

# What is the Iberosphere?

## Cultural identity and opportunities in a region of the future

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### Abstract

*According to definitions of the Iberosphere [Riquelme, 2020], it encompasses Spanish- and Portuguese-speaking countries. To summarize the definition, in the essay we will refer to the Iberian Peninsula and the Latin American continent. At times you will find definitions of countries that do not fit into the peninsula or Latin America, but whose mention is imperative for understanding the narrative in a region that, for someone who has not experienced its cultural mosaic, could mean difficulty in understanding. .*

*Having defined the center of research, we must start from the past to build the future or, as Luis Sepúlveda would mention, the importance of knowing the past to understand the present and imagine the future [Sepúlveda, 2009]. This is why the research is based on the history of the Iberosphere, from its vision of classical liberalism, its concealment and the emergence of an amalgamated vision between various political systems with the purpose of directing the future of the region. Having defined the evolution of intellectual traditions, the future of the Iberosphere will be discussed, thinking about what the region will be like ten years after the writing of this text.*

### 1. Introduction

According to definitions of the Iberosphere [Riquelme, 2020], it encompasses Spanish- and Portuguese-speaking countries. To summarize the definition, in the essay we will refer to the Iberian Peninsula and the Latin American continent. At times you will find definitions of countries that do not fit into the peninsula or Latin America, but whose mention is imperative for understanding the narrative in a region that, for someone who has not experienced its cultural mosaic, could mean difficulty in understanding.

Having defined the center of research, we must start from the past to build the future or, as Luis Sepúlveda would mention, the importance of knowing the past to understand the present and imagine the future [Sepúlveda, 2009]. This is why the research is based on the history of the Iberosphere, from its vision of classical liberalism, its concealment and the emergence of an amalgamated vision between various political systems with the purpose of directing the future of the region. Having defined the evolution of intellectual traditions, the future of the Iberosphere will be discussed, thinking about what the region will be like ten years after the writing of this text.

### 2. Iberosphere and liberalism

There is a pivotal moment in the history of the Iberosphere and it is the French Revolution, beginning with Louis XVI and his meeting with the State General, and ending with the death of Robespierre by guillotine on July 28, 1794. The reason why French Revolution impacted the Iberosphere is due to 1) the spirit of the French Revolution and 2) the beginning of the Napoleonic Wars.

The spirit of the French Revolution stems from a deplorable situation in France where there was a fiscal crisis, an unfair tax system and famine [Hickman, 2018]. During the French Revolution, society's need to free itself from the

constraints of the bourgeoisie and medieval traditions marked the search for a system of ideas that placed man at the center of progress [Wood, 1984]. The above built the argument to continue with what is known as classical liberalism, a philosophy built in the Age of Enlightenment.

The idea of liberalism continued after the French Revolution and permeated the Napoleonic Wars through fear in the existing monarchies of Europe. Louis XVI's decisions to deny constitutional monarchy and then his quest to establish absolutism showed European societies the vision of a desperate monarchy. The fights between Girondists and Jacobins, Robespierre's decision to suppress the counter-revolution, the triumph of the Jacobins in 1799 and Napoleon's fruitful campaign, led to the 18th Brumaire and the coup d'état that would change the focus of the Iberosphere.

Napoleon's vision was to turn France into the leading European power, thus leading to the beginning of the Napoleonic Wars. It was during the Napoleonic Wars, specifically the Peninsular War, that the United Kingdom, Spain and Portugal joined forces to stop the onslaught. However, Napoleonic France's betrayal of Spain, the Dos de Mayo uprising, the destruction of the Spanish administration, the division of the Juntas, and the quest to preserve Portugal, were the perfect combination for the Spanish American Wars of Independence, who They saw that it was impossible for Europe to fight on two fronts.

The conjunction of the ideas of freedom and the blurring of Spain and Portugal were the fuel for an independence movement in the American region. From an economic aspect, Spain and Portugal lacked appreciable quantities of gold and silver, so they relied on the search for gold in the colonies through foreign trade. To do this, they used mercantilist practices, these being 1) creating a trade deficit that had to be paid in precious metals and 2) collection. These acts (similar to those that inspired the French Revolution)

accelerated the need for independence [Bulmer-Thomas, 2011].

For this process to occur, a weakening of the Iberian Peninsula was needed, a cause that motivated the search for liberalism and an adequate economic position. The adequate economic position was achieved through the Bourbon reforms and the eventual increase in mining, which, together with commercial issues, turned Latin America into a region with enough wealth to fight for independence. Being everything combined, the movements developed and these are exemplified in the Decree of War to Death dictated by Simón Bolívar. Uniting the above with the independence movement of the United States, Latin America began to cement the ideas of liberalism.

From this history is born one of the most powerful and virtuous regions for the following years. In this document, the importance of the Iberosphere will be established through its economic and social investment, which in turn marks a history based on freedom.

### 3. Economic aspects of the Iberosphere

Economic growth is forecast for 2022 for advanced economies at 3.3% and 3.8% for emerging economies or developing markets. If a focus is made on Latin America, Central America will grow at a rate of 4.8% and South America at 2.3%. Spain, for its part, will grow by 4.8%. If we take the region as a whole, the average growth is 3.97%, above what advanced and developing economies would grow [www.imf.org/external/datamapper/NGDP\_RPCH@WEO/WEO\_WORLD/SMQ/CMQ].

The above shows us the recovery that the Iberosphere had after the pandemic. For its part, the drop in growth during the pandemic was negative 10.8% for Spain, negative 7.1% for Central America and negative 6.5% for South America. What is impressive about the region is its resilience, which bodes positively for the years to come. In fact, the growth of countries that include the Iberosphere is forecast to grow better than advanced economies in 2023.

If we take a closer look, towards the analysis of the gross domestic product per person ( per capita), what it shows us is that Central America has a GDP per capita of 6,610 dollars, South America 8,340 dollars and Spain 30,160 dollars. In this case it is a market of 543.83 million (62.43 million for Central America, 433.8 million for South America and 47.6 million for Spain). It is a market that has income above Africa (\$2,180), Asia and the Pacific (\$8,890) and South Asia (\$2,260). Although the distance from advanced economies is important, this demonstrates the region's significant capacity for growth and cooperation for development.

An example of this has been the growth of Latin American companies in Spain. Currently, Latin America is the fourth largest investor in Spain, [https://www.investin-spain.org/en/news/2021/spain-global-latam-2020] surpassed only by the United States, the United Kingdom and France. If the impact of Latin America with Spain is analyzed, its investment is greater than Germany and China. The investment figure is 4,633 billion euros, which increases to 61,104 billion euros with companies based on parent companies ( holding companies) . The rate of investment from

Latin America in Spain has been 3.8 billion euros annually since 2010.

The companies that have the most developments in Spain are the following:

**Table 1. Projects by Latin American companies in Spain**

Empresa	País	Proyectos en España
Banco Pichincha	Ecuador	25
Cemex	México	10
Havaianas	Brazil	7
Grupo Bimbo	México	7
Cristal Glass	México	6
Sidenor	Brazil	6
Agencias Universales (Agunsa)	Chile	5
Chemo España	Argentina	4
Accenture	Bermuda	4
Paez (Parathon SA)	Argentina	3
	<b>Total</b>	<b>77</b>

Source: Prepared by the author with information from [ICEX, 2020: https://www.dvidshub.net/feature/ICEX2020].

Added to this are different projects in the process of inclusion such as Pistelli Pelz (Brazil), VTEX (Brazil), IG4 Capital (Brazil), DIGIBEE (Brazil), Logan (Argentina), Incluit (Argentina), Olivia (Argentina), Veritran (Argentina), Central American Bank for Economic Integration (Honduras), Navelix (Mexico), Innovak Global (Mexico), Kio Networks (Mexico) and Empresas Polar (Venezuela).

If the performance of companies in the initial phase (startups) is analyzed , Latin America broke its record in 2018 with USD 2 billion invested. Spain has been fundamental in this growth due to the language and the community, as Miami was at the time. Companies such as Banco Sabadell or Seaya Ventures have invested in the growth process of Latin American companies. Telefónica has an investment program in the region with a presence in 12 countries in which it has invested approximately USD 80 million between 2011 and 2017. The reason for this relationship is due to the fact that Spain has the sixth highest number of digital profiles and in cities, Barcelona is number 2 out of 30 European cities regarding the number of developers [For more information: https://news.crunchbase.com/news/how-spain-attracts-latin-american-startups-looking-for-growth].

Spain currently invests 150 billion euros, half of which is in Mexico and 45 billion in Brazil. The rest is invested in Argentina, Peru, Colombia and Uruguay to mention a few countries. During the pandemic, investment decreased, however 77% of Spanish companies plan to increase their investment plans above what they did before the pandemic [Taken from: www.mapfre.com/en/insights/economy/value-spanish-investment-latin-america].

What evidence is that the relationship is a strong and bilateral relationship for companies. Currently there are 652 Latin American companies operating in Spain and generating 32,715 direct jobs. Being a way of prosperity within the Iberosphere. According to the LATAM Global Barometer, 28.8% of Latin American companies expect to increase their

investments in Spain and 34% expect to begin operations in the country [The information is obtained from: <https://pledgetimes.com/the-investment-of-latin-american-companies-in-spain-has-grown-by-92-in-the-last-decade>].

#### 4. Cultural aspects of the Ibersphere

The last two hundred years that have passed in Latin America and the Ibersphere have created a dynamic and resilient culture in the region. To understand the region, it is essential to refer to the research carried out by Gert Hofstede [<https://geerthofstede.com/landing-page>] in which he analyzes six dimensions of culture. The six dimensions are based on power distance, individualism, masculinity, uncertainty avoidance, long-term orientation, and indulgence [[www.hofstede-insights.com/country-comparison/chile](http://www.hofstede-insights.com/country-comparison/chile)].

To simplify the analysis, three categories have been chosen:

- 1) power distance,
- 2) individualism,
- 3) avoidance of uncertainty.

Power distance is defined as a measure to which those without power accept that power is distributed unequally. The highest values show that the people of the country understand that inequality is a certainty that cannot be changed and therefore low numbers refer to that this inequality can be a space for change.

Illustration 3 identifies the relationship that exists between the countries of the Ibersphere that present an average power distance rating equivalent to 69.32. Among them, Guatemala stands out, which has one of the highest ratings on the power distance index, indicating that the country takes inequality as a fact that cannot be changed. For its part, the country that has a better rating in the index is Costa Rica, with a rating of 35.

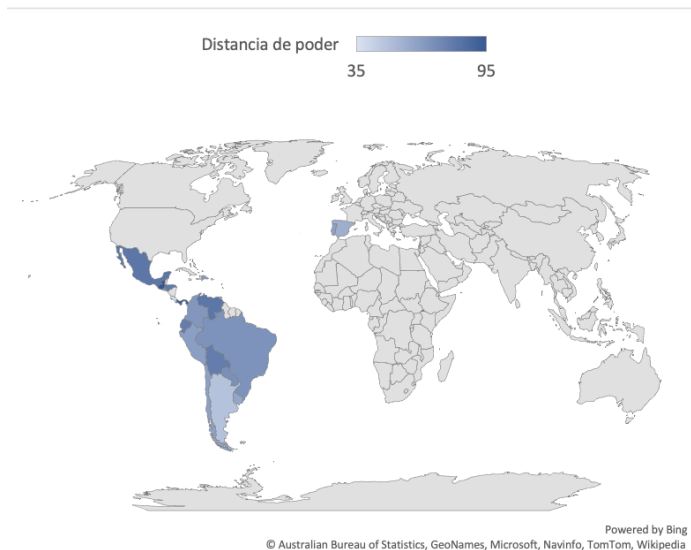


Fig. 1. Pruning distance (Selected countries)  
Source: [Hofstede, 2021, [www.hofstede-insights.com/country-comparison](http://www.hofstede-insights.com/country-comparison)].

What can be concluded about power distance is that for the region, according to the index, a high level of inequality in aspects of power is perceived. The above can be interpreted based on what was expressed above, that the Ibersphere has endured turbulent processes regarding power, having recent constitutional changes and even problems with the political system in its countries. For the year 2021 there is talk of dictatorships in Venezuela, Cuba, El Salvador and Nicaragua and Brazil [Núñez & Malamud, 2021], this being a critical issue between society, politics and economy given that the definition of said countries falls into controversy and has created a partition in positions. region of.

Even so, the power distance index represents one of the most important challenges in the region. Latinobarómetro, a corporation located in Chile, wrote in its latest report that in Latin America support for democracy had decreased considerably in the last seven years, the period being 2011-2018 [Corporación Latinobarómetro, 2018: [www.Latinbarometro.org](http://www.Latinbarometro.org)]. This is why the Ibersphere still has room for improvement in political aspects.

The second category, individualism, measures the degree of interdependence among its members. A low score shows that societies are collective and a high score shows that it is an individualistic society. The average for the Ibersphere is 22.26, with Guatemala being the most collective country in the sample (with 6 points) and Spain being the most individualistic country (with 51 points). Despite the distances, culturally the Ibersphere are societies that are collective. In the case of comparing Portugal or Spain with Europe, both countries are strongly collectivist, perhaps not to the level of Latin America, but compared to other regions they are highly collectivist.

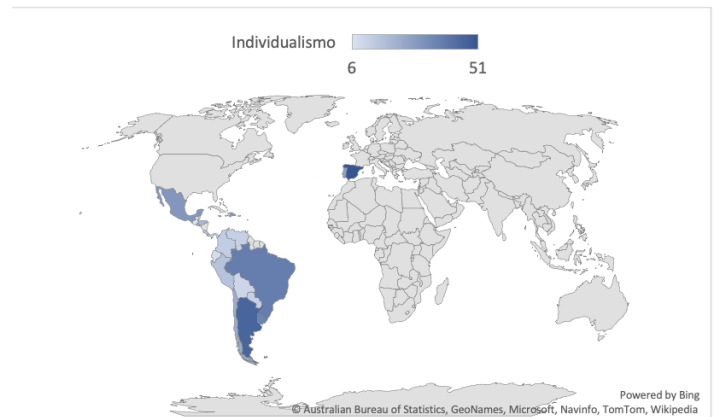


Fig. 2. Measurement of individualism (selected countries)  
Source: [Hofstede, 2021, [www.hofstede-insights.com/country-comparison](http://www.hofstede-insights.com/country-comparison)].

The above makes sense given that since independence, the countries of the Ibersphere have tried to work collectively as a region, even viewed from the issue of aid for the progress of the region [Agencia EFE, 2021: <https://agenciaefe.es/annual-report-2021-financial-results>]. The collective work of societies, marked by their beatitudes or regional struggles, have shown that in crises the Ibersphere has always been united in a collective way. In commercial senses,

the treaties quickly identified the importance of collectivism to grow and thus advance economically. That is why the collectivism of Latin America is a good sign for future advances in the region.

Finally, there is the indicator of avoiding uncertainty. This indicator demonstrates how uncertainty is managed. Among this, countries that avoid uncertainty will seek to identify more laws so that they can provide a framework of legal certainty. In other words, those countries that have a higher rating on the uncertainty avoidance index are countries that are not attracted to change and that, therefore, will do everything possible to avoid it, including writing laws.

In the case of the Ibersphere, we find an average score of 80.21, which indicates that the region prefers certainty over uncertainty. The highest rating is recorded by Portugal, a country in which uncertainty is avoided and this can be seen in its way of managing beliefs and its own laws. For its part, the country with the lowest rating,

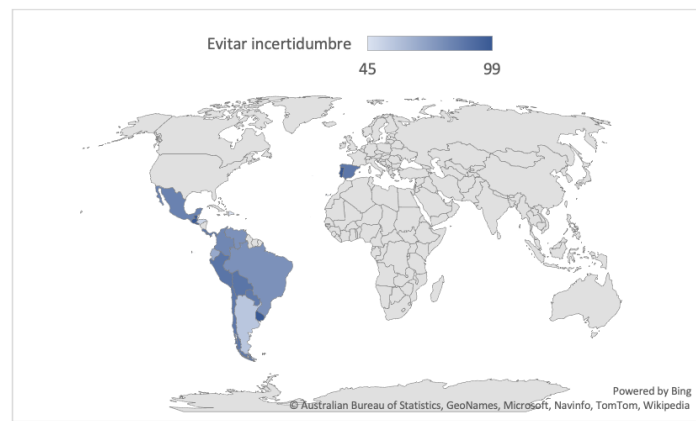


Fig. 3. Avoiding Uncertainty (selected countries)  
Source: [Hofstede, 2021, [www.hofstede-insights.com/country-comparison](http://www.hofstede-insights.com/country-comparison)].

In recent times in the region, there have been social or governmental movements to encourage changes in the constitutions of the countries and thus provide certainty about aspects that have not been considered. Among them, the changes in the laws on abortion restrictions stand out [see: Linthicum & McDonnell, 2021; <https://africanewsagency.com>], changes in the constitution of El Salvador motivated by President Bukele for re-election [Ranteria, 2021] or the use of bitcoin as currency in the country, changes in laws regarding the possession of weapons which has become one of the challenges of the region [Gacs, Glinkhouse, Harrison, & Zissis, 2021].

The Ibersphere has been changing, but its constitutions continue to be permeated by responses to civil wars, dictatorial acts and other events that have led to an important modification of each law with the purpose of preventing it from happening. An example of this is the constitution of the region, in which brushstrokes are observed in the laws to avoid dictatorship issues or armed conflict. A clear example of this is that in countries like Colombia, Honduras, Guatemala, Mexico and Paraguay, re-election is prohibited.

In the case of Costa Rica, El Salvador (with the exception of the current changes), Argentina, Brazil, Ecuador, the Dominican Republic, and Bolivia, a possible re-election period is allowed. In some cases these re-elections may be immediate or non-consecutive [Electoral Strategy, 2019]. Only Chile, Nicaragua, Venezuela, Uruguay and Peru have indefinite reelections, although these can be immediate or non-consecutive.

In the face of uncertainty, there is a propensity to think of dictatorships as a way to eliminate political fluctuation and therefore represent a challenge to current democracies. In Central America, as mentioned above, there are strong discussions in El Salvador, Guatemala and Honduras while for Nicaragua, according to experts, the issue is a reality [The Economist, 2021; [www.economist.com/news/2021/12](http://www.economist.com/news/2021/12)].

So according to the culture of the Ibersphere, it still contains crumbs of history that invites us to think about what it could hold for the future of Latin America. Taking into account the history, constitutional and economic changes in the region, the following section will discuss what the region looks like in the next ten years.

## 5. The Ibersphere of 2031

It is impossible to think about the next ten years of the region without taking into account the history that has been told up to this moment. One of the most important aspects to consider about the future of the Ibersphere is the possibility it has to grow because it has clear areas of growth where other economies or regions are stagnant. The Ibersphere is an area where, as a growing company, it has a strong possibility of representing opportunities that do not exist in other regions and thus impact global development.

The first thing, as the Inter-American Development Bank (IDB) report mentions, [Marczak, Engelke, Bohl, & Saldarriaga Jimenez, 2016] the first fundamental aspect for Latin America and the Ibersphere itself is the search for productivity. Currently, one of the most important challenges for Latin America is the lack of human capital and the strength of institutions [see: Bakker, Ghazanchyan, Ho, & Nanda, 2020]. Despite these challenges, Latin America has made rapid progress in innovation issues, an issue that can advance the process.

In Latin America, Chile, Mexico and Costa Rica lead in innovation [see: Dutta, Lanvin, & Wunsch-Vincent, 2020]. One of the issues in the region is that acceleration programs for companies have proliferated and Venture Capital (VC) programs have been created in the region to implement growth and as an investment option. Even so, the region is unbalanced and must grow in it, but if the past is an indication for the future, innovation can be one of the paths of greatest opportunity for the region.

In combination with the legal aspects, the adaptation of the cryptocurrency by El Salvador, the creation of an ETF in Brazil to monitor bitcoin [see: Escobar, 2021] and the possibility of adopting a cryptocurrency, bitcoin specifically, Paraguay, Panama and Mexico demonstrate an interesting openness of the region. For its part, Spain is the fifth country in the world with the most bitcoin ATMs in the world [see:

The Corner, 2021], which despite the raids on illegal mining, there is still a possible opening.

To the above we must add the importance of the demographic aspects of the region. By 2030 there will be 8.5 billion people in the world [United Nations, 2015]. For Latin America the growth will be 721 million (from 634 million in 2015), while for Spain and Portugal the number will be lower. If the population growth of the majority of the Ibero-sphere is combined and compared with the aging population of regions such as Europe and Asia, the above can be considered an opportunity.

Finally, one of the most important aspects for the Ibero-sphere is the diversification of commercial partners. In Latin America, the current largest trading partners for exports are the United States, China and Canada, while for imports they are the United States, China, Germany and Japan. For its part, for Spain they are France, Germany, Italy, Portugal and the United Kingdom for exports and for imports Germany, France, China and Italy. For its part, for Portugal it is Spain, France, Germany, the United States and the United Kingdom for export and Spain, Germany, France, Italy and Holland [see: World Bank, 2021] for import.

In Latin America, one of the trade partners that has shown the most interest in ceding is China. It has pushed trade relations through MERCOSUR to continue the already existing relations with Chile, Peru and Costa Rica. By 2035, it is estimated that Latin America's trade relationship with China will be 700 billion dollars [see: Youming, 2021]. The debate for the Eurozone, involving Portugal and Spain, over China trade discussions remains specifically that, a debate. However, given the growth and aggressiveness that China presents in terms of trade, by 2030 it is estimated that it will also become a trading partner.

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Like any commercial partnership, this will represent challenges and opportunities for the region. However, to grow consciously and with a positive approach, the social, political, economic and climatic challenges of the region still have to be faced. If in this case we look at the history of the Ibero-sphere, there have been changes, however for what the future awaits this must accelerate.

## 6. Conclusions

The Ibero-sphere is one of the most interesting regions that exist at the present and which is observed with strong interest in the future. Its complex history is difficult to read from a distance. However, the collective spirit of the region is one of the greatest resources and one of the greatest differences compared to other regions.

It is imperative that the region learn quickly from the past, that it uses its appetite for certainty to create legal frameworks that allow the region to act better in the face of the political, social, economic and climatic challenges of the region, specifically the most urgent one. It would be corruption.

Since independence, during economic crises and finally during continuous constitutional discussions, the Ibero-sphere has always sought to improve, perhaps not at the speed expected, but it has sought change. A new generation is glimpsed which is seen as one of the engines of change. This generation that seeks to take a greater participation in the arena, regardless of whether it is political, economic or social, can be the engine of change for the region.

So the Ibero-sphere is a region of opportunities for growth and improvement in which the responsibility falls on each of us and on our collectivist spirit.

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