Colleges must make a commitment to the community by performing social and humanitarian services.

To date, the beneficiaries of the scholarships sponsored by the Foundation and the colleges they have attended have been: José Laro Escalada (Armand Hammer in New Mexico, 2002-2004), Pablo Touchard Pelluz (Waterford Kamhlaba in Swaziland, 2003-2005), María Judith Soria Diaz (Red Cross Nordic, 2004-2006), Laura Galián Hernández (College of the Adriatic, 2005-2007) and Iñaki Arbeloa Castiella (Mahindra Pune in India, 2006-2008). The student awarded a scholarship by the Rafael del Pino Foundation for the two-year period 2007-2009 is Ksenija Strbac (Lester B. Pearson College, Vancouver, Canada).

Given the interest of the programme and its relevance to the objectives of the Foundation, it has been decided to continue providing support for the United World Colleges in 2009-2010.

'RAFAEL DEL PINO' CANCER RESEARCH GRANT

The Rafael del Pino Foundation renewed its collaboration agreement with the Spanish Cancer Association (in Spanish, AECC) to provide support for the Association's Scientific Foundation by endowing a Grant for Cancer Research which bears the name of the President and Founder, Rafael del Pino. The grant was awarded for the first time in 2006.

In 2007 the 'Rafael del Pino' Cancer Research Grant went to Judit Anido Folgueira, who has a PhD in Biology from the University of Barcelona. Her research work, conducted at the Research Institute of the Vall d'Hebrón Teaching Hospital, has focused on the study of breast cancer. Her research project is entitled *Células madre tumorales en glioma: papel del TGF-beta en la capacidad de auto-regeneración de las células madre tumorales en glioma* [Tumoral stem cells in glioma: the role of TGF-beta in the capacity for self-renewal of tumoral stem cells in glioma].

The aim of this research project is to study the molecular mechanisms involved in the regulation by TGF-beta of the population of glioma stem cells and how these mechanisms may affect tumour progression.

RAFAEL DEL PINO ARCHITECTURAL SCHOLARSHIP FOR THE RESTORATION OF ARTISTIC AND CULTURAL HERITAGE AT THE ACADEMY OF SPAIN IN ROME

On 26 October 2006, the Chairwoman of the Board of Trustees of the Academy of Spain in Rome and the Director of the Rafael del Pino Foundation signed a collaboration agreement with the Spanish Ministry of Foreign Affairs

and Cooperation to set up an architectural scholarship attached to the Academy to be called the Rafael del Pino Architectural Scholarship for the Restoration of Artistic and Cultural Heritage.

The Academy of Spain in Rome, established in 1873 and currently governed by a Board of Trustees that accounts to the Spanish Ministry of Foreign Affairs and Cooperation, is a public institution that has been linked since its origin with the Royal Academy of San Fernando in Madrid. Right from the start, one of its objectives was to take in scholars - formerly known as pensionaries - of different specialities, all of them connected with the Fine Arts.

The main purpose of the scholarship is to contribute to promoting and preserving the historical heritage of Spain by strengthening the training of Spanish architects in the field of restoration.

The Academy is responsible for announcing the scholarship and applications may be submitted by Spanish nationals who hold a higher degree in Architecture on the date the award is made. The scholarship is for 9 months.

The first time the scholarship was awarded, on 11 May 2007, the merits and calibre of the candidates and the projects presented were so high that the panel of judges decided to award two scholarships instead of one. The successful candidates were: José María Sánchez García, an architect and lecturer in design at Madrid Polytechnic University College of Architecture, for his design for perimeter and grounds construction at the Roman temple of Diana in the town of Mérida; and Federico Wulff, an architect and lecturer at Granada University, for his research project on restoring pieces of woodwork with the aim of applying the results of the project to the restoration of Spanish-Muslim woodwork.

2. TRAINING PROGRAMMES

MASTER IN LEADERSHIP IN CIVIL ENGINEERING

On 11 November 2004, the Foundation signed a collaboration agreement with Castile-La Mancha University to sponsor a Master's course in leadership aimed at the best new civil engineering graduates. This agreement was renewed on 12 January 2007.

The aim of the course is to help to expand the mainly technical training received by civil engineers with further training to strengthen their skills of leadership and innovative management at the civil engineering firms where they will pursue their careers. In short, the aim is to train leaders in civil engineering who are able to perform managerial, organisational or executive functions in any type of civil engineering firm and sector in which leadership skills are required.

The course consists of four 40-hour modules of specialist theory, supplemented by 40 hours of work placement at major civil engineering firms. Each of the modules consists of basic courses taught by specialists from institutions, civil engineering firms and Spanish and foreign academics, as well as assessment sessions and a supervised project, together with unrestricted ongoing self-study.

The course is organised in four areas:

- Leadership techniques;
- New forms of organisation in modern business;
- Innovation in civil engineering and service provision;
- Managing civil engineering firms.

The course is organised by the College of Civil Engineers of the University of Castile-La Mancha, with the collaboration of academics and professionals from other universities and organisations, including: Paul Lambert, ESSEC Business School-IAE, Aix-en-Provence; Raúl Calvo, Girona University; Alfredo Font Barrot, Pompeu Fabra University; Eugenio Pellicer, Polytechnic University of Valencia; Santiago Hernández, Corunna University; David Ford, Texas University; Mumtaz Usman, Wayne State University; José María Menéndez, José María Ureña, Enrique Viaña, Javier Conde, J. Ramón de Páramo and Gonzalo F. Ruiz, University of Castile-La Mancha; Francisco Rivas Ródenas, Endesa; Antonio Linares Sevillano, Iberia Lae; Jesús Rubio and Elena Peña del Cura, Ministry of Infrastructure and Development; Jill Andrei, MOTIS Coaching; Anna Castells, Communication Consultancy; and Gloria de la Torre Muñoz, Aertec.

The organisations where students on the course carried out their work placements were: Ferrovial Agromán, Acciona, Eptisa-Servicios de Ingeniería, Ineco-Tifsa, Carrión and Madrid City Council.

The Prize of honour awarded to the best End of Master Project in 2007 went to Ernesto de Zárate Domingo for his project entitled Análisis y propuesta de mejora: la Corporación Ineco-Tifsa y su delegación valenciana [Analysis and proposal for improvement: the Ineco-Tifsa Corporation and their regional office in Valencia].

PROGRAMME FOR LEADERSHIP IN PUBLIC MANAGEMENT

On 28 September 2005, the Rafael del Pino Foundation and IESE, University of Navarra signed a collaboration agreement to carry out a Programme for Leadership in Public Management. The agreement was renewed on 8 October 2007.

The public sector in Spain is of great importance in the economy as a whole and the training of its senior managers is a clear need in the market.

Since Spain's civil servants are highly qualified because the entry systems are based on tough competitive exams, there are very few institutions available to meet the growing demand for refresher courses for them.

Professional management of public resources is a duty called for by the very nature of public service, as well as a growing social demand. Central and other tiers of government must implement their policies following a particular strategic organisation culture, model and programme. The Programme for leadership in public management seeks to meet these needs by addressing the different areas of interest to managers in government.

The programme was run for the third time in the 2006-2007 academic year. Out of 351 references on potential candidates, the admissions committee selected 75 participants, all of whom had experience and high potential for professional development in public management.

The programme uses an interactive and dynamic teaching method suited to the training of managers: that of case studies. In 2007 there was a total of 33 sessions dealing with the main topics of interest for leadership in government. Team work, discussion of real-life situations, and reflection on the programme topics provided content rich in aspects that are essential for the professional development of public managers.

During the programme the participants were divided into small teams so that they could compare their conclusions with those of their fellow team members, thereby enhancing the results with very different contributions and experiences as a result of the variety of organisations and sectors represented.

LEADERSHIP PROGRAMME FOR TALENTED YOUTH

Convinced of the importance that the development of talent will have in the societies of tomorrow, on 15 December 2006 the Rafael del Pino Foundation and CTY Spain signed an agreement aimed at contributing to the development of talent and attitudes of leadership among highly capable children and teenagers aged between 10 and 18. The agreement was renewed in 2007.

Using a business school methodology, the first Leadership programme for highly able young people, organised jointly by CTY Spain and the Foundation, took place from 22 June to 14 July at the European University of Madrid.

The sessions covered a very broad range of topics, such as emotional intelligence and social skills, oral communication techniques, cooperation and negotiation, assertiveness and empathy, team work, setting up a business, leadership and career guidance.

The essentially practical approach of the activities and the use of case studies helped to train the participants to take decisions that were fictitious but based on real-life situations.

As a supplement to the sessions, the students were divided into teams and developed business projects that were presented during the closing ceremony of the course.

'ENGINEER RAFAEL DEL PINO Y MORENO' RAIL TRANSPORT CHAIR

In December 2005, Ferrovial, the Rafael del Pino Foundation and the Polytechnic University of Madrid signed an agreement to set up a Chair in the Transport Department of the Madrid College of Civil Engineers to be known as the Engineer Rafael del Pino y Moreno Rail Transport Chair.

The Chair is intended to carry out the following activities:

- Specialist workshops and seminars;
- Master in Railway Technologies;
- Scholarships for final-year students to undertake end-of-degree projects connected with railways;
- Scholarships for doctorates and doctoral theses;
- Postgraduate scholarships for courses and activities at other universities and research establishments;
- Financial aid for visiting lecturers at universities and research establishments;
- Publication of reports and books connected with railway technology and railway research project development, among other issues.

In 2007 the activity of the Chair focused on launching the facilities of the Railways Laboratory that is being built in Ocaña (Toledo) and on the conduct of research into railway aerodynamics by the Chair's first scholar, Pablo Jiménez Vallejo, in the Department of Civil Engineering: Transport, at the Madrid College of Civil Engineers and the Madrid Underground company, Metro de Madrid, S.A.

DIPLOMA COURSE IN UNIVERSITY SENIOR MANAGEMENT

On 16 November 2004, the Foundation signed a general agreement of collaboration for a Diploma course in university senior management (DADU, in Spanish) with the Antonio de Nebrija University and Foundation, the UNESCO Chair in University Management at the Polytechnic University of Catalonia and the Conference of Vice Chancellors of Spanish Universities (CRUE, in Spanish).

As the promoters of the DADU diploma course, the Antonio de Nebrija University and Foundation organise, direct and administer the training programme in Madrid and award jointly with the Polytechnic University of Catalonia the Diploma in University Senior Management which is considered a postgraduate qualification at both universities.

The Polytechnic University of Catalonia, which is the university with the greatest experience in courses of this type in Spain, contributes its extensive experience through its UNESCO Chair in University Management.

The Rafael del Pino Foundation partially funds the project by awarding a scholarship for 50% of the cost of the course to each university wishing to enrol members of its administration, representation and management bodies. Specifically, the Foundation's participation extends to the use of its premises, where the classroom sessions are held.

The CRUE, as the umbrella organisation of Spanish universities, and the various UNESCO Chairs in higher education that there are in Spain, such as the UNESCO Chair in University Management and Policy at the Polytechnic University of Madrid and the UNESCO Chair in e-learning at the Open University of Catalonia, contribute their expertise, support the initiative and publicise it among Spanish universities as a whole.

The training programme, which was attended by 21 university managers, was arranged in four modules: two modules of classroom sessions lasting one week each that took place at the Rafael del Pino Foundation in May and June 2007; and two distance learning modules using the information and communication networks available, especially the Internet.

TRAINING PROGRAMME FOR MICROENTREPRENEURS IN THE FIELD OF IMMIGRATION

The Rafael del Pino Foundation, the Department for Immigration and Cooperation of the Regional Government of Madrid and the Manpower Foundation signed a General Protocol in Madrid on 20 November 2007 to organise training activities for microentrepreneurs within the immigrant population.

The main objectives of this project are: to train potential microentrepreneurs in the use of basic tools of strategic and operational planning; to help them to understand the importance of proper financial management as a source of success in the medium and long term; to produce a process of natural benchmarking and of assimilation of the reality of the environment; to assist their social learning about models of commercial management and marketing to enable them to design marketing plans; to analyse the most appropriate systems of management and facilitate their efficient use as points of management guidance; and, lastly, to train them in the management and leaderships of work teams.

The Foundations will support the training projects for setting up and accompanying the microbusinesses that are launched within the framework of the Protocol, and the Department of Immigration and Cooperation will promote and support the training projects, assist in the process of selection of programme beneficiaries and provide the venue for the courses. Organising the training of the 60 microentrepreneurs who will participate in this pilot project will be the responsibility of the company Make a Team.

TRAINING FOR IRAQI WOMEN IN CONFLICT MANAGEMENT AND RESOLUTION

In 2007, the Rafael del Pino Foundation, Toledo International Centre for Peace (CITpax) and the Iraqi Association Al-Ama organised a seminar-workshop entitled Training for Iraqi women in conflict management and resolution, with the aim of contributing to the building of peace in Iraq through dialogue and the training of a select group of Iraqi women. The participants, who came from different professional sectors and represented different geographical areas and ethnic and religious groups, showed that they were highly qualified and undertook to transfer the knowledge acquired to other Iraqi women on their return to their country. The Iraqi Minister for Human Rights, Wijdan Mikhail, inaugurated the seminar.

The topics addressed in the different training sessions included: conflict definition; the main causes and the determining factors of conflicts; multicultural approaches for conflict resolution; communication skills; facilitation and collective resolution of problems; culture and mediation and negotiation techniques. During the seminar a number of sessions were devoted to discussion with Spanish professionals with the aim of exchanging points of view and experiences on issues such as the current situation of Iraqi women, the role of women in conflict prevention and resolution, and Spanish women in the context of the transition to democracy in Spain, among others.

ADVANCED WOMEN AND LEADERSHIP PROGRAMME

The Advanced women and leadership programme is the result of the collaboration agreement signed by the Rafael del Pino Foundation and the Aliter Business School on 17 September 2007 with the aim of contributing to the training of women managers and strengthening their active role in society.

The programme, which was essentially practical, took place during the 2007-2008 academic year at the Aliter Business School. It was arranged in four modules of classroom sessions on the following topics: managerial and speaking skills; leadership; corporate responsibility; protocol and communication.

The academic team consisted of professionals from more than 20 notable Spanish companies and institutions, in particular: Elena Gil, Caja Madrid; Ana Pastor, People's Party; Pilar Gómez Acebo, Fedepe; Miguel Ángel Recio, Ministry of Economy and Finance; Tom Burns, Eurocofin; Carmen Martínez Ten, National Security Council; Ángel Asensio, Fedecom; Paloma Muro, CSI-CSIF; Alejandro Halfter, Regional Community of Madrid; and María del Pino, Vice President of the Rafael del Pino Foundation.

PROGRAMME FOR TRAINING FAMILY COUNSELLING TRAINERS

On 12 September 2007, the Rafael del Pino Foundation and the Instituto de Iniciativas de Orientación Familiar [Institute for Family Counselling Initiatives] signed a collaboration agreement for the organisation of a pilot programme to train family counsellors.

The programme began in Madrid on 24 October 2007. The participants were teachers from both the public and the private education systems who received training in the basic criteria of family education based on the development of values in a climate of freedom and self-discipline.

The course consisted of 40 hours of classroom learning split between theory classes and the discussion of 14 cases. The results of the practical exercises and of an end-of-course test showed that the participants had benefited greatly from the course.

BUSINESS AS A SOCIAL ENTERPRISE. PARTNERS FOR A DAY

On 7 July 2004, the Rafael del Pino Foundation signed an agreement with the Junior Achievement Foundation to provide support for a variety of activities aimed at promoting attitudes of leadership among young people to be held at primary and secondary schools.

The role of education in the promotion of free initiative is undeniable, and complementary actions undertaken in educational environments, directed at training in entrepreneurial values, are an additional instrument for the development of the leaders of the Spain of the future.

This agreement, which has been renewed annually since 2004, was renewed for 2007 on 11 September last year. The activities organised for the academic year 2006-2007 focused on the schools Corazón Inmaculado, Retamar and IES Joaquín Rodrigo. The most comprehensive and best developed project to date was that of the IES Joaquín Rodrigo secondary school, and the students and their teacher were awarded a prize enabling them to participate in the European Fair of Enterprise Initiatives held in Bucharest, Romania, from 29 March - 1 April 2007.

The Foundation also participates in the Junior Achievement programme "Partners for a Day", the aim of which is to enable young Spaniards to see at firsthand the work of a leader during one whole day, thereby providing them with information and experience of great interest to help them to shape their future professional career. Patricia Larrode Díaz, a pupil at the school Nuestra Señora de las Maravillas, was the Partner for a day of the Rafael del Pino Foundation on 14 November 2007.

The aim of all of these activities is to awaken the spirit of enterprise in young people so as to enable them to take appropriate decisions to achieve their professional and personal goals in a framework of responsibility and freedom. In a recent opinion poll it was found that 77% of the students surveyed who had participated in this type of activity considered self-employment as a possible alternative in their professional career.

VISIT BY STUDENTS OF THE WHARTON SCHOOL LAUDER INSTITUTE SPANISH PROGRAMME

The Wharton School Joseph H. Lauder Institute of Management & International Studies offers its students supplementary training in different international business languages which enables them to combine their training in business management and administration with greater knowledge of a specific region of the world. The Spanish group, led by their teacher David Robinson, visited Spain as part of this immersion programme.

The Rafael del Pino Foundation participated in this programme by organising a lecture at its headquarters on 4 July 2007 on "Competition in Spain", given by the Foundation Director, Amadeo Petitbò.

3. SEMINARS FOR ACADEMICS

BUSINESS ADMINISTRATION. SEMINARS FOR ACADEMICS IN MADRID AND AT THE REAL COLEGIO COMPLUTENSE, HARVARD UNIVERSITY

On 17 October 2001 the Rafael del Pino Foundation signed a collaboration agreement with Madrid Complutense University which was renewed and extended on 25 May 2004 and, subsequently, on 10 September 2007.

The purpose of the agreement is to sponsor the following activities:

- To hold training and refresher seminars on business management, aimed primarily at Spanish academics who teach in this field. They are held at Harvard University's Real Colegio Complutense. The guest speakers are specialist academics from top-level American universities.
- To hold courses and/or seminars at the Real Colegio Complutense to promote the study of research methodologies in the field of business administration, as well as to facilitate knowledge of establishments and academics of the highest standing in order to strengthen and internationalise research on business issues;
- To organise at least one academic event each year at the Rafael del Pino Foundation on important issues connected with business economics.

Within the framework of this agreement, a course for Spanish lecturers in business management was organised at the Foundation on 15 June 2007 on the subject of Economic research into business. The speakers were Arturo Bris, of Yale University, whose line of research is centred on international finance, corporate governance and the regulation of bankruptcy, and Luis Garicano, of Chicago University, an expert in the study of the knowledge economy and its impact on business and the market.

The course was attended by 110 people from around twenty Spanish universities and institutions.

Subsequently another course was held at the Real Colegio Complutense, Harvard University, from 9-14 July 2007. The course was taught by 11 lecturers of high standing, with important publications in their fields of specialisation, from Harvard Business School, MIT Sloan School of Management, Boston University and Wharton School. The course structure and faculty were as follows:

- Competitive strategy: Anita McGahan, Boston University; Felix Oberholzer-Gee, Harvard Business School; Jordan Siegel, Harvard Business School; and Dennis Yao, Harvard Business School;
- Technological change: Erik Brynjolfsson, MIT; and Mary Tripsas, Harvard Business School;
- Business performance: Emilio Castilla, MIT; Mauro Guillén, Wharton School; Robert Gibbons, MIT; and Pol Pantras, Harvard School;
- Academic session: Thomas Eisenmann, Harvard Business School.

The course consisted of 11 sessions lasting three hours each, and was attended by 48 academics from 23 universities.

The Director of both courses was Professor Álvaro Cuervo (Madrid Complutense University) and the coordinators were Professors Mauro Guillén (Wharton Business School, University of Pennsylvania) and M^a Ángeles Montoro (Madrid Complutense University).

ECONOMIC ANALYSIS OF LAW. SEMINARS FOR SPANISH ACADEMICS AND PROFESSIONALS. MADRID AND HARVARD UNIVERSITY

Under the collaboration agreement mentioned in the previous section, it was agreed to support the following activities relating to the economic analysis of law:

- a) To hold training and refresher seminars in the field of the economic analysis of law, aimed at Spanish academics and professionals, at a US university or institution, taught by specialist academics from top-level American universities;
- b) To hold courses and/or seminars for the study of research methodologies in the field of economic analysis of law at a US university or institution, and to facilitate knowledge of establishments and academics of the

highest standing in order to strengthen and internationalise research on issues connected with the economic analysis of law;

c) To organise at least one academic event each year at the Foundation headquarters on important issues connected with the economic analysis of law.

Within the framework of this agreement, a seminar was organised at the Foundation on 15 February 2007 to analyse the conclusions of the course held at the University of Harvard in 2006 and to present the outline of the work to be done in the 2007 course. The speakers at the seminar, which was attended by 16 people, were Francisco Cabrillo (Madrid Complutense University) and Nuno Garoupa (College of Law, University of Illinois).

A seminar was organised at the John M. Olin Center for Law, Economics and Business, with the support of the Real Colegio Complutense, Harvard University, from 22-26 October 2007. It was attended by 30 students and taught by the following academics:

- Guhan Subramanian, Harvard Law School, Corporate law and economics;
- Oliver Hart, Harvard University, Firms and organization;
- Louis Kaplow, Harvard Law School, Tax policy and distributive issues;
- Jack L. Goldsmith Ferrell, Harvard University, Rational Choice and International Law;
- John J. Donohue III, Yale Law School, Empirical issues in criminal law and anti-discrimination law;
- Steven M. Shavell, Harvard Law School, Law and economics of contracts and Use of law and economics in the legal process.

The Director of both courses was Professor Francisco Cabrillo (Madrid Complutense University). The technical Director was Professor Fernando Gómez (Pompeu Fabra University) and the coordinator was Professor Rocío Albert (Madrid Complutense University).

ECONOMIC REGULATION, COMPETITION AND PUBLIC SECTOR REFORM. SEMINARS FOR SPANISH ACADEMICS AND PROFESSIONALS. MADRID AND THE REAL COLEGIO COMPLUTENSE, HARVARD UNIVERSITY

On 23 April 2007, the Rafael del Pino Foundation signed a collaboration agreement with Barcelona University aimed mainly at organising activities on topics relating to economic regulation, competition and public sector reform in order to train leaders, academics, business executives and managers from regulators. Barcelona University is participating in this initiative through its Department of Economic Policy and Global Economic Structure.

On 18 April 2007 a seminar was organised at the Rafael del Pino Foundation for Spanish academics and professionals on the theme of Public sector reform: privatisation, regulation and competition. The seminar was attended by 63 academics and experts in aspects connected with regulation. The five main speakers were:

- Ignasi Nieto, Ministry of Industry, Tourism and Trade, The reform of the energy sector in Spain;
- María Paz Espinosa, University of the Basque Country, Regulatory reform in the electricity market: is competition possible?;
- Bernardo Bortolotti, University of Turin, Privatization in the European Union: has the wave ended?;
- Rafael Miranda, Endesa and Euroelectric, Challenges for the energy sector in Europe.

A further seminar was organised from 25-29 June 2007 on Government Reform: Privatisation, Regulation and Competition at the Real Colegio Complutense, University of Harvard, which was taught by the following academics:

- Kenneth Button, School of Public Policy, George Mason University;
- Michael Crew, Rutgers University;
- Jack Donahue, Kennedy School of Government, Harvard University;
- Joseph Farrell, Haas School of Business, University of California-Berkeley;
- Rick Geddes, Cornell University;
- Tony Gómez Ibáñez, Kennedy School of Government, Harvard University;
- Ariel Pakes, Harvard University;
- Mildred Warner, Cornell University;

The participating academics who presented their work at the seminar were: Claudio Agostini (Alberto Hurtado University-Chile), Daniel Albalade and Germà Bel (University of Barcelona), Alejandro Bello (Navarre Public University), Joan Ramón Borrell and Juan Luis Jiménez (University of Barcelona and University of Las Palmas de Gran Canaria), Aitor Ciarreta and Carlos Gutiérrez Hita (University of the Basque Country and Miguel Hernández University), Ignacio Contín (Navarre Public University), Miguel Ángel Hernández (University of Salamanca), Miguel Ángel Montoya (Barcelona Autonomous University), Eduardo Saavedra (Alberto Hurtado University-Chile) and Hugo Zarco (IESE).

The Directors of both courses were Antón Costas and Germá Bel, Professors of Applied Economics at Barcelona University, and the coordinator was Professor Xavier Fageda of Barcelona University.

PUBLIC ECONOMICS. SEMINARS FOR SPANISH ACADEMICS AND PUBLIC SECTOR MANAGERS. MADRID AND GEORGIA STATE UNIVERSITY

In recent years, Spain has undergone a process of reform of the role of the State as regards its intervention in the economy from a fiscal and financial point of view. These reforms had their own impetus, but were also reinforced by commitments to the European processes of liberalisation. All this has led to the Foundation being particularly interested in the knowledge and dissemination of the latest academic developments in this field.

Within the framework of the collaboration agreement signed by the Rafael del Pino Foundation, Georgia State University and the Instituto de Estudios Fiscales, the second seminar for academics and public sector managers on public sector economics was organised on 26 June 2007.

The seminar took place at the Andrew Young School of Policy Studies, Georgia State University, in Atlanta (USA), from 9-13 July 2007.

The course programme, attended by 24 university lecturers, researchers and managers from the various Spanish public authorities connected with the subject matter, was as follows:

- Charles Clotfelter, Duke University, Research in the Economics of Education;
- Don Fullerton, University of Texas, General equilibrium modelling in public finance and environmental economics;
- Louis Kaplow, Harvard Law School, Research in tax policy: Issues and Challenges;
- Vinod Thomas, World Bank, Research in Education: Issues and Challenges;
- Allen Schick, University of Maryland, Performance budgeting and other innovations;
- George Borjas, Harvard University, Research on migration issues;
- John Conley, Vanderbilt University, Research in Public Economic Theory;
- Dennis Young, Georgia State University, Research in Non-profit: Issues & Challenges;
- Sheldon Danziger, University of Michigan, Research on Trends in Poverty and Inequality;
- Laurence Kotlikoff, Boston University, Research in intergenerational issues in public finance;
- Barbara Wolfe, University of Wisconsin, Research in Health Policy Issues;
- Robert Haveman, University of Wisconsin, Research in Income Security Issues.

Subsequently, on 5 October 2007, a seminar was held at the Rafael del Pino Foundation. It was attended by 19 academics and professionals from the field of public economics. Its purpose was to go further into the issues and methodologies that were analysed at the course in Atlanta.

The Directors of the courses were Professors Emilio Albi, Jesús Ruiz-Huerta and Jorge Martínez-Vázquez. The coordinator was Professor Mercedes Sastre of Madrid Complutense University.

4. MASTER LECTURES

In 2007 the Rafael del Pino Foundation organised the following master lectures:

EDMUND PHELPS

“... in economics, the rejection by the Western academy of the Interwar insights of Knight, Hayek and M. Polanyi into the nature of well-functioning capitalist economies, ... may have sealed the prospect of a coming economic mediocrity”

Professor Edmund Phelps, winner of the Nobel Prize for Economics in 2006 and Professor of Political Economics at Columbia University, gave a master lecture on 30 January 2007 entitled Understanding the problems of growth and of unemployment. In his lecture, Professor Phelps analysed the interaction between inflation and unemployment before an audience of five hundred people.

Edmund Phelps received the Nobel Prize in Economics for his work on the relationship between the short- and long-term effects of basic macroeconomic variables such as inflation and unemployment, and his contributions have had a decisive impact on economic and political research.

In his lecture at the Foundation, Professor Phelps said: “on the western European continent the big 3, Germany, France and Italy, suffer lower employment and report lower job engagement and lower job satisfaction than do the U.S., Canada and U.K. Productivity, adjusted for labor force composition, is lower than in the U.S. and Canada. In the “little league” Ireland and Iceland also shine. Virtually all commentators agree there exist remedies. The

disagreement is over causes. The conventional perspective taken by many or most economists sees the social model as the most important cause; some would keep the welfare state anyway, seeing its benefits as exceeding its ill-effects, and some would scale back the level of entitlements. Some of the arguments made are fallacious, however, and the statistical findings offered in evidence are not yet compelling.

From another perspective, the “economic model” is seen as a major cause - perhaps the most important cause. There is evidence that part of the problem lies in some of the Continent’s /corporatist institutions/: a Balkanized/segmented financial sector favoring insiders, impediments and penalties placed before outsider entrepreneurs, a consumer sector not venturesome about new products or deficient in the necessary schooling, union voting (not just advice) in management decisions, and state interventionism. There is also survey evidence, I find, suggesting that part of the problem lies in elements of the Continent’s /corporatist culture.

Relatively few persons in the big 3 report they want jobs offering opportunities for achievement (42% in France and 54% in Italy, an average of 73% in Canada and U.S.), chances for initiative (38% in France and 47% in Italy, an average of 53% in Canada and the U.S.), and even interesting work (59% in France and Italy, an average of 71.5% in Canada and U.K). The spirit of stimulation, problem-solving, mastery, discovery and intellectual development appears deficient in the corporatist countries.

Does any of this matter for actual job engagement, satisfaction, employment and productivity? The short answer is yes, most of it matters — while many of the conventional factors matter little or not at all. Findings such as these do not augur well for the economic future of continental Europe. Changing institutions without changing the culture — or vice-versa — may do little good. Both may changes may be needed.

Yet the Continent may escape sinking lower vis-à-vis the U.S. The recent rise in extortionist law suits, forum shopping, and extra-legal pressures against companies by zealous state regulators and attorneys all threaten a similar fate for the U.S. economy. In philosophy, the Continent’s abandonment of Aristotle, Cervantes and Kant in favor of corporatism or even Marxism; and, in economics, the rejection by the Western academy of the Interwar insights of Knight, Hayek and M. Polanyi into the nature of well-functioning capitalist economies in favor of stochastic models of rational expectations equilibrium may have sealed the prospect of a coming economic mediocrity throughout the West.”

ARNOLD HARBERGER

“There is no task more important in today’s World than that of holding up the banner of good economics and extending to the society as a whole a genuine understanding of the great role that market processes play in bringing prosperity to a country. The Fundación Rafael del Pino plays a very important role in pursuing this task here in Spain”.

Professor Arnold Harberger, Professor of Economics at the University of California-Los Angeles (UCLA) and former Director of the Department of Economics at the University of Chicago, gave a master lecture at the Rafael del Pino Foundation entitled *The market as a solution for developing countries*.

In his lecture, on 13 March 2007, Professor Harberger said: “if there is a single key to distinguishing among good, mediocre, and bad policies, it is the principle of weighing the likely benefits of a policy against its likely costs. This may appear too obvious, or even unnecessary, to articulate. Do not all, or at least most, governments routinely do this? Unfortunately, they do not. Modern societies are incredibly complex, and there are all sorts of elements that stand in the way of the simple pursuit of the general welfare.

It is not easy for a society to depart from traditional ways of doing things, or to abandon outmoded institutions or construct new ones. When actions are taken that ostensibly promote the general welfare, it is not easy to prevent their being coopted by particular groups to the detriment of society as a whole. Indeed, it is often not easy to prevent powerful groups from gaining preferential treatment, even without the patina of ostensibly promoting the general interest. Then there is the unpleasant truth that almost any policy change hurts some segments of the population, so even good policy moves have to cope with opposition from these quarters. The dream of economists has been that with good policy moves whose benefits are greater than their costs, one could compensate the losers and still have benefits left over. However, this dream cannot generally be achieved. In reality, it is too hard to identify the potential losers, quantify their likely losses, and avoid false claimants pressing for a share of the compensation. Thus, in broad terms and with only a few exceptions, one has to live with the fact that there will be losers from most real world policy changes—even good ones. The hope—and I believe it is justified—is that when good policies are the general rule, the losers from one policy will end up gaining from a number of others, and thus few will be net long-term losers.”

In his 58 years as an academic, Professor Harberger's contributions to economic research have focused mainly on the field of public finance, cost-benefit analysis, international economics, the analysis of inflation and the political economics of developing countries.

RODRIGO DE RATO FIGAREDO

"In responding to the economic and financial risks..., the Fund can take the lead in some areas, especially in identifying and warning about key economic and financial risks"

In collaboration with the Foundation's Scholars Association and the University of Pennsylvania, on 23 March 2007 the Rafael del Pino Foundation organised a master lecture entitled Patterns in financial risk: implications for regulators and individuals, given by Rodrigo de Rato Figaredo, Managing Director of the International Monetary Fund and former Spanish Deputy Prime Minister and Minister of the Economy.

The lecture took place in the Wharton School Auditorium at the University of Pennsylvania and was attended by more than 400 people. It was also broadcast live over the internet portal of the Rafael del Pino Foundation.

Rodrigo de Rato said: "In responding to the economic and financial risks..., the Fund can take the lead in some areas, especially in identifying and warning about key economic and financial risks. But leadership is also needed from other public sector agencies around the world, and from the private sector.

Such leadership will be very important in addressing the consequences of another development, which I would like to talk about in the remainder of my remarks. This is the transfer of financial risks from financial institutions to a broad base of individuals. Of course, there is a sense in which individuals have always been at risk, since as citizens and members of society their fortunes rise and fall with the economy. But individuals are increasingly taking on financial risks much more directly. There are several ways in which this is happening.

First, borrowing by individuals and households is much higher than in the past. Household financial obligations have grown with it. In the United States, they hit a record high of 19.4 percent of disposable income in the fourth quarter of 2006, despite the historically low interest-rate environment. Second, the role of banks has changed. Many banks no longer hold the bulk of the risk on the loans they make. Instead, banks transfer and diversify credit risks to other banks, insurance companies, mutual funds and hedge funds. A related development is the rapid growth of securitization of assets of all kinds: from mortgages to credit card loans, from corporate loans to aircraft leases. Third, the role of the financial intermediaries that are taking on the credit risk has changed. Where insurance companies and pension funds once held the risks themselves, the rise of non-guaranteed insurance savings products and the demise of defined benefit pension plans mean that individuals and households are becoming the ultimate holders of risk in the system in a much more direct way than in the past..."

"...I have spoken today about some of the changes in financial markets, and discussed some of their benefits and the risks that come with them. The message I want to leave you with is not that change should be resisted, but that all parties -governments, regulators, market participants and individuals-need to adapt to change. They need to pay attention to the new risks in the financial system, and to the fact that more of these risks are falling directly on individuals and families. I am confident that if sufficient attention is paid to this issue, there is sufficient ingenuity to meet these challenges."

JOSÉ MARÍA ORDOVÁS

"the genetic map of obesity will make it possible to treat and prevent obesity in the next five years"

On 30 May 2007, José María Ordovás, Professor of Molecular Genetics of Nutrition and Director of the Tufts University Laboratory of Genomics and Nutrition, gave a master lecture at the Rafael del Pino Foundation that was organised in collaboration with the Lilly Foundation.

Professor Ordovás is an international authority in the field of nutrigenomics, in the study and promotion of the benefits of the Mediterranean diet in the prevention of cardiovascular disease, and he does important teaching work at the University of Tufts in Boston (United States) where he also provides support to Spanish researchers.

José María Ordovás played an important role in the development of the Framingham study, which is a global benchmark in the field, and recently in the location and identification of a gene that protects against obesity regardless of the fat that is contained in the diet of the individuals carrying it, specifically "the Apolipoprotein A5 (ApoA5) gene".

In his lecture, Professor Ordovás said that "...obesity and thinness are written in our genes...the gene map of obesity will make it possible to treat and prevent obesity in the next five years..."

ALBERTO ALESINA

"...Europe is suffering from a culture of stagnation,..., this culture... is based on the belief that it is not necessary to grow,..., but it is a trap in itself, if an economy does not grow, it atrophies and ends up in total decline" (Gaceta de los Negocios)

On 9 July 2007, Professor Alberto Alesina, Professor of Political Economics and former Director of the Department of Economics at the University of Harvard, gave a lecture at the Rafael del Pino Foundation on The future of Europe: reform or decline.

Alberto Alesina has covered a wide variety of subjects in his academic work. In general they most notably include the analysis of the differences between the European and the North American economic systems, the effects on economic policies of alternative electoral systems and the choice between those electoral systems. In greater detail, Professor Alesina has analysed: economic and political cycles; the political economics of tax policy, tax deficits and social policies; the process of European integration; stabilisation policies in countries with high inflation; determining the dimension of nations; monetary unions; and the differences in the welfare state between the United States and Europe.

In his lecture, Professor Alesina said: "...Should we be worried if others get richer?,..., political and military power depend on relative economic power; happiness depends on relative, not absolute wealth; countries with a cut off growth develop a culture of stagnation and give up innovating; declining demography can be sustained and only by higher growth..."

"...What can be done?: liberalization of goods and services markets: then it will also be easier to liberalize the labour market; in the labour market: less judges, more generalized unemployed protection networks; and welfare: taking from someone and giving to others (often to the same ones) is often a waste and it does not reduce inequalities and poverty: you'd better tax people less; University & Research: different rules, more incentives, more competition among universities (the legal recognition of the degree should be abolished); reduce market entry barriers and the cost of doing business; an inefficient civil justice is an entry barrier; pensions, move toward a capitalization system..."

Professor Alesina concluded by asking "...How to win political support?", to which he replied "...big bang, comprehensive reforms rather than gradualism; do the opposite of what Mao preached (Strike one to educate 100); do not give the impression you are attacking one lobby at a time; stress the point that more market does not mean more injustice; often it works; a period of social unrest possibly unavoidable..."

ROBERT ENGLE

"...I might be wrong, but I think the worst of the crisis is over..." (El País)

Professor Robert Engle, Nobel Prize laureate in Economics in 2003 and Professor at the Columbia University Graduate School of Business, gave a master lecture at the Foundation on 29 October 2007, entitled Global financial volatility and long-term risks.

Robert F. Engle was awarded the Nobel Prize for Economics in 2003, together with Clive W. J. Granger, "for methods of analyzing economic time series with time-varying volatility, ARCH".

In his lecturer, Professor Engle highlighted the following: "...advance knowledge of risks allows us to avoid them. But, what would we have to do to avoid them altogether? Imagine! Some risks are worth taking because the possible benefit exceeds the possible costs. Both the costs and the benefits are in the future so this is a probabilistic calculation. This is the fundamental idea of finance phrased in three ways: What risk must we take to achieve a satisfactory return?; What is the trade-off between risk and return?; and Which risks are not worth taking?"

The ARCH answer is: ...use a weighted average of the volatility over a long period with higher weights on the recent past and small but non-zero weights on the distant past; Choose these weights by looking at the past data; what forecasting model would have been best historically? This is a statistical estimation problem. Economic news on future values and risks moves prices. Volatility is the natural response of a financial market to new information. This news arrives in clusters".

ROBERT J. AUMANN

"this crisis is not as important as others and it is based solely on fear..." (Expansión)

On 13 December 2007, Robert J. Aumann, winner of the Nobel Economics Prize in 2005 and a Professor at the Centre for the Study of Rationality at the Hebrew University of Jerusalem (Israel), gave a lecture at the Rafael del Pino Foundation entitled Game theory and business strategy. A practical vision.

Robert Aumann is one of the most outstanding theoreticians in Game Theory. In 2005 he received the Nobel Prize together with Thomas Schelling "for having enhanced our understanding of conflict and cooperation through game-theory analysis". Professor Aumann considers game theory "the most general theory of economic science". Robert Aumann's line of research concentrates on applying mathematical tools to develop concepts and hypotheses concerning the theory. His main works include: Values of non-atomic games and Cooperative games with coalition structures.

For Robert Aumann, the current crisis has much more to do with the big commercial companies than with the man in the street. In this respect he pointed out that hundreds of banks go bankrupt in the United States every year and nothing happens. When Roosevelt was elected President, during the great American depression, he said: "The only thing we have to fear is fear itself". His impression is that the subprime crisis is important, but not as important as the crash of 1929. In Aumann's opinion, economists understand the situation better, the central banks have learned the lesson and there are more checks and balances than then.

On game theory, Professor Aumann said in his lecture: "...We use the term cooperative to describe any possible outcome of a game, as long as no player can guarantee a better outcome for himself. It is important to emphasize that in general, a cooperative outcome is not in equilibrium; it's the result of an agreement. For example, in the well-known "prisoner's dilemma" game, the outcome in which neither prisoner confesses is a cooperative outcome; it is in neither player's best interests, though it is better for both than the unique equilibrium..."

...Why are cooperative outcomes interesting, even though they are not achievable in equilibrium?. The reason is that they are achievable by contract – by agreement – in those contexts in which contracts are enforceable. And there are many such contexts; for example, a national context, with a court system...

...What I do wish to discuss here is the relation of cooperative game theory to repeated games. The fundamental insight is that repetition is like an enforcement mechanism, which enables the emergence of cooperative outcomes in equilibrium – when everybody is acting in his own best interests...

...intuitively, this is well-known and understood. People are much more cooperative in a long-term relationship. They know that there is a tomorrow, and that inappropriate behavior will be punished in the future. A businessman who cheats his customers may make a short-term profit, but he will not stay in business long."

"...the nations can beat their swords into ploughshares when there is a central government recognized by all. In the absence of that, one can perhaps have peace – no nation lifting up its sword against another. But the swords must continue to be there – they cannot be beaten into ploughshares – and the nations must continue to learn war, in order not to fight!"

OLIVIER BLANCHARD

"...by European model I mean a model that combines economic efficiency and generous social insurance, ... I believe ... that the efficiency cost of generous but well designed insurance need not be very large"

On 25 October 2007 the Rafael del Pino Foundation welcomed Professor Olivier Blanchard. His master lecture was entitled Does a viable European economic and social model exist?

Although he has spent a good part of his teaching career at the University of Harvard, Professor Blanchard was Director of the Department of Economics at the prestigious Massachusetts Institute of Technology (MIT); he went back to the University in 1982 and is now Professor of Economics there. Professor Blanchard's speciality is macroeconomics. He has analysed in depth all the aspects covered by this area of economic science, from the role of stabilisation policies to the nature of speculative bubbles, the determining factors of unemployment or the transition between economic systems.

In his lecture at the Foundation he said: "Europe has performed poorly since the beginning of this century, ... more and more observers, on both sides of the Atlantic, doubt that there is indeed a viable European social and economic model. I disagree. While I realize that definitive pronouncements on such large issues are unwise, I very much believe that the European model can work. By European model I mean a model that combines economic efficiency and generous social insurance. So, put more precisely, I believe, based on empirical evidence, that the

efficiency cost of generous but well designed insurance need not be very large. This is the theme I shall develop in this lecture. I shall do it in two steps.

...I shall first present what I see as the architecture of a good European model (actual implementations, across countries and across time, have typically fallen short, but have informed us as to what works and does not work). I see the model as relying on three equally important legs: Competition in the goods market, insurance in labour markets, and the active use of macroeconomic policy.

...I then want to confront three issues, which are often behind the growing doubts about the feasibility of the European model. The first is the slowdown in European productivity growth since the mid 1990s, and whether it is a sign that the efficiency costs of the European model have become larger than they used to be. The second is whether the labor market institutions which have proven successful in one country can be imported with the same success by other countries, whether for example the much vaunted Danish "flex-security" system can really solve the problems of France or Italy. The third is the specific challenges faced by those European countries that are members of the Euro, and the constraints the Euro imposes on the use of the third leg, and thus on the overall architecture of the European model. To anticipate, the last issue is the issue that worries me the most, for now and for the future..."

ANTONIO FATÁS

"...despite the apparent complexity of the world economy, many of the phenomena that we observe are not as new, surprising or unexpected"

On 15 January 2007, the Rafael del Pino Foundation welcomed Professor Antonio Fatás, Dean of MBA programs at the Insead Business School where he is also Professor of Economics, who spoke about his view of the global economy, together with business managers Manuel Soto and Rafael Miranda.

In his lecture, Professor Antonio Fatás said: "...growth is driven by investment. Investment happens when the economic and institutional investment provides appropriate returns, ..., and not too uncertain, ..., Institutions are about: rule of law (property rights), political stability, taxes, accountability, governance, culture, regulation, ..., bad institutions will destroy the potential of emerging markets to grow..."

He gave the following examples: "...in Singapore, it takes 6 procedures and only 6 days to open a business, ..., entrepreneurs there must make 16 payments, spend 30 hours processing tax forms, and pay 28,81% of profit in taxes, ..., in Brazil, it takes 17 procedures and 158 days to open a business, ..., entrepreneurs there must make 23 payments, spend 2.600 hours processing tax forms, and pay 71,69% of profit in taxes".

And he concluded by saying "...and remember that, ..., despite the apparent complexity of the world economy, many of the phenomena that we observe are not as new, surprising or unexpected, ..., what is new today is the size of China or India not so much their growth or potential, ..., growth remains a domestic, ..., internal phenomenon".

5. EXPERT MEETINGS

REMEDIES AND PENALTIES IN COMPETITION LAW

On 21 November 2007, the Rafael del Pino Foundation organised the fourth seminar on competition law and economics under the title Remedies and penalties in Competition Law.

Among the professionals and analysts attending were the Chairman of the National Competition Commission, Luis Berenguer, and the Director General for Fair Trading, Carlos Pascual. As on previous occasions, the Directors of the Seminar were Santiago Martínez Lage and Amadeo Petitbò.

The programme was as follows:

- Different responses of the legal system to maintain or restore competition (Rafael Allende Salazar)
- Fines as a traditional response: analysis of the European Commission's Communication (Jorge Padilla)
- Ex ante regulation and ex post remedies (Cani Fernández)
- Possible criminal response (Nicolás González-Cuéllar)

Remedies relating to forbidden conduct

- Remedies, conditions and obligations imposed upon conclusion of disciplinary proceedings (Fernando Díez Estella)
- The particular case of abuses of dominant position and structural remedies (Fernando Jiménez Latorre)

- Commitments ex Article 9 of Regulation 1/2003 (Oriol Armengol)
- Conventional termination in national disciplinary proceedings (Fernando Lorente)

Commitments relating to concentrations

- Structural remedies: cost-benefit analysis (Enrique Cañizares)
- Prior Solutions: fix-it-first and up-front buyer (Jesús Alfaro)
- Behavioural remedies (Iñigo Igartua)
- Key concepts and instruments: "appropriate buyer", "viable business" and "trustee" (Antonio Creus)

Judicial review and a posteriori control

- Judicial review of conditions relating to concentrations (Francisco Cantos)
- Judicial review of remedies in disciplinary procedures (Rafael García-Valdecasas)
- Responses to breaches of commitments and remedies. A posteriori assessment of the effectiveness of the remedies (Lluís Cases)

The findings of the seminar will be published in 2008 in a book in the Foundation's Law Collection.

UK-SPAIN: LOOKING TO THE FUTURE. ENERGY: SECURING OUR FUTURE

The sixth event in the UK-Spain: looking to the future series took place on 11-12 June 2007, organised jointly by the British Council and the British Embassy and sponsored by Schroders and the Rafael del Pino Foundation.

This year the theme was Energy: securing our future. Taking energy as their point of reference, a group of experts on the subject spent two days with young people from both countries discussing issues such as competitiveness, security of supply and sustainability.

Activities under the UK-Spain: looking to the future initiative began with the organisation of events on issues such as immigration (Salamanca, 2002), UK-Spain relations with and within Europe (Wilton, 2003), relations with the media (Sitges, 2004), corporate responsibility (Edinburgh, 2005) and innovation (Valencia, 2006). These events were attended by more than fifty young people and prestigious professionals from both countries.

2ND INTERNATIONAL CONFERENCE ON MACROECONOMICS

As a result of the collaboration agreement between Valencia University's Institute of International Economics and the Rafael del Pino Foundation, the 2nd International Conference on Macroeconomics was held on 28-29 September 2007.

On this occasion, the conference took place in Madrid, at the headquarters of the Rafael del Pino Foundation. The opening address was given by the Deputy Governor of the Bank of Spain, José María Viñals.

The academic papers presented addressed issues such as the labour market, tax rules in open economies, monetary policies in relation to rises or falls in exchange rates, the relevance of the public deficit in the United States for explaining the external deficit, and identifying the effects of monetary policies on the economic cycle.

The programme was as follows:

- International dimension of fiscal policy (Giancarlo Corsetti, European University Institute and CEPR);
- Europe and Global Imbalances (Gian Maria Milesi Ferretti, International Monetary Fund);
- Fiscal consolidation in the Euro Area: Long-Run Benefits and Short-Run Costs (Günter Coenen, ECB);
- How far are we from the slippery slope?: the Laffer Curve revisited (Mathias Trabandt, Sveriges Riksbank);
- Business cycle implications of banking competition (Oscar Arce, Bank of Spain);
- How Structural are Structural Parameters? (Jesús Fernández-Villaverde, University of Pennsylvania and NBER);
- Optimal monetary policy in an operational medium sized DSGE model (Jesper Linde, Sveriges Riksbank);
- The macroeconomic effects of oil price shocks: Why are the 2000s so different from the 1970s? (Jordi Galí, CREI, NBER and CEPR).

Valencia University and the Rafael del Pino Foundation have set up a stable framework to hold this conference on a yearly basis.

1ST CONFERENCE FOR YOUNG PEOPLE WITH VALUES: WHAT REALLY MATTERS

On 24 September 2007, the Fundación Educación Activa and the Rafael del Pino Foundation signed a collaboration agreement to formalise the Foundation's sponsorship, together with other institutions, of the 1st Conference for Young People with Values: what really matters. 2007, which was held in Madrid on 18 October 2007.

The conference, which was organised by the Fundación Educación Activa in collaboration with AD+ Proyectos Solidarios, brought together more than 2,000 young people. The aim of the conference was to foster the values of young Spaniards by sharing personal experiences, and to raise their awareness by showing them inspiring examples that would open their minds to the possibilities they have before their eyes, their responsibilities to their surroundings and their attitude towards life. Speakers at the conference included: the prestigious Mexican architect who was held hostage in a tiny cell for nine months, Bosco Gutiérrez; the leader of the group of survivors of the air crash in the Andes, Nando Parrado; Kyle Maynard, an American student who was born with a congenital amputation, despite which he has been proclaimed champion wrestler of the State of Georgia (United States); and war correspondent and writer, Alfonso Rojo.

BUSINESS SCHOOLS FROM AN INTERNATIONAL PERSPECTIVE

The Rafael del Pino Foundation participated for the second year in the Exporta Conference on business internationalisation organised by the Spanish Institute of Foreign Trade. The Foundation organised a round table as part of the programme of events on the theme of Business schools from an international perspective.

The speakers at the round table, which took place on 14 June 2007, were:

- Mauro Guillén, Director, Lauder Institute for Management & International Studies (Wharton School, University of Pennsylvania);
- Santiago Iñiguez, Dean, Instituto de Empresa (Madrid);
- Rolf Cremer, Dean, CEIBS (Shanghai).

Exporta 2007 focused this year on the process of internationalising services in Spain. In this context, the purpose of the round table was to promote and encourage debate on the competition between European, American and Asian business schools.

Discussions centred, on the one hand, on describing the special characteristics of the increasingly globalised executive training market and, on the other, on analysing business schools as corporate realities involved in a process of strategic alliances at a global level. Also analysed was the competition between European, Asian and American business schools, as well as the strength of the Spanish schools, which have ceased to be an emerging reality in the market to become a benchmark worldwide, as the main league tables show.

THE FUTURE OF THE EUROPEAN CONSTITUTIONAL TREATY

In October 2007, the University Institute of European Studies at CEU-San Pablo University, the Rafael del Pino Foundation and the European University Institute of Florence began a research project entitled The future of the European Constitutional Treaty and scenarios for finding the way out of the current situation.

After the negative results of the referendums on the European Constitutional Treaty held in France and the Netherlands, the process of ratification still pending in a number of Member States had come to a halt. After several weeks of hesitation, in June 2005 the European Council launched a so-called 'period of reflection' which was initially intended to last a year. Until the spring of 2006 this period was characterised more by calm and reflection than by the active search for solutions and proposals to found a way out of the crisis. At that time it was necessary to review the text of the Constitutional Treaty, how it came into being and how it was drafted, in order to ask: what innovations and improvements would its entry into force bring?; what contributions would be lost if the attempt should fail?; what would be the cost of a Europe without a Constitution?; what might be the alternatives for finding a way out of the crisis?, etc.

The importance placed on these issues by the Rafael del Pino Foundation was combined with the opportunity of sponsoring a top level piece of research, led by Marcelino Oreja and Íñigo Méndez Vigo, with the backing of a strong team of researchers, mainly from the University Institute of European Studies at Madrid's CEU-San Pablo University, and from the European University Institute of Florence. The team consisted of:

- Marcelino Oreja Aguirre, Chairman, University Institute of European Studies, CEU-San Pablo University, Madrid;
- Íñigo Méndez de Vigo, Member of the European Parliament and member of the Praesidium of the Convention which drafted the Constitutional Treaty;
- José María Beneyto, Director, Institute of European Studies. Professor of Public International Law and International Relations, CEU-San Pablo University;
- Jacques Ziller, Lecturer at the European University Institute, Florence and Professor of European Union Law at the University of Pavía;
- Silvia Acierno, Researcher, European University Institute, Florence;
- Julio Baquero, Researcher at the European University Institute, Florence and the Centre for Political and Constitutional Studies;

- Belén Becerril Atienza, Deputy Director, Institute of European Studies, and Lecturer, Faculty of Law, CEU-San Pablo University;
- Marise Cremona, Lecturer, European University Institute, Florence;
- Jaime Díez, Researcher, Institute of European Studies, CEU-San Pablo University;
- Alberto Gil Ibáñez, PhD in European Law, Collaborating Researcher, Institute of European Studies, CEU-San Pablo University;
- Jerónimo Mailló, Chief Researcher, Institute of European Studies, and Lecturer, Faculty of Law, CEU-San Pablo University;
- José Martín y Pérez de Nanclares, Professor of Public International Law and International Relations, University of La Rioja;
- Belén Romana, Career Civil Servant (Técnico Comercial y Economista del Estado) and Director, Department of Economics, Círculo de Empresarios;
- Bruno de Witte, Lecturer, European University Institute, Florence;

Participating as scientific coordinators from the Rafael del Pino Foundation were:

- Amadeo Petitbò, Director, Rafael del Pino Foundation;
- Vicente J. Montes Gan, Deputy Director, Rafael del Pino Foundation;
- Francisco Cabrillo, Professor of Applied Economics, Complutense University;
- José Manuel Romero Moreno, Lecturer in Legal, Moral and Political Philosophy, Complutense University.

The first phase of the research analysed the advances contained in the constitutional text in comparison with the Treaties currently in force. The conclusions of this work were presented on 27 January 2007 at the headquarters of the Rafael del Pino Foundation.

The second phase examined the different options envisaged for overcoming the constitutional impasse in which the European Union found itself. The contributions of the research team members were analysed jointly in the context of a workshop held on 27 April 2007 at the European University Institute in Florence.

The research team concluded that: "The June 2007 [...] European Council should convene a new intergovernmental conference. Under Article 48 TEU, unanimity is not required to convene such a conference [...]; this European Council should give a precise and clear mandate to the IGC to draw up a new treaty taking the Constitutional Treaty as a base. The objective of the new Treaty can be summarised in the following three points: to preserve the substance of the Constitutional Treaty which had earned the agreement of the 27 Member States; to shorten it and make it simpler; and to add new topics that have arisen in the 2005-2007 period of reflection and strengthen or clarify others already contained in the current text of the Constitutional Treaty.

The golden rule for negotiation must be that for any initiative to replace or change a provision of the Constitutional Treaty, the proponent must show that it enjoys or can achieve the same agreement as that earned by the provision that it is sought to change or replace.

The June European Council should set a timetable that would permit the entry into force of the new treaty before the European Parliamentary elections in June 2009. Since the ratification procedures in the twenty-seven Member States will take approximately sixteen months, the new text should be approved at the December 2007 European Council under the Portuguese presidency.

Of the four scenarios analysed in the project, the best option is that of a Treaty plus, a new Treaty that improves the text of the Constitutional Treaty [...] by means of greater and better simplification and the introduction of new topics and innovations in those already included. The seven main areas that should be incorporated, strengthened or clarified are: the role of the Union as a global player; economic governance; the European social dimension; the fight against terrorism; energy and environmental policy and climate change; neighbourly relations and accession to the European Union; the procedure for entry into force and reform of the new Treaty.

[...] the Treaty plus proposal combines realism, Europeist ambition and effectiveness [...] it stands out because of its potential for taking forward the process of integration and its greater democratic legitimacy and transparency. It is as or more simple to implement from a legal technicality point of view and offers a political solution out of the constitutional impasse".

The conclusions of the research were presented to the President of the European Commission, to the Vice President of the European Parliament, and to the Spanish Minister of Foreign Affairs and Cooperation, at different events organised during May 2007. They were also presented publicly to the press on 30 May at a press conference organised in Brussels.

The decision adopted at the European Council of 21-22 June 2007 setting out the mandate to the Intergovernmental Conference, and the agreement reached at the European Council on 18 October 2007, made it possible to complete the project after including in it the analysis and assessment of the new Lisbon Treaty.

The result of the research, published by Planeta, was presented by the Spanish Minister of Foreign Affairs and Cooperation, Miguel Ángel Moratinos, at the Institute of European Studies of CEU-San Pablo University on 11 December 2007.

2ND FORUM ON WOMEN AND LEADERSHIP

In collaboration with the Aliter International Business School, the 2nd Forum on women and leadership was held at the Rafael del Pino Foundation on 18 March 2007.

This annual event seeks to acknowledge the role of women in the economic and social development of Spain and to help to boost their active role in society in general and in the business world in particular.

The Mujer Líder 2007 award, which acknowledges the contribution made by women to the wellbeing of Spanish society, was presented at the end of the day. The prize-winning businesswoman was Belén Garijo, General Manager of Sanofi-Avensis in Spain, who was presented with the award by the Vice President of the Foundation, María del Pino.

ROUND TABLE ON "ECONOMIC GROWTH IN SPAIN"

To coincide with the presentation of the April 2007 Bulletin of Inflation and Macroeconomic Analysis (BIAM), produced by the Flores de Lemus Institute of the Carlos III University of Madrid, the Rafael del Pino Foundation organised a round table to analyse the Spanish model of economic growth and the future prospects of the Spanish economy.

The important figures taking part in the debate included David Taguas, Director of the Spanish Prime Minister's Economic Office, Michele Boldrin, Professor of Economics at Washington University in St. Louis, and Antoni Espasa, Director of the Flores de Lemus Institute of the Carlos III University of Madrid.

THE CURRENT ECONOMIC OUTLOOK. JUERGEN DONGES

Since 2003 the Foundation has organised a lecture every six months on the current economic outlook, given by Professor Juergen Donges, Director of the Institute of Economic Politics, Cologne, and former Chairman of the German Council of Economic Experts.

Following the advent of the so-called new economy and the establishment of the Economic and Monetary Union, monitoring the situation of the economy has acquired special importance. For this reason, the Foundation seeks to provide Spanish businessmen and academics with periodic illustrated information on the economic outlook in Spain, Europe and the world.

In 2007, Professor Donges gave two lectures, on 24 May and 22 November, entitled, respectively: Germany, Is the locomotive of the European economy back? and The recent financial crisis: lessons and expectations for global growth. At the second lecture, Professor Donges said: "Governments can help to restore confidence, but not by seeking confrontation with the monetary authority, maligning the risk rating agencies and calling for strict State regulation of the financial markets [...] but by working in earnest to achieve the effective coordination of the national banking supervisory bodies and to pave the way to appropriate transparency in the venture capital and levered transactions markets. However, it is important to proceed with caution and not be tempted to intervene excessively in these activities; since that would only encourage the emergence of other financial innovations aimed at evading the regulations, and that is obviously counterproductive".

2007 GERMAN-SPANISH FORUM

On 5-6 February 2007 the fourth German-Spanish Forum met in Berlin.

This is a regular event at which senior leaders from Spain and Germany analyse important current political and economic issues in an informal but rigorous manner. On this occasion, the event coincided with the visit by His Majesty the King of Spain to the Federal Republic of Germany.

The two co-Chairmen of the German-Spanish Forum were Gerd Schulte-Hillen from Germany and Bernardo Cremades from Spain. The Forum was organised by the Würth and Rafael del Pino Foundations.

The meetings were held at the Würth Residence on the Schwanenwerder Island of Berlin and included the following topics for discussion and main speakers:

"A social model for Europe. The policy of social integration"

- Frank Schirrmacher, Editor of FAZ (moderator);
- Jesús Caldera, Spanish Minister of Labour and Social Affairs;
- Wolfgang Schäuble, German Minister of the Interior.

"Prospects for enlargement of the European Union"

- Werner Weidenfeld, Director, Centre for Applied Political Sciences, Munich (moderator);
- Eduardo Montes, Vice President, Siemens AG;
- Íñigo Méndez Vigo, Member of the European Parliament;
- Elmar Brock, Member of the European Parliament;
- Sandra Breka, Expert on the Balkans, Robert Bosch Foundation.

"The Lisbon Strategy: can and should Europe try to achieve its objectives?"

- Ricardo Martínez Rico, Managing Partner, Montoro & Asociados (moderator);
- Joseph Ackermann, CEO, Deutsche Bank;
- José Manuel González Páramo, Member of the Executive Board of the ECB;
- Juan Rodríguez Inciarte, General Manager, Santander Group.

"A common energy policy for Europe. Opportunities and challenges."

- Theo Sommer, Editor, Die ZEIT (moderator);
- Joaquín Almunia, European Commissioner for Economic Affairs;
- Ekkehard Schulz, Executive Chairman, ThyssenKrupp;
- Georg Boongaarden, German State Secretary for Foreign Affairs;
- Alberto Navarro, Spanish State Secretary for the European Union;
- Gerhard Schröder, former German Chancellor.

In the closing ceremony of the 2007 German-Spanish Forum, His Majesty the King highlighted the importance of the process of European integration as a means of facing challenges such as terrorism, illegal immigration, energy supply, etc.

Regarding relations between Spain and Germany he also said: "...this Forum [...] is a valuable instrument for promoting the deep friendship between Spain and Germany. It enables our civil societies to compare opinions, enlarge and strengthen the solid network of interests, exchanges and contacts that define us as great friendly Nations. We share objectives in numerous fields: our determination to promote international economic relations, our support for renewable energies or the commitment to R&D&I and sustainable development. We also have a rich cultural and educational exchange, with a marked increase in interest in the Spanish language and culture in Germany".

2007 IBERO AMERICAN BUSINESS FORUM

The Rafael del Pino Foundation, Foreign Policy magazine, the Andean Development Corporation and the Foundation for International Relations and External Dialogue (FRIDE), organised the 2007 Ibero American Business Forum (Spain-United States-Ibero America).

This Forum is a top-level event bringing together business leaders from the United States, Ibero America and Spain for an exchange of experiences and business strategies.

On this occasion, the Forum met at the headquarters of the Carnegie Endowment for International Peace in Washington on 5-6 June 2007.

33RD REGIONAL STUDIES MEETING: COMPETITIVENESS, COHESION AND SUSTAINABLE REGIONAL DEVELOPMENT

The Rafael del Pino Foundation gave its support to the 33rd Regional Studies Meeting organised by the Spanish Association of Regional Science. The event took place in León on 15-16 November 2007 on the theme of Competitiveness, cohesion and sustainable regional development. The Foundation's support made possible the attendance of Professor Branko Milanovic.

CLINTON GLOBAL INITIATIVE

For the second year running, in 2007 the Rafael del Pino Foundation gave its financial support to this initiative led by former US President Bill Clinton, which seeks to bring together a community of professionals from very diverse fields to pool their experience and establish a network of people who, in the words of ex-President Clinton can "take action to build a better world".

The Foundation was represented at this event, held in New York on 19-21 September 2007, by the Vice President, María del Pino, and the Director, Amadeo Petitbò.

Participants in the Clinton Global Initiative (CGI) must provide evidence of their social commitment by presenting specific initiatives. The CGI organisation then monitors their subsequent compliance. At the 2007 meeting, the Rafael del Pino Foundation presented its commitment to several innovative projects designed to improve the quality of life of people with spinal injuries. Further details of these projects are included in the following sections of this Report: Research programmes (TOyRA project) and Social Projects and Services (Rafael del Pino Sports Centre and Equipping the Rehabilitation Centre for People with Spinal Injuries).

2ND MEETING OF THE ASSOCIATION OF COMPETITION ECONOMICS

On 16 October 2007, the Rafael del Pino Foundation and the Public Sector-Private Sector Centre of IESE organised the 2nd Meeting of the Association of Competition Economics (ACE) at the Foundation headquarters.

The mission of the ACE is to bring together specialists in the field of competition within the public, private and academic sectors, fostering a forum for discussion and debate of the most relevant current topics in this field. The Association is open to everyone with an interest in competition economics.

This 2nd Meeting concentrated on analysing energy regulation in Spain, its coordinated effects and its non-horizontal effects. Of the experts participating, particular mention should be made of: Giulio Federico, CRA International; Enrique González Díaz, Cleary Gottlieb Steen & Hamilton LLP; Inmaculada Gutiérrez, National Competition Commission; Xavier Vives, IESE Business School; Georges Siotis, Carlos III University of Madrid; Carles Esteva-Mosso, Directorate General of Competition, European Commission; Nadine Watson, LECEG; Carlos Pascual, National Competition Commission; Jordi Gual, IESE Business School and La Caixa; Jorge Padilla, LECEG; Natalia Fabra, Carlos III University of Madrid; Oscar Arnedillo, NERA; and Ignacio Pérez Arriaga, Comillas Pontifical University.

The Meeting was opened by Nadia Calviño, Deputy Director General for Competition of the European Commission, and it was closed by María Teresa Costa, President of the National Energy Commission.

THE CROWN OF ARAGON IN THE SPANISH MONARCHY

The Spanish Royal Academy of History and the Rafael del Pino Foundation organised a series of lectures on the theme "The Crown of Aragón in the Spanish Monarchy" which took place from 15 January to 2 February 2007 at the Royal Academy of History in Madrid.

The Monarchy of Spain had a distinctive legal and public structure. It was a plural reality in which the different political formations were united under a common monarch. The sovereign ensured that the parts of the whole preserved - with the relevant political rank - their own individual institutional systems. Of the variety of crowns, kingdoms, states and domains that made up the Spanish Monarchy, the Crown of Aragón was essential for its historical development.

The series consisted of nine lectures which analysed different issues relating to how the Crown of Aragón was organised and functioned in the period 1134-1714.

The inaugural lecture, entitled "The formation of the Crown of Aragón" was given by Salvador Claramunt Rodríguez, Professor of Mediaeval History at the University of Barcelona. The eminent historians who participated in this series of conferences included Feliciano Barrios, Luis Suárez Fernández, Pere Molas Ribalta, Román Piña Homs, Faustino Menéndez Pidal de Navascués, Carmen Sanz Ayán, Javier Barrientos Grandon and José Antonio Escudero.

BOOK PRESENTATIONS

La internacionalización de la empresa española: aprendizaje y experiencia. [The internationalisation of Spanish businesses: learning and experience] On 28 February 2007, the Nebrija-Santander Group Chair in international business management presented the book "La internacionalización de la empresa española: aprendizaje y experiencia" at the Rafael del Pino Foundation. The speakers were Matías Rodríguez Inciarte, Deputy Chairman of the Santander Group; Javier Gómez-Navarro, Chairman of the Spanish Chambers of Commerce Higher Council; Fernando Fernández Méndez de Andés, Vice Chancellor of Antonio de Nebrija University; and Amadeo Petitbò, Director of the Rafael del Pino Foundation. Edited by Fernando Fernández Méndez de Andés, the book is about the most recent experiences of Spanish businesses in their ventures into foreign markets.

Anatomía de las crisis financieras. [Anatomy of Financial Crises] Jaime Requeijo, Emeritus Professor of Applied Economics at UNED (Spain's Open University) and Director of CUNEF, presented his book "Anatomía de las crisis financieras", at the Rafael del Pino Foundation on 2 March 2007. The presentation was chaired by Manuel Varela, Emeritus Professor of International Economic Organisation at Madrid Complutense University and in

addition to the author the speakers were: Amadeo Petitbò, Director, Rafael del Pino Foundation; Cristóbal Montoro, Professor of Applied Economics and former Spanish Minister of Finance; and José Viñals, Deputy Governor of the Bank of Spain. The book describes financial crises from their historical point of view, the volatility of the big financial markets, the components of the Triad, the current mechanism for managing crises, etc.

Los stakeholders y la acción social de la empresa. [Stakeholders and corporate social action]. On 19 April 2007, "Los stakeholders y la acción social de la empresa", published in the Foundation's Economics and Business Collection, was presented at the Rafael del Pino Foundation. The book is the result of the research conducted by Professors Ana Agüero, María Carbonell and Juan Luis Martínez with the Foundation's sponsorship. The presentation was attended by Juan Luis Martínez, on behalf of the authors; Salvador García-Atance, Chairman of the Spanish Association of the UN Global Compact (ASEPAM); Santiago Iñiguez, Dean of Instituto de Empresa; Ramón Jáuregui, member of the Spanish Parliamentary Subcommittee on promoting CSR; Javier Martín Cavanna, Chairman Editor of the *Compromiso Empresarial* magazine; and María del Pino, Vice President of the Rafael del Pino Foundation.

Amor al real servicio. [Love of Royal Service]. On 14 April 2007 at the Spanish Cultural Centre in Montevideo (Uruguay), the Rafael del Pino Foundation presented "Amor al real servicio", a book which recreates a key period in the biography of Joaquín del Pino y Rozas: the experience in Uruguay of the man who years later was to become the eighth Viceroy of Río de la Plata. Speakers at the presentation of the book, published in the Foundation's History Collection, were: Julio M^a Sanguinetti, former President of the Oriental Republic of Uruguay; Ezequiel Abásolo, author of the book; Feliciano Barrios, Professor of History of Law; Olaf Blixen, member of the Uruguayan Historical and Geographical Institute; and Amadeo Petitbò, Director of the Rafael del Pino Foundation.

El Derecho de la Competencia y los Jueces. [Competition Law and the Courts] This book, published in the Foundation's Law Collection, was presented at the Rafael del Pino Foundation on 21 November 2007. Edited by academics Santiago Martínez Lage and Amadeo Petitbò, the book includes contributions from academics and authorities, judges and magistrates, lawyers, economists and consultants, all of them of proven high standing in the analysis of competition issues, and true players in the development and application of economic and legal analysis in this field. The presentation was chaired by Frédéric Jenny, Chairman of the OECD Competition Committee and a Judge at the Supreme Court of France (Cour de Cassation).

Europa, América y el Mundo. Tiempos históricos. [Europe, America and the World. Historic Times]. The presentation of this book, published in the Foundation's History Collection, took place at the Rafael del Pino Foundation on 11 December 2007. Edited by academics Roger Chartier and Antonio Feros, the book presents the results of the meeting held in Madrid in February 2004 of historians with different methodological approaches to the historical relations between Europe and America, focusing analysis on the key aspects for understanding both continents and their relations with other geographical and cultural areas. The presentation was chaired by: Alfredo Pérez de Armiñán, Secretary General, Colegio Libre de Eméritos [a Spanish Association of Academics]; Feliciano Barrios, Professor of History of Law and Institutions, Castile-La Mancha University; and Antonio Feros, PhD in History and Lecturer in History at the University of Pennsylvania.

6. FREE ENTERPRISE FORUM

The Rafael del Pino Foundation organises meetings for small groups of experts to discuss current issues of importance. These events are known as the Free Enterprise Forum. By the end of 2007 forty meetings had been held, five in 2001, three in 2002, four in 2003, four in 2004, six in 2005, four in 2006 and fourteen in 2007.

The speakers in 2007 were:

30 January 2007

Edmund S. Phelps, Nobel Prize laureate in Economics in 2006 and Professor of Political Economics at Columbia University.

1 March 2007

Robert S. Kaplan, Professor of Economics, Harvard Business School.

13 March 2007

Arnold Harberger, Professor of Economics, University of California Los Angeles (UCLA).

14 March 2007

Juan Antonio Sagardoy, Chairman, Sagardoy Abogados.

17 April 2007

Jeff Williamson, Professor of Economics at Harvard University and Associate Professor at the Center for International Development and the Weatherhead Center for International Affairs.

29 May 2007

David Taguas, Director of the Spanish Prime Minister's Economic Office.

19 June 2007

Carlos Espinosa de los Monteros, Chairman of the Board of Directors of Daimler Chrysler España Holding and Mercedes Benz España, and a Board member of Acciona, S.A.

9 July 2007

Alberto Alesina, Professor of Political Economics and former Director of the Department of Economics at the University of Harvard.

3 October 2007

Claudio Boada Pallerés, Chairman, Círculo de Empresarios.

29 October 2007

Robert F. Engle, Nobel Prize laureate in Economics in 2003 and Professor of Financial Economics, Stern School of Business, New York University.

25 October 2007

David P. Norton, Co-founder, President and CEO of Balanced Scorecard Collaborative, Inc.

25 October 2007

Olivier J. Blanchard, Professor of Economics, MIT and former Director of the MIT Department of Economics.

21 November 2007

Frédéric Jenny, Chairman of the OECD Competition Committee and a Judge at the French Supreme Court (Cour de Cassation).

13 December 2007

Robert J. Aumann, Nobel Prize laureate in Economics in 2005 and a Professor at the Centre for the Study of Rationality at the Hebrew University of Jerusalem (Israel).

RESEARCH PROGRAMMES**1. ECONOMICS AND BUSINESS****ENTREPRENEURIAL ACTIVITIES. BUSINESSES AND ENTREPRENEURS IN SPAIN**

On 12 March 2002, the Foundation signed a collaboration agreement with the University of Alcalá to carry out research leading ultimately to publication of the book entitled *Emprendedores y espíritu empresarial en España en los albores del siglo XXI* [Entrepreneurs and entrepreneurship in Spain at the beginning of the 21st Century]. Written by Antonio García Tabuenca, Justo de Jorge Moreno and Federico Pablo Martí, the book was published by the Foundation in its Economics and Business Collection.

In view of the interest of the initiative and the excellent results achieved, the Foundation considered it appropriate to continue with the project. Accordingly, on 16 November 2005, the Director of the Foundation and the Vice Chancellor of the University of Alcalá de Henares signed the relevant agreement of collaboration. The purpose of this new research is to follow on from the work begun in 2002 and provide a descriptive and analytical overview of entrepreneurial and business dynamics in Spain as a means to understanding the reasons that drive, curb, immobilise or bring success or failure to people who engage in business activities. The research includes a descriptive and comparative analysis of the surveys for 2002 and 2005, as well as an analysis of business performance based on the information in the SABI database.

The research was delivered to the Rafael del Pino Foundation by the authors in 2007 and it was published in the Foundation's Economics and Business Collection in 2008.

CYD REPORT

On 1 October 2003, the President of the Rafael del Pino Foundation, Rafael del Pino y Moreno, and the Chairwoman of the Board of Trustees of the Knowledge and Development Foundation (CYD Foundation), Ana Patricia Botín, signed a collaboration agreement for the annual publication of the "CYD Report". This report is intended to be a barometer for analysing the extent to which universities have incorporated in their culture the importance of directing their activities towards economic and social development.

The third report, completed at the end of 2006, was presented at an event presided over by TRH the Prince and Princess of Asturias on 23 January 2007 at the Ministry of Industry, Tourism and Trade.

MACROECONOMIC FORECASTING AND ANALYSIS PROJECT

On 28 February 2006, the Director of the Foundation and the Deputy Vice Chancellor of Research & Innovation at the Carlos III University of Madrid, José Manuel Torralba, signed an agreement for scientific research, development and technological innovation, the general objective of which is to regulate the Foundation's participation as a sponsor of the Flores de Lemus Institute's project for macroeconomic forecasting and analysis. This agreement was renewed in 2007.

The director of the project is Professor of Econometrics, Antoni Espasa, who is the Director of the Flores de Lemus Institute and chief researcher at the Macroeconomic Forecasting and Analysis Laboratory of the Carlos III University of Madrid.

Professor Espasa said: "This is a university project that seeks to perform rigorous periodical analyses, based wholly on sound econometric forecasts and results, of the Spanish economy and of the economic areas with which Spain

has special links. Currently the area dealt with in most depth is the euro area, which is the subject of a general macroeconomic analysis and a specific analysis of inflation and monetary policy. The latter also includes the United States, due to the influence that its economy has on the euro/dollar exchange rate, and all the countries in the Euro15 group. Providing the econometric medium developed allows it, the analyses of the Spanish economy are performed by inter-relating three levels of study: macroeconomic, sectorial and autonomous regional, and inserting it into the context of the euro area”.

The project is embodied in the monthly publication - in Spanish and English - of the Bulletin of Inflation and Macroeconomic Analysis.

MEASURING THE CAPITALISATION OF SOCIAL VALUE

On 23 December 2004, the Director of the Foundation signed a research agreement with Professor Juan Luis Martínez, for the basic purpose of analysing the impact of social action on strengthening the relations between companies and their stakeholders, and identifying and validating indicators to measure the actual value contributed to the company by such action, in order to enhance the implementation of special initiatives, to control them and to extend them to other environments and companies.

This research, in which Professor Martínez has been assisted by Ana Agüero and María Carbonell, analyses the social projects that companies carry out for the benefit of the community and that, as a result, have a direct influence on society and an indirect impact on the company's employees, customers, suppliers and shareholders. In some of the cases described, the social action serves to enhance the company's corporate image; in others, to develop new skills among the employees or to raise brand awareness and increase customer loyalty.

The research, delivered on 21 March 2006, provides an inventory of the knowledge generated so far in this field, and was published by the Foundation in 2007 in its Economics and Business Collection. The presentation of the book took place at the Rafael del Pino Foundation on 19 April 2007.

FACTOR PRODUCTIVITY AT NON-FINANCIAL COMPANIES

On 19 December 2005 the Foundation approved funding for the project presented by Professors Juan Jesús Fernández Cainzos and Javier Prado Domínguez, dedicated to analysing processes of economic globalisation and integration and their impact on the organisational transformations and the productive factor specialisation of non-financial companies in Spain.

Major international economic institutions such as the OECD, the IMF or the Central European Bank have stated repeatedly in their annual reports that labour productivity is the principal determinant of long-term increases in potential production and standards of income. This means that for some time now productivity has been an especially prominent issue on political and economic agendas and one that is of concern not only to businessmen and economic researchers, but also to corporate shareholders, trade unions and governments, among others.

After an initial approach to the fact that Spain presents levels of productivity that are appreciably lower than those of its main economic benchmarks, the research focuses on the endogenous factors of productivity and, with the assistance of the theory of production, develops an analytical set of tools which it uses to produce an overall estimate of the influence exerted by another endogenous variable: total factor productivity (TFP).

The study covers the period 1980-2005 and uses an econometric procedure which makes it possible to identify and separate the different vectors involved in TFP, by assigning relative influences to three basic components: technical progress and its evolution, the advances in productivity as a result of improvements in productive efficiency (indicative of the application of technology and innovation) and, lastly, the importance of the economies of scale obtained from the size of the markets.

The research seeks to establish the extent to which the intensity of growth in TFP is connected with the evolution of capital accumulation and employment, as well as to study the ability of Spanish non-financial companies to generate total factor productivity.

The research, completed in 2007, will be published in a Foundation Economics and Business Collection book in 2008.

SERVICES IN THE EUROPEAN ECONOMY: THE CHALLENGES AND IMPLICATIONS OF ECONOMIC POLICY

On 23 December 2004, the Director of the Foundation signed a research agreement with Professor Luis Rubalcaba from the University of Alcalá de Henares to produce a report entitled Services in the European economy: the challenges and implications of economic policy.

The importance of services lies in the fact that businesses need them in order to grow and obtain gains in productivity and competitiveness by using them as intermediate inputs. There is little knowledge about the way in which services for businesses are organised and influence the economy and growth, making greater understanding of the sector necessary against a background of profound economic changes, such as the integration between goods and services, globalisation and delocalisation, the knowledge society, information and innovation, market segmentation, regulation or deregulation. The research shows that not only have business services been affected by these factors, but that, in many cases, they have been active protagonists of these changes.

The research was published in 2007 by British publisher Edgard Elgar, in a book entitled "The new service economy". In this book, the researcher establishes a series of basic principles for political action that he considers consistent with the service economy and with the challenges faced by Europe: freedom as a principle of action; the role of the State as a promoter and not as a substitute for social initiative; and horizontality.

The Spanish version of the book will be published by the Foundation in 2008, in its Economics and Business Collection.

THE CONTRIBUTION MADE TO THE ECONOMY BY BUSINESS SERVICES: GROWTH, INNOVATION AND MARKETS

On 22 December 2005, the Director of the Foundation signed a research agreement with Professor Luis Rubalcaba to sponsor research on the above-mentioned topic. Over the past twenty years the business services sector has contributed heavily to European economic growth in terms of employment, value added to products, productivity and innovation. However, many links between business services, their marketing function and their role in economic growth remain underexplored.

The research was published in 2007 in a book entitled "Business Services in European Economic Growth", published by Palgrave-MacMillan and edited by Professors Luis Rubalcaba and Henk Kox. In the words of William J. Baumol the book "is a major contribution to our understanding of the current growth process. Well written, based on careful research and defensible reasoning, it should be required reading for anyone who wishes to understand the intricacies of the growth process".

The book analyses business services in the European economy from three perspectives: the causes and effects of their rapid growth; their contribution to the competitiveness and growth of other sectors of the European economy; and the characteristics and dynamics of their markets at a local, European and international level. This is a timely piece of research since it highlights a series of economic policy challenges regarding the future contribution that the business service industry can make to economic growth in Europe.

The study of service activities in Europe, conducted in a thorough, clear and rigorous manner, makes it possible to describe the situation, prospects and challenges in this sector of the European economy, and to extract the appropriate implications for European economic policy.

The Spanish version of the book will be published by the Foundation in 2008, in its Economics and Business Collection.

THE ECONOMIC MIRACLE OF CHINA: MYTH OR REALITY

On 19 December 2005 the Foundation approved the funding for a research project to be conducted by Professor Jacint Soler. The aim of the study is to analyse the current debate about China's economic dynamism and its impact on the world economy, seeking to identify possible scenarios of future evolution and also to apply the conclusions and observations made to the case of Spain.

Over the past two decades, the People's Republic of China has become the fourth biggest economy in the world and the most dynamic of the emerging countries. Going beyond the studies and publications that deal with specific elements of this process - such as the transition from socialism to a market economy or the agrarian reform - this research sheds light on the various determinants of Chinese development and, in particular, the most controversial of them.

If a general consensus exists on the contribution that agrarian reform and mass literacy had on the economic growth of China, particularly in the eighties and early nineties, the effect of the selective opening-up of trade and the role of the State in this historic process is more controversial. In order to understand this, the trajectory of the "Asian tigers" is reviewed.

The case of China displays certain differences with respect to these models (particularly the bigger role played by foreign capital), but also clear similarities as regards the Government's will to encourage the country's rapid progress towards activities with greater added value. This was achieved by a selective opening-up to trade which even now, six years after China joined the WTO, is the subject of strong criticism from the West. Also, public enterprise, the industrial policy for sector restructuring, the regulation of foreign investment and the support for R&D have all played a key role.

The research, completed in 2007, will be published in a Foundation Economics and Business Collection book in 2008.

MACROECONOMIC MODELLING AND REGIONAL ECONOMICS

On 29 September 2005, the Vice Chancellor of Valencia University and the Director of the Foundation signed a research agreement regulating the Foundation's involvement in the research project entitled Macroeconomic modelling and regional economics, which is being 75% co-funded by the Budget Directorate General of the Spanish Ministry of Economy and Finance.

The last simulation model designed by the Ministry of Economy and Finance, known as MOISEES, has been widely used since it was created to simulate and evaluate economic policy in the Spanish economy. However, the priority the model gives to the demand side over the supply side, its emphasis on the short term and the difficulty in deriving its equations based on a consistent framework, have gradually led it to lag behind other more modern macroeconomic models.

The primary aim of this research has been to build a new macroeconomic simulation model for the Spanish economy, known by its English acronym REMS (a rational expectation model for simulation and policy evaluation of the Spanish economy) and this was achieved in 2007. The REMS makes it possible to analyse the short- and long-term effects of changes in the international environment or of a broad range of both permanent and temporary economic policy measures. As examples of the uses of this model, the REMS provides information on the macroeconomic effects of variations in interest rates by the ECB, changes in oil prices, variations in the tax structure (VAT, social security contributions, personal income tax, corporate income tax, etc.), increases in public infrastructure provision and many other changes in variables that determine the assumptions used to construct macroeconomic scenarios, such as the Stability Programme.

Although the model's theoretical basis is applicable to many other economies, such as those of the European Union, the REMS is an instrument especially designed for the Spanish economy. For this reason a substantial quarterly database has been built together with the model, from 1980 to the present, which makes it possible to adapt the model to the reality of the Spanish economy, taking into account its empirical regularities over the recent decades.

The simulation model can be used by the researchers of survey services, research establishments and universities who have the appropriate expertise. The database, which is updated constantly, can be used by any economist interested in carrying out studies to analyse the empirical evidence of the Spanish economy regarding numerous aspects for which quarterly information is required on the national accounts, public accounts, labour market or foreign sector. The database is available over the internet from the Foundation portal (www.frdelpino.es), the Budget Directorate General of the Ministry of Economy and Finance (www.meh.es) and the International Economics Institute of the University of Valencia (<http://iei.uv.es>).

PRODUCTIVITY IN THE SERVICE SECTOR OF THE SPANISH ECONOMY

In 2007 the Rafael del Pino Foundation approved funding for the project presented by Andrés Maroto Sánchez entitled "Productivity in the service sector of the Spanish economy". The central hypothesis of the research seeks to prove that in this sector of the Spanish economy there are activities in the service sector with high productivity growth and very dynamic performance, comparable to those of the most productive manufacturing industries.

The research is essentially of an empirical nature. The analysis of the productivity of services in Spain is at the core of the research, taking observations of the main advanced economies as a reference for comparison. The research analyses the new approaches to the concept of service sector as a heterogeneous set of highly dynamic and productive activities and the evolution of productivity in the Spanish economy with special reference to the service sector case.

The research will be published in a Foundation Economics and Business Collection book in 2008.

2. LAW

THE COSTS OF DELAYS IN A SAMPLE OF SPECIALIST COURTS

On 21 December 2006, the General Council of the Judiciary and the Rafael del Pino Foundation signed a collaboration agreement under which the two institutions agreed to work together to conduct research entitled "Estimate of the costs of delays in a sample of specialist family courts". This study, focused on the courts of Madrid, was commissioned, by joint agreement, from the Foundation for Studies of Applied Economics (FEDEA) [Fundación de Estudios de Economía Aplicada].

The research has consisted in validating the model for calculating the actual length of different judicial proceedings using the data of the General Council of the Judiciary (Judicial Statistics) and the reports prepared by the Court Activity Planning and Analysis Department, and in performing a sample analysis of the costs of court delays starting with family courts. A model for evaluating court costs was also designed in 2007.

The main purpose of the work has been to quantify the length of family proceedings and estimate, on the basis of a sample of individual data, the distribution of the lengths of these proceedings in specialist family courts (two courts in Madrid) and non-specialist mixed courts (one court in Getafe and another court in Majadahonda). It is important to take into account that what is being estimated is the length of the proceedings, not of the delays. The econometric conclusion is that an action assigned to a specialist jurisdiction (without a change in magistrate) is more likely to be shorter than one assigned to a mixed court.

ECONOMIC ANALYSIS OF THE COURT SYSTEM AND LITIGATION

On 20 September 2004, the Director of the Foundation and Professor Francisco Cabrillo Rodríguez, signed a research agreement to carry out the abovementioned study.

The aim of this research is to write the first general book on a currently relevant issue such as the economic analysis of the court system and litigation, since as yet there is none that deals with the subject comprehensively.

Another feature of the research is that it will focus on the court systems of countries with a tradition of civil law, i.e. most of Europe, almost all of Spanish America and many other countries in the world. Until now, the overwhelming majority of studies conducted have concentrated on the North American judicial system. And, although many of the problems that arise are, logically, the same everywhere, there is no doubt that there are important differences that explain both peculiarities in the resolution of certain issues and different levels of litigation or social costs.

Completed in 2007, the research will be published in English by the British publisher Edgard Elgar, and in Spanish in the Foundation's Law Collection.

THE FUTURE OF THE EUROPEAN CONSTITUTIONAL TREATY

The Rafael del Pino Foundation and the University Institute of European Studies at CEU-San Pablo University signed a research agreement on 22 December 2006 for a project to study, analyse and understand the European Constitution, the future of the European Constitutional Treaty, and the alternative scenarios there are. The research was conducted with the assistance of the European University Institute in Florence.

Entitled "The future of the European Constitutional Treaty and scenarios for finding the way out of the current situation", this research project aims to show that many of the Treaty's innovations are essential in order to respond to the interests and needs of Europe's citizens, and also to analyse and to make a specific proposal about the future of the Union from the perspective of the various possible scenarios and options.

The end result of the research was published in a book by Spanish publisher Planeta in 2007.

3. HISTORY

THE KING. A HISTORY OF THE MONARCHY

On 2 November 2005, José Antonio Escudero, Director of the Institute of the History of Intolerance, and the Director of the Rafael del Pino Foundation signed an agreement to carry out a research project entitled The King.

The Monarchy has been the reference for the governance of Spain throughout its history, with the sole exception of the total of five years when there were republics, and the interval of the Civil War and the Franco dictatorship. At first, during the Visigothic period, it was an elected monarchy. Thereafter, a hereditary monarchy gradually took shape which, once Spain became a nation-state, was embodied by the dynasty of the House of Austria until the

end of the 17th century and by that of the Bourbons from the 18th century until the present day. In this period, the King was an absolute monarch until the 19th century, in the period corresponding with the *ancien régime*, and since then, Spain has had a parliamentary monarchy in a liberal State.

Over time, as these changes have occurred, the figure of the King has adopted many forms and has had very different powers. And despite the supreme nature of his magistracy, from its origins up to the present day, it can be said that no comprehensive study exists that analyses and systemises the legal figure of the King at the different times and under the different absolutist or liberal political systems, the King's form of governance, his national and international profile, his relations with the Church and with the Armed Forces, or the cultural and social action promoted by him.

The work, coordinated by José Antonio Escudero, Professor of History of Law and Institutions and a member of the Royal Academies of History and Caselaw and Legislation, was delivered to the Foundation in 2007 and has been published in a three-volume book by Planeta under the title "The King. A History of the Monarchy."

4. HEALTH AND WELFARE

INCIDENCE, RAPID DIAGNOSIS AND THERAPEUTIC ANTICIPATION OF PNEUMONIA ASSOCIATED WITH MECHANICAL VENTILATION IN ADULTS

The Rafael del Pino Foundation and the Foundation for Biomedical Research of Madrid's Gregorio Marañón Hospital signed a collaboration agreement on 25 January 2007 to fund research into the incidence, rapid diagnosis and therapeutic anticipation of pneumonia associated with mechanical ventilation (VAP) in adults.

VAP is one of the main infectious complications diagnosed in patients in intensive care and constitutes one of the main causes of hospital infection and of death due to infection while in hospital. This complication has traditionally been associated with a high level of morbidity and mortality, which is why in recent years numerous studies have been carried out to learn more about its epidemiology, physiopathogeny, aetiology and factors of prognosis, and also to evaluate different prophylactic measures and/or therapeutic strategies.

The research team, which will complete its work in 2009, is led by Dr. Emilio Bouza Santiago, Professor of Medical Microbiology, Head of the Clinical Microbiology and Infectious Diseases Department at the Gregorio Marañón Teaching Hospital and is made up of anaesthetists, radiologists, intensive care physicians, pulmonologists, specialists in infectious diseases and microbiology and intensive care nurses.

THE PREDICTION AND PROGNOSIS OF BREAST CANCER

The Rafael del Pino Foundation and the Foundation for Biomedical Research of the 12 de Octubre Teaching Hospital agreed, in 2007, to sign a collaboration agreement to sponsor research entitled "Predictive factors of response and prognosis in women with breast cancer who present local relapse in the chest wall". Breast cancer is the most frequent neoplasm in women and it is estimated that between 16,000 and 17,000 new cases of this type of cancer are diagnosed each year in Spain.

The research team will be led by Dr. Hernán Cortés-Funes, Head of the Medical Oncology Department of the 12 de Octubre Teaching Hospital and the principal researchers will be Drs. Eva Ciruelos, Luis Manso and Rita Kramer.

The objectives of the research, which will last until 2009, are: to identify for study patients who have been treated for breast cancer and have experienced tumoral relapses in the chest wall; to obtain blood samples to establish the presence or absence of circulating tumoral cells; to establish the presence or absence of remote metastasis and the evolution of the disease; to analyse tissue samples using immunohistochemical techniques; and to establish the specific biological factors of each patient that may play a role in the development of metastasis in the chest wall.

The Rafael del Pino Foundation will donate to the Foundation for Biomedical Research of the 12 de Octubre Teaching Hospital the necessary equipment for the researchers to perform the abovementioned diagnostic analyses, specifically, Celltracks Autoprep System and Celltracks Analyzer II analysis equipment.

SYSTEMS OF OCCUPATIONAL THERAPY AND INCREASED REALITY (IN SPANISH, TOyRA)

In 2007, the Rafael del Pino Foundation, the Foundation of the National Paraplegics Hospital for Research and Integration (FHNPAIIN) and the Indra Group agreed to conduct joint research into new technologies to enhance the quality of life of persons with spinal injury.

The intention of the three organisations is to develop successive self-sustainable projects, ensuring their long-term economic viability, so that the results of the efficient market-oriented management of the projects will make it possible to obtain profits that will be re-invested in the development of further projects.

The lines of research evaluated were the following:

- 1 Occupational Therapy and Increased Reality (TOyRA Project).
- 2 System for monitoring the care provided to hospital patients.
- 3 Universal Culture and Leisure. Application of Virtual Reality.
- 4 Post-processing of radiological images and virtual environment.
- 5 Voice-controlled wheelchair.
- 6 Telecare system for persons with spinal injury.
- 7 Creation of intelligent accessible clothing for persons with mobility problems.

The project selected to begin the research activities in this field is the TOyRA project, the aim of which is to develop an occupational therapy platform that facilitates the management of many patients by a small number of physiotherapists and at the same time makes it possible to achieve proper automated management of the evolution of each patient.

Occupational therapy is a technique used in patient rehabilitation processes, in the case of the National Paraplegics Hospital at Toledo for patients with spinal injury, aimed at facilitating their reintegration into daily life by using devices or games that encourage joint mobility, develop muscular strength or exercise precision.

Increased reality is the virtual creation of real-life situations, using systems based on state-of-the-art technology, in order to strengthen or optimise the results obtained in simulation or similar processes in patients of this type.

The application of new technological systems resulting from this research will be translated into a greater effectiveness of occupational therapy, either by using the devices or games fitted with sensors or by introducing completely new devices, such as Wii or those based on image processing. The TOyRA project will also avoid patients having to travel to undergo their remote rehabilitation.

The benefits that this application offers are: increased medical and physiotherapeutic care for patients; more attractive devices or games used in occupational therapy; and, lastly, production of a database on the monitoring of the evolution of patients using technological systems in order to improve the effectiveness of the application of occupational therapy.

5. CURRENT RESEARCH PROJECTS

Title	Researchers	Begun	Completed
Improving regulation to make it less burdensome	Enrique Argullol Andrés Betancor	2006	2008
Competitive Market Analysis	Jordi Jaumandreu	2004	2008
Post-privatisation entrepreneurial initiative in Spanish businesses	Ana M ^a Romero	2004	2008
Competitive dynamism, technological innovation and corporate earnings	Antonio Javier Revilla	2005	2008
Comparison of the efficiency of public and private enterprise: case study of daily cleaning and solid waste collection companies in Spain	Gustavo Sánchez	2005	2008
Doing business with the base of the pyramid	Juan Luis Martínez	2006	2008
Fair trading	Luis Berenguer César Giner	2005	2008
Ten years of competition case law at the Audiencia Nacional	Mercedes Pedraz Juan Manuel Fernández	2006	2008
The Governance of the Spanish Monarchy, 1555-1700	Feliciano Barrios	2006	2009

AWARDS

FREE ENTERPRISE AWARD

The Foundation decided to award an annual prize to the best book published the previous year by one or more Spanish authors emphasising the values of the market in the fields of general economics or business economics and law.

In 2007, the sixth Free enterprise award was won by Antonio Cidoncha, author of "Libertad de empresa" [Free enterprise] (Civitas Ediciones S.L., 2006). At a ceremony at the Foundation on 22 November 2007, the award was presented by the Foundation's Vice President, María del Pino.

On this occasion the panel of judges consisted of: Ricardo Alonso Soto; Teresa García-Milà Lloveras; Enrique Álvarez López; Juan Iranzo; Juan Ramón Cuadrado; Francisco Cabrillo Rodríguez; Joaquín Trigo Portela; Fernando Gómez and Manuel Jesús González, with the Director of the Foundation acting as non-voting Secretary. In the judges' opinion, Professor Cidoncha's book is: "a sound piece of work, well-structured and necessary [...] ideal for understanding the legal meaning of the economic order established by the Constitution. It has an excellent, relevant legal approach and refers to the rules that serve as a frame for business activities in competition. Accordingly, [...] the book is considered [...] to be worthy of the Free Enterprise Award for 2007 which carries with it €30,000".

Professor Cidoncha's book is based on two central theses. On the one hand, that "free enterprise is recognised within the framework of a specific economic system: the market economy, an expression which, *lato sensu*, is synonymous of market capitalism.

The second central thesis of the award-winning book is that "free enterprise is not a mere guaranteed institute, or a subjective right entirely subordinate to the demands of the general economic interest. Freedom of enterprise is a fundamental right, i.e. a constitutional subjective right which, precisely because it is fundamental, has an essential content that must be respected by the legislator".

Antonio Cidoncha has been professor of Constitutional Law at Madrid Autonomous University Faculty of Law since 1994 and professor of the University's degree in Aeronautical Management since 1995. He was Professor of Constitutional Law at Comillas Pontifical University, Madrid (ICADE), from 1994 to 2001.

SOCIAL PROJECTS AND SERVICES

At the initiative of its President and Founder, in 2007 the Rafael del Pino Foundation, embarked on a new line of action aimed at promoting projects to improve the quality of life of individuals affected by spinal cord injury.

To this end the Foundation identified three fields of action: helping to make the daily life of sufferers easier; developing adapted sports infrastructures; and promoting technological innovation.

As a first step, the Foundation made contact with the main actors in this field which have resulted in projects for the future in the three areas mentioned above, which have been developed or will be developed in the future, in collaboration with exceptional partners such as the Indra Group, the Fundación Lesionado Medular [Foundation for Sufferers of Spinal Injury] and the Fundación del Hospital Nacional de Paraplégicos para la Investigación y la Integración (FHNCORT) [the Foundation of the National Paraplegics Hospital for Research and Integration].

RAFAEL DEL PINO SPORTS CENTRE AT THE NATIONAL PARAPLEGICS HOSPITAL, TOLEDO.

The lines of collaboration with the FHNPAIIN include the construction of a sports centre on a site adjacent to the National Paraplegics Hospital at Toledo, to be known as the Rafael del Pino Sports Centre.

The project is for modern sports facilities adapted for people with spinal injury to be built next to the Hospital which will include a high performance sports centre, athletics tracks, swimming pool, etc.

The aims of the Rafael del Pino Sports Centre will be:

- To facilitate access to sports, as a therapeutic instrument and means of social integration, for patients at the National Paraplegics Hospital, other sufferers of spinal cord injury, people with disabilities and, additionally, sportsmen and women;
- To promote the social integration of people with disabilities by means of the joint use of the sports centre by both able-bodied and disabled sportsmen and women;
- To make it possible to establish a High Performance Sports Centre for Paralympic sportsmen and women and other individuals with disabilities.

EQUIPPING THE REHABILITATION CENTRE FOR PEOPLE WITH SPINAL CORD INJURIES

On 28 November 2007 the Rafael del Pino Foundation and the Fundación Lesionado Medular [Foundation for Sufferers of Spinal Cord Injury] signed a collaboration agreement for sponsorship by the Rafael del Pino Foundation of the expenses for equipping the Rehabilitation Centre for People with Spinal Injuries of the Fundación Lesionado Medular in Madrid.

If people with spinal injury do not receive the necessary rehabilitation treatment their physical condition deteriorates further and they suffer a decline in their mood and frame of mind which diminishes their quality of life and hinders their chances of improving their physical and social environment. The aim of this project is to assist in the biological, psychological and social rehabilitation of persons who suffer this type of injury.

The Rehabilitation Centre for People with Spinal Cord Injuries of the Fundación Lesionado Medular was set up to provide care for sufferers of spinal and other similar injuries, who are seriously physically disabled, by means of functional rehabilitation care, personal and social empowerment, personal care and specialist attention, in order to achieve maximum development of their capabilities and possibilities for integration into society. The Centre has 1,000 m² of facilities and 300 patients go there every week to receive treatment.

PUBLICATIONS

1. ECONOMICS & BUSINESS COLLECTION

Emprendedores y Espíritu Empresarial en España en los albores del Siglo XXI [Entrepreneurs and entrepreneurship in Spain at the beginning of the 21st century]

Antonio García Tabuenca, Justo de Jorge Moreno and Federico Pablo Martí

Cinco lustros apenas. 25 años de Economía y Sociedad Españolas [Barely Five Lustra. 25 Years of Spanish Economy and Society]

Leopoldo Calvo-Sotelo y Bustelo, Enrique Fuentes Quintana, Luis Ángel Rojo Duque, Miguel Boyer Salvador and Rodrigo de Rato y Figaredo

El Auge de la Empresa Multinacional Española [The Rise of Spanish Multinationals]

Mauro F. Guillén

Regulación, Desregulación, Liberalización y Competencia [Regulation, Deregulation, Liberalisation and Competition]

Gaspar Ariño Ortiz, Vicente Boceta, Francisco Cabrillo, Fernando Eguidazu, José Luis Feito, Fernando Fernández Méndez de Andrés, Philippe Gagnepain, Manuel Gala, Javier García Cuesta, María Gómez Agustín, Manuel Jesús González, Inmaculada Gutiérrez, Luis Lada Díaz, Javier Martínez Arévalo, Santiago Martínez Lage, Pedro Mielgo, Chris Nash, L. Jacobo Rodríguez, Ginés de Rus, Joaquín Trigo and Josep C. Vergès

Economía y Política de la Privatización Local [The Economics and Politics of Local Privatisation]

Germà Bel

El Auge y Declive de las Ciudades [The Rise and Fall of Cities]

David Cuberes

Dinámicas de Aprendizaje Organizativo en Empresas de Alta Tecnología. Un Estudio Comparado entre España y Estados Unidos [Dynamics of Organisational Learning at High Technology Companies. A Comparative Study of Spain and the United States]

Gregorio Martín de Castro, Pedro López Sáez, José Emilio Navas López and Raquel Galindo Dorado

Los Stakeholders y la Acción Social de la Empresa [Stakeholders and Corporate Social Action]

Juan Luis Martínez, María Carbonell and Ana Agüero

Factores Explicativos de la Empresa Conjunta Internacional: Una Aplicación al Sector Manufacturero Español [Factors Explaining the Performance of International Joint Ventures: An Application to the Spanish Manufacturing Industry]

Paloma Almodóvar

El Milagro Económico Chino: Mito y Realidad [The Economic Miracle of China: Myth and Reality]
Jacinto Soler Matutes

Externalidades de Red en la Economía Digital. Introducción a la Modelización de Mercados de Redes Mediante la Teoría de Sistemas Dinámicos [Network Externalities in the Digital Economy. An Introduction to Modelling Network Markets using Dynamic System Theory]
José Luis Arroyo Barrigüete

La Productividad de los Factores en las Empresas No Financieras Españolas. Su Evolución como Indicador del Cambio de Patrón Productivo [Factor productivity at non-financial companies. Its Evolution as an Indicator of the Change in Productive Pattern]
Juan J. Fernández Cainzos and A. Javier Prado Domínguez

La Actividad Emprendedora. Empresas y Empresarios en España, 1997-2006 [Entrepreneurial activities. Businesses and Entrepreneurs in Spain, 1997-2006]
Antonio García Tabuena, José Luis Crespo Espert and Federico Pablo Martí

2. LAW COLLECTION

La Modernización del Derecho de la Competencia en España y en la Unión Europea [The Modernisation of Competition Law in Spain and in the European Union]
Santiago Martínez Lage and Amadeo Petitbò (Editors)

El Derecho Internacional Humanitario ante los Retos de los Conflictos Armados Actuales [International Humanitarian Law in response to current Armed Conflicts]
José Luis Rodríguez-Villasante (Coordinator)

El Abuso de la Posición de Dominio [Abuse of Dominant Position]
Santiago Martínez Lage and Amadeo Petitbò (Editors)

El Derecho de la Competencia y los Jueces [Competition Law and the Courts]
Santiago Martínez Lage and Amadeo Petitbò (Editors)

Remedios y sanciones en el Derecho de la Competencia [Remedies and penalties in Competition Law]
Santiago Martínez Lage and Amadeo Petitbò (Editors)

3. HISTORY COLLECTION

El Gobierno de las Indias [The Governance of the Indies]
Javier Barrientos Grandon

La América Hispana en los Albores de la Emancipación. Actas del IX Congreso de Academias Iberoamericanas de la Historia [Spanish America at the beginning of the emancipation. Proceedings of the 9th Conference of Ibero American Academies of History]
Feliciano Barrios (Coordinator)

Europa, América y el Mundo. Tiempos Históricos [Europe, America and the World. Historic Times]
Antonio Feros and Roger Chartier (Editors)

Doña Juana Reina de Castilla [Joan, Queen of Castile]
Manuel Fernández Álvarez, Miguel Ángel Ladero, Luís Suárez, Julio Valdeón, Joseph Pérez and Bethany Aram

Amor al Real Servicio. Don Joaquín del Pino y la Organización del Uruguay Hispánico [Love of Royal Service. Joaquín del Pino and the Organisation of Hispanic Uruguay]
Ezequiel Abásolo

La Ilustración Española en la Independencia de los Estados Unidos: Benjamin Franklin [The Spanish Enlightenment in the Independence of the United States: Benjamin Franklin]
Gonzalo Anes, Guillermo Céspedes, Thomas E. Chávez, John Elliott, Felipe Fernández-Armesto, Eduardo Garrigues, Robert Manzanares, Miguel Ángel Ochoa Brun, José María Pons Irazazábal and David Weber

4. OTHER PUBLICATIONS

Jornadas Virreinales del Río de la Plata [Viceregal Workshop, Río de la Plata]
Feliciano Barrios (Coordinator)

Un Epistolario Virreinal: Cartas Familiares de Don Joaquín del Pino y Rozas, VIII Virrey del Río de la Plata [A Collection of Viceregal Letters: Family Letters of Joaquín del Pino y Rozas, 8th Viceroy of Río de la Plata]
José María Martínez Vivot

Los Vera Muxica en Santa Fe [The Vera Muxica Family in Santa Fe]
Luis María Calvo

Don Jerónimo Luis de Cabrera, 1528 – 1574. Origen y Descendencia [Jerónimo Luis de Cabrera, 1528-1574. Origin and Descendants]
Alejandro Moyano Aliaga

El Gobierno de un Mundo. Virreinos y Audiencias en la América Hispánica [The Governance of a World. Viceroyalties and Audiencies in Hispanic America]
Feliciano Barrios (Coordinator)

Diccionario del Estudiante [Students' Dictionary]
Real Academia Española

The Rise of Spanish Multinationals
Mauro F. Guillén

Microcrédito en Países Desarrollados: Problemas, Retos y Propuestas [Microcredit in Developed Countries: Problems, Challenges and Proposals]
Begoña Gutiérrez Nieto and M^a Jesús Pérez Fernández

Competition in the Railway Industry: An International Comparative Analysis
José A. Gómez-Ibáñez and Ginés de Rus (Editors)

Los Conquistadores del Horizonte: Una Historia Mundial de la Exploración [Pathfinders: A Global History of Exploration]
Felipe Fernández-Armesto

¿Qué fue de la Constitución Europea?, El Tratado de Lisboa: Un Camino hacia El Futuro [What happened to the European Constitution? The Lisbon Treaty: A Way to the Future]
Iñigo Méndez de Vigo (Editor)

Aviation Infrastructure Performance. A Study in Comparative Political Economy
Clifford Winston and Ginés de Rus (Editors)

The New Service Economy. Challenges and Policy Implications for Europe
Luis Rubalcaba

Knowledge Creation Processes. Theory and Empirical Evidence from Knowledge-intensive Firms
Gregorio Martín de Castro, Pedro López Sáez, José Emilio Navas López and Raquel Galindo Dorado

Business Services in European Economic Growth
Luis Rubalcaba

The King. A History of the Monarchy (Volumes I, II and III)
José Antonio Escudero (Editor)

The Economics of Courts and Litigation
Francisco Cabrillo and Sean Fitzpatrick

PROMOTING AND MONITORING THE UN GLOBAL COMPACT

In order to ensure that the fulfilment of the commitments entered into by Spanish companies who have signed up to the Global Compact promoted by the UN Secretary General is monitored, and to encourage other companies to sign up to the Compact, in 2001 the Rafael del Pino Foundation sponsored the organisation of a lecture to present the Global Compact formally in Spain, a concert at Madrid's Royal Theatre in honour of the Secretary General, and the creation of an organisational structure for the purpose of monitoring in Spain the commitments arising out of membership of the Global Compact.

The consolidation of the Global Compact in Spain was demonstrated by the success of the Workshop for Global Compact Signatory Companies and Entities in Spain held on 22 October 2003 and the setting up of the Spanish Association for the Global Compact (ASEPAM).

Since then, the number of signatories of the UN Global Compact in Spain has continued to rise steadily and ASEPAM is currently one of the strongest Global Compact networks in the world.

One of ASEPAM's challenges is to raise the degree of awareness of the 10 Global Compact Principles, both among the signatories, and in society as a whole, and also to increase the number of organisations signing up, paying special attention to small and medium size companies.

ASEPAM has also made efforts to ensure that all the signatories deliver their progress reports. The aim of these voluntary reports is to evaluate annually the commitment of the organisations that have signed up to the Global Compact. To assist in preparing the reports, ASEPAM has published a simple tool that facilitates disclosure of the advances made by companies in their compliance with the Principles, thereby achieving enhanced quality and transparency, and also advises companies on how to prepare the reports.

The Rafael del Pino Foundation presented its progress reports to ASEPAM in 2006 and 2007, and they were published by the Association and by the UN, thereby demonstrating the Foundation's profound involvement in this initiative since its beginnings until the present time.

The Rafael del Pino Foundation remains faithful to its commitment to support, implement and disseminate the principles on which the UN Global Compact is based.

RAFAEL DEL PINO ALUMNI ASSOCIATION

Rafael del Pino Alumni Association is composed by all those people who - since 2001- have obtained a grant by the Foundation Rafael del Pino for studying abroad masters or postgraduate degree. The goals of the association are: to maintain the link and mutual support between the scholars, fomenting their actuation as a whole group; and to promote -among university students and recent graduates- the beginning of postgraduate studies in universities of recognized prestige.

The Rafael del Pino Alumni Association organised lectures and other events, published and distributed a book of the curricula of its members among the best Spanish businesses and head hunters, collaborated with the Foundation to produce the first Directory of Scholars and has set up a new comprehensive Internet portal (www.bfrdelpino.org) which has boosted the value of its own network as well as its relations with other groups of scholars and students of universities and business schools.

The Foundation was the venue for the following initiatives:

PRESENTATIONS OF TRAINING ESTABLISHMENTS AND PROGRAMMES

The Rafael del Pino Foundation welcomes the world's most prestigious educational establishments. At these presentations organised by the Scholars Association, the most highly-renowned international universities and business schools talk about their facilities, syllabuses and postgraduate programmes. They are attended by students who stand out because of their academic excellence and who wish to continue their studies and training at these establishments.

In this context, there were the following presentations in 2007:

05/01/07 Insead Business School	09/10/07 The University of Chicago GSB
16/01/07 London Business School	18/10/07 Wharton School & Lauder Institute
04/09/07 Harvard Business School	05/11/07 Berkeley University

In order year by year to raise the profile of the candidates for the Foundation's scholarships for postgraduate studies, the Association organises presentations of the scholarship scheme for final year university students at which former scholars describe their personal experience.

FORUM FOR ENTREPRENEURS

The Rafael del Pino Foundation and its Scholars Association have set up a Forum for Entrepreneurs, as a new forum for discussion, the aim of which is to encourage knowledge of new and innovative entrepreneurial experiences. The speakers at the Forum for Entrepreneurs in 2007 were:

5 May 2007

José Antonio Martínez Soler
General Manager of "20 minutos"

26 June 2007

Jesús Encinar
Chairman of "Idealista.com"

22 May 2007

Javier Pérez Dolset
Founder and Chairman of "LaNetro Zed"

11 December 2007

Juan Carlos Ureta
Chairman of "Renta 4"

FINANCIAL INFORMATION AND AUDIT REPORT

The balance sheet and income statement presented below were obtained from the 2007 annual financial statements of the Rafael del Pino Foundation, and on 1 April 2008 BDO Audiberia Auditores S.L. issued their audit report with an unqualified opinion.

BALANCE SHEET AT 31 DECEMBER 2007

Thousands of euros

ASSETS

Fixed assets	17,128.8
Furniture and installations	2,437.0
Accumulated amortisation and depreciation of fixed assets	-2,957.5
Accounts receivable	1,299.2
Investments	102,697.7
Cash and cash equivalents	290.7
TOTAL ASSETS	120,896.0

LIABILITIES

Foundation Endowment	114,000.0
Voluntary reserve	3,531.8
Surplus for the year 2007	1,621.4
Accounts payable	194.9
Payable to beneficiaries	1,548.0
TOTAL LIABILITIES & CAPITAL	120,896.0

INCOME STATEMENT AT 31 DECEMBER 2007

Thousands of euros

INCOME

Financial	4,480.1
Sponsors and collaboration	2,084.9
Building rents	397.7
TOTAL INCOME	6,962.6

EXPENSES

Monetary aid (Activities)	2,930.3
Personnel expenses & Social security expenses	635.7
General and maintenance expenses	749.5
Depreciation of building and installations	71.5
Variation in provisions for the securities portfolio	954.3
TOTAL EXPENSES	5,341.3

SURPLUS FOR THE YEAR 2007

1,621.4

A copy of this report in PDF format can be found on the Foundation Internet portal: www.frdelpino.es.

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