Center for European Studies Working Paper No. 89

Fifteen years on:

Spanish membership in the

European Union revisited*

by

Charles Powell

Deputy director

Centro Español de Relaciones Internacionales

(Fundación José Ortega y Gasset)

Abstract

This paper attempts to describe and account for the major changes undergone by Spain as an EU player since her accession in 1986. Many analysts appear to have espoused the view that most if not all of these can be attributed to the fact that, following the 1996 general election, a decidedly pro-integrationist Felipe González was replaced as prime minister by a vaguely eurosceptical José María Aznar. Undoubtedly, ideological considerations (and, more importantly perhaps, differences in political culture) must be taken into account when examining the evolution of Spain's European policy over the past fifteen years. However, this paper will argue that changing policy styles and contents should be understood in terms of both the learning process undergone by all new member states as they mature, and the need to adapt and respond to developments within the EU, most notably the evolution of the European integration process itself.

*Paper presented at the conference, "From isolation to integration: 15 years of Spanish and Portuguese Membership in Europe," Minda de Gunzburg Center for European Studies, Harvard University, 2-3 November 2001.

Introduction

For obvious historical and political reasons, until very recently much of the academic literature on Spain and the EC/EU had centred on issues such as the struggle for accession and the domestic consequences of membership. In recent years, however, the focus of analysis has begun to shift towards considerations of Spain as an actor within the EU, and hence its contribution to the overall process of European integration. In keeping with this trend, this paper will explore Spain's evolving position and concerns within the EC/EU since accession in 1986, with a view to identifying continuities and innovations in both policy substance and style. More specifically, it will seek to identify both the domestic and external variables which explain the evolution of Spain's European policy over time. In order to do so, it is probably useful to divide this fifteen-year period into three distinct phases: a) the period running from Spain's accession in 1986 to the Maastricht European Council of 1991, during which its European policy was first defined; b) a period of crisis and (partial) redefinition of priorities, ending with the departure of Felipe González after thirteen years in office; and c) the years since 1996, under the premiership of José María Aznar.²

I. From accession to Maastricht (1986-1991): the golden years of Spanish membership.

This first period may be seen in terms of the Spanish government's efforts to define a European policy aimed at maximizing both the internal and external benefits resulting from membership. At the domestic level, this phase reflects the authority and popularity of a government that had won an unprecedented absolute majority in 1982, which only gradually eroded in the 1986 and 1989 elections, a situation largely attributable to the leaderhip of a highly charismatic prime minister, Felipe González, who was closely identified with the accession negotiations and the 'European project' as a whole. It is also important to note in this context that, unlike Portugal and Greece, in Spain the goal of EC membership had always enjoyed the enthusiastic support of all major social and political actors; indeed throughout the 1980s, domestic public opinion was consistently favourable to the notion of European integration, and to Spain's participation in it. Initially, however, Spaniards were rather sceptical about the benefits of membership, an attitude which only began to improve in the final years of the decade.³ At the EC level, the early stages of Spanish membership were marked by the debates leading to the signing

¹For a recent example of this, see "Spain: The European and international challenges," *Mediterranean Politics* 5,2 (summer 2000), edited by Richard Gillespie and Richard Youngs.

²I have borrowed this periodization—and much else besides—from Esther Barbé, *La política europea de España*, pp. 153-77.

³Belén Barreiro and Ignacio Sánchez Cámara, "La europeización de la opinión pública española," in Carlos Closa (ed.), *La europeización del sistema político español*, p. 31.

of the Single European Act (SEA) in 1987, and the subsequent implementation of the '1992 programme,' culminating in the establishment of the single market.

Partly so as to ovecome the fears expressed by some member states about the Iberian enlargement, Madrid's first priority was to convince them that it was a constructive, responsible partner, capable of developing a 'Europeanist' approach which transcended narrow national interest. To put it very bluntly, Spain had to prove that it would not be another Greece. In practice, this meant supporting initiatives which would further the 'deepening' of the EC, and in particular the single market programme, without seeming to demand too much in return. In a sense, the single market complicated matters for Spain, because its implementation would coincide with the seven-year transition period during which its industrial products (and many of its agricultural goods) would gradually be exposed to European competition. However, the SEA had acknowledged that structural funds would have to be made available to enable less developed members to adapt to the single market, Spain being one of the largest potential beneficiaries. Rather than seeking to limit its impact, the government thus set out to use the '1992 programme' as a catalyst for domestic economic reform. Consequently, the view that a 'deepening' of the EC was fully compatible with the promotion of national interest rapidly gained currency in Madrid.

The importance attributed by the Spanish authorities to the EC presidency during the first semester of 1989 is highly indicative of Madrid's early quest for respectability and credibility. Following the unexpectedly successful general strike staged in December 1988 in protest at the government's economic policy, a number of ministers had advocated calling early elections to strengthen the executive's position. However, González turned down this advice on the grounds that it would disrupt Spain's first presidency in the first semester of the year, and chose to go to the nation in October 1989 instead. Interestingly, polls reveal that Spaniards attributed far greater importance to this presidency than their British (1986), Belgian (1987), Danish (1987), or German (1988) counterparts, as was perhaps to be expected of a new member. Be this as it may, the presidency proved highly successful in domestic terms, and may well have contributed to the government's strong showing at the subsequent elections.

It was also during these early years that Spain identified its major allies in Europe. Traditionally, European decision-makers in Madrid have generally been of the opinion that it is in Spain's best interest to have a Commission which is both effective and influential. This was undoubtedly the case in the late 1980s, and González soon established a good working relationship with Commission president Jacques Delors, whose approach to European integration he largely shared. More importantly, perhaps, accession negotiations had also taught Madrid that its chances of attaining influence within the EC would largely depend on its bilateral relations with Germany and France. More specifically, González had succeeded in winning over Helmut Kohl to the Spanish cause as early as 1983, when he openly endorsed the Chancellor's decision to de-

ploy Pershing missiles on German soil in the face of stiff opposition from the SPD, and it was partly in return for this support that Kohl had linked the Iberian enlargement to the budgetary reforms so vehemently sought by France. The link between EC accession and defence issues was also made explicit in connection with Spain's membership in NATO when Kohl understood that, by encouraging Paris to lift its opposition to enlargement, he would be assisting González in winning the March 1986 referendum, thereby enabling Madrid to remain in the Alliance. Bilateral relations with Paris also improved rapidly in the wake of accession, and thereafter the Spanish authorities did their best to operate under the protection of the Franco-German axis. It is interesting to note that, following accession, in the late 1980s and early 1990s popular attitudes towards France and the French improved very significantly.⁴

Fully in keeping with the above strategy, Spain was a staunch supporter of both Economic and Monetary Union and Political Union from the outset. The government regarded monetary union as the logical outcome of the single market programme, and rushed to join the exchange rate mechanism of the European Monetary System (EMS) in June 1989. This was consistent with the perceived need to prove to other member states that, in spite of its relative economic inferiority, Spain would not stand in the way of closer integration. The finance minister, Carlos Solchaga, had grave doubts as to the wisdom of this move, and there is some evidence to suggest that Kohl hurried González into this decision as a way of bringing greater pressure to bear on the British government, which was bitterly divided over the EMS. In return, Madrid obtained Bonn's support for the adoption of the Social Charter, one of the major goals of the Spanish presidency, which nevertheless fell victim to British objections, which were partially overcome later at the Strasbourg Council in December 1989. This episode aptly illustrates González's willingness to sacrifice short-term economic considerations to longer-term political views, a strategy which was not entirely risk-free.

The Spanish authorities were similarly in favour of Political Union. Following the fall of the Berlin wall in November 1989, González was one of the first European leaders to support the goal of German unification, an attitude which was in marked contrast with initial French and British scepticism. From a Spanish perspective, given that unification was inevitable, the challenge was to make it compatible with European integration, and, if possible, to turn it into a catalyst for further progress. More specifically, Madrid was determined that the future Union should play a larger role in international affairs, not least because this would help it to overcome its own legacy of isolation and irrelevance. This partly explains the importance the government attributed to joining the Western European Union, first as an observer in 1988 and later as a full

⁴With the sole exception of Italy, Germany was consistently the most highly regarded country in Europe by Spaniards in the 1980s-90s. Félix Moral, *La opinión pública española ante Europa y los europeos*, p. 28

⁵Michael P. Marks, *The formation of European Policy in Post-Franco Spain*, p. 114.

member in March 1990, and its subsequent support for efforts to develop a European defence identity. It is important to remember, in this context, that Spanish public opinion believed that the greatest benefit to be derived from EU membership was in the external arena (measured in terms of Spain's increased role in world affairs), rather than in the domestic one (measured in terms of its contribution to political democratization, social modernization or economic development). At a more technical level, in the late 1980s European Political Cooperation gave diplomats access to a degree of knowledge about the world that was unavailable at the national level, and Spain's diplomacy underwent a significant process of modernization, in particular in the crucial but often neglected field of diplomatic communications.

The above-mentioned concerns largely explain the activism of Spanish representatives in the negotiations leading to the Maastricht Treaty, during which they proved remarkably prolific in putting forward proposals on a wide range of issues. This barely-disguised attempt to compete with the 'big four' appeared to bear some fruit, as the high-level meetings held by France, Germany and Spain in October 1991 (without the participation of the Dutch presidency) would suggest. Grateful for its support over unification, Germany was happy to allow Spain to emerge as the major southern actor in the EU, a task made easier by Italy's domestic political difficulties.

During the debates leading to Maastricht, Spain concentrated on advancing three major ideas: the notion of social and economic cohesion; the concept of a European citizenship; and the development of a Common Foreign and Security Policy (CFSP). If in the late 1980s Spain had argued convincingly that the effort required of poorer states in adapting to the single market would demand some form of redistributive assistance from wealthier partners, in the early 1990s it was similarly successful in institutionalizing the principle of social and economic cohesion, thereby enshrining the notion of supranational solidarity. More specifically, in return for committing itself to meeting the Maastrich criteria for membership in the single currency, Madrid, which had feared that it might soon become a net contributor to the EU's coffers—a development domestic opinion would have found difficult to understand—obtained the promise of a future Cohesion Fund.

Partly as a way of counterbalancing the Treaty's economic, indeed technocratic style and content, as early as May 1990 Gonzalez had defended the need to further the notion of a European citizenship, his most important personal contribution to the Maastricht debates. The freedom of movement and residence of EU citizens it envisaged was, of course, fully compatible with national interest, given that some 600,000 Spaniards lived and worked in the other eleven

⁶Félix Moral, La opinión pública española ante Europa y los europeos, p. 49.

⁷L. F. de la Peña, La política exterior y de seguridad común, in España y el Tratado de la Unión Europea. Una aproximación al Tratado elaborada por el equipo negociador español en las Conferencias Intergubernamentales sobre la Unión Política y la Unión Económica y Monetaria, p. 73.

member states, while only 150,000 EU citizens had settled in Spain. In addition, the government also welcomed the progress achieved in the field of cooperation in Justice and Home affairs, not least because it hoped it would strengthen its hand in the fight against ETA terrorism.

Finally, Madrid was also strongly in favour of the development of the CFSP, contrary to the wishes of some member states who advocated maintaining a strictly intergovernmental consensus. Nevertheless, Spain's attitude to the CFSP has always been prudent. At Maastricht, Gonzalez joined others in rejecting Dutch plans to integrate the CFSP within the Community, favouring its 'pillarization' instead. This prudence was also evident with regard to decision-making mechanisms: Spain only supported the use of qualified majority voting for the implementation of policies (joint actions) previously adopted by unanimity, on the grounds that it might otherwise be unable to defend its interests in key regions such as Latin America. In addition, the Spanish government was favourable to the idea of incorporating the WEU within the EU, and strongly supported the idea that multinational forces could operate alternatively under WEU and NATO umbrellas. Overall, Spain's approach to the CFSP has been described by Esther Barbé as Europeanist in its objectives (strong belief in the need for a common European policy, and support for a Commission role); intergovernmentalist in its methods (in favour of a leading role for the European Council and the Council of Ministers); and gradualist in terms of the processes adopted (in favour of the gradual incorporation of the WEU in the EU). The same author has gone so far as to claim that "Spanish Europeanism can be distilled into two basic ideas: first, that CFSP is fundamental in order to further the process of broader European integration; and second, that it is necessary to establish the instruments capable of giving Europeans greater initiative in international affairs."8

Spain's achievements within the EU in the run up to Maastricht may be attributed to a combination of domestic and external factors. On the domestic front, the government continued to enjoy widespread support, largely thanks to the spectacular economic performance of the years 1986-1991, during which GDP growth rates averaged 3.7 percent per annum. The fact that this took place in the wake of accession meant that support for EU membership rose steadily, as did the proportion of Spaniards who believed it was beneficial for their country, a view held by 58 percent of those polled in 1990, slight below an EU average of 59 percent.

Just as importantly, Spain's credibility as an EU actor was enhanced by its determination to break with a long tradition of isolationism. Most significantly, in 1990 Madrid contributed several warships to the naval blockade of Iraq in the context of a WEU operation, its first non-colonial military operation abroad in centuries. Similarly, Spanish troops became involved in a number of UN peace-keeping missions in Africa, Central America and the former Yugsolavia, which had a very favourable impact on domestic opinion. At the strictly diplomatic level, ini-

tiatives such as the launching of the Iberoamerican Community of Nations, which held its first summit meeting in 1991, and the Middle East Peace Conference held in Madrid later in the year, further enhanced Spain's role as a significant international actor. Paradoxically, proving that Spain's ambitions were not limited to the European arena played a very significant part in a strategy aimed at winning the respect and attention of other EU member states.

II. From Maastrich to González's departure (1991-1996): the struggle against growing odds.

This second phase in the development of Spain's European policy was marked by major upheavals at both the domestic and European levels, which fed into each other. At the domestic level, in 1992-94 the government faced the most severe economic recession experienced in Spain since the 1974 international oil crisis. Initially, the government seemed confident of being able to avoid a major recession, but in September 1992 the peseta came under heavy fire in financial markets, forcing it to undertake three successive devaluations, resulting in a 22 percent drop in its value in barely six months. Determined to prevent the peseta from falling out of the EMS altogether, a fate already suffered by the pound and the lira, the government requested and obtained a 15 percent fluctuation rate, in spite of which a fourth devaluation became necessary in early 1995.

On the face of it, the economic crisis barely affected the domestic debate on the Maastricht Treaty, which was on the whole poor and ill-informed. Unlike many other European parliaments, the Spanish Congress of Deputies endorsed the Treaty with a handsome majority: 314 votes in favour, three against and nine abstentions (mostly representatives of Izquierda Unida, a communist-led coalition). However, since economic policy was largely dictated by the need to meet the Maastricht criteria, criticism of the government's handling of the crisis inevitably lead to a questioning of its European policy overall. Thus, popular opposition to the treaty, or rather, to the perceived social and economic costs of meeting the criteria, was far greater than this vote would suggest. Indeed according to an opinion poll conducted in the spring of 1993, only 37 percent of respondents said they would have voted in favour of the Maastricht Treaty had a referendum been held in Spain, the lowest level of support registered anywhere in Europe except Britain. By 1994, only 43 percent of Spaniards admitted to being in favour of membership of the EU (as opposed to an EU average of 56 percent), and as many as 60 percent believed that Spain did not benefit from membership. In other words, Spain's love affair with 'Europe' had not survived its first major recession since accession. In spite of this, throughout the severe 1992-94 crisis, during which unemployment rates reached 23 percent, the highest ever, the gov-

⁸Ibid, p. 49.

ernment remained steadfast in its commitment to monetary union. From the latter's viewpoint, to have done otherwise would have been tantamount to giving up Spain's ambition to be considered a significant European player.

González's determination to remain within the EMS and to meet the Maastricht criteria in spite of the magnitude of the recession meant that he had no alternative but to fight hard for a generous Cohesion Fund at the Edinburgh Council held in December 1992. Although the final outcome was highly favourable to Spain in quantitative terms, the new leader of the opposition, José María Aznar, was able to dismiss the prime minister's achievements as evidence of the fact that only massive EU transfers could compensate for the shortcomings of what could now plausibly be construed as a deeply flawed economic policy. In spite of the highly favourable impact the Cohesion Fund was to have on the economy, by the early 1990s Spaniards were less inclined to see 'Europe' as the answer to all their troubles than they had been in the past. Paradoxically, Gonzalez's most skilful European negotiation ever failed to win him the domestic acclaim he had come to expect for his efforts.

Domestic considerations alone do not fully account for certain significant changes which became apparent in Spain's European policy in the early 1990s, which are perhaps best understood as evidence of Madrid's reaction to changing priorities within the EU itself. In the run up to Maastricht, Spain had embraced a highly orthodox view of European integration. This changed somewhat after the Danish referendum and the opening of negotiations with the EFTA candidates, who were keen to retain their traditional neutrality and refused to join the WEU. Initially, Madrid firmly opposed proposals based on notions of 'variable geometry' or a 'multispeed Europe,' largely out of a growing fear of peripheralization, which had existed in government circles since 1989. However, a bargain was gradually struck in the course of 1992, most notably at the Edinburgh Council itself: the Delors II package and the Cohesion Fund were thus partly the consequence of Spain's acceptance of an opt-out clause for Denmark in the area of defence policy, and of its decision to lift its veto on the EFTA enlargement on account of the neutrality issue. Given that the very existence of a bloc of neutral countries within the EU ran contrary to the Spanish interpretation of the Maastricht settlement, acceptance of these changes implied the adoption of a more flexible approach to European integration as a whole.¹⁰

The Edinburgh Council marked a new phase in Spain's role in the EU, and a change in member states' perception of its European policy. Although Spain had fought hard in defence of national interest in the past, not least during the accession negotiations themselves, it had man-

⁹Gonzalez's efforts enabled Spain to obtain 27 percent of the EU's structural and cohesion funds during 1994-1999, as opposed to the 11.7 percent that went to each of Greece and Portugal, and the 5 percent allocated to Ireland.

¹⁰Esther Barbé, "Spain and the CFSP: the emergence of a 'major player'?" *Mediterranean Politics* 5,2 (summer 2000): 44.

aged to do so without causing undue disturbance. What took member states and EU institutions by surprise was the determination with which it fought for the Cohesion Fund promised at Maastricht and against any form of asymmetry which might undermine its hopes of playing a leading role in the EU. Later, Spain took full advantage of the negotiations with EFTA candidates in order to partially renegotiate its own terms of accession, threatening to delay ratification until its demands were met with regard to gaining access to member states' fishing waters sooner than originally stipulated. Curiously, in so doing Gonzalez was following the advice of none other than Margaret Thatcher, who had told him in 1985 that, rather than fight for favourable accession terms, it made better sense to join the European club at the earliest possible opportunity, with a view to renegotiating those terms at a later date, from inside. 12

From a Spanish perspective, the EFTA enlargement was seen as a threat not only to a continued 'deepening' of the EU, and in particular its cohesion policies, but also to Madrid's ambitions as a major player. It is useful to remember, in this respect, that in May 1992 Gonzalez had proposed that the 'big five' should form a directoire which would assume responsibility for providing leadership in both the Community and the CFSP. 13 The imminent accession of Austria, Finland, Sweden and Norway (which later decided not to join after all) not only meant that the EU's 'centre of gravity' would shift in a northeasterly direction, but also threatened to diminish Madrid's institutional weight, particularly if the threshold for constituting a qualified majority or a 'blocking minority' in the Council of Ministers, which stood at twenty-three votes in the EU-12, was raised. In short, from Madrid's viewpoint what was at stake was the new north-south equilibrium reached within the EU after the accession of Greece, Portugal and Spain in the 1980s. This resulted in a spirited defence of the institutional status quo, eventually leading to the 'Ioannina compromise' reached in March 1994, whereby Spain and Britain, in the face of stiff opposition from Germany, Italy and France, temporarily succeeded in retaining the existing blocking minority. For our purposes, what is significant is that, for the first time since accession, the discourse of 'national interest' began to be used quite openly by Spanish representatives, who no longer refrained from invoking their veto rights out of fear of seeming 'reluctant Europeans,' and who increasingly found themselves in the company of their British counterparts. In short, these changes provide evidence of "the beginnings of a more careful consideration of exactly what degree and kind of cooperation were required to maximize perceived national interest.",14

¹¹The impact on Spanish public opinion of the fishing dispute with Canada resulting from the capture of a Spanish fishing boat in March 1995 probably strengthened the government's hand in this field of policy. ¹²Victoria Prego, *Presidentes*, pp. 235-36.

¹³Esther Barbé, "Spain: realist integrationism," in F. Algieri and E. Regelsberger (eds.), *Synergy at Work: Spain and Portugal in European Foreign Policy*, p. 271

Spain and Portugal in European Foreign Policy, p. 271

14Richard Gillespie and Richard Youngs, "Spain's international challenges at the turn of the century," in Mediterranean Politics 5,2 (summer 2000): 5.

Largely so as to compensate for the growing fear of peripheralization resulting from German reunification, the EFTA enlargement, and the future Eastern enlargement, during this second phase Spanish policymakers tried to inject specific Spanish interests into the common definition of an evolving European interest. More specifically, they stepped up their efforts to make the EU look south (to the Mediterranean) and West (to Latin America). In the former case, the aim was to link North African and Middle Eastern countries to the EU more closely than had been the case, and to make the latter contribute to the stabilization and development of the southern Mediterranean basin. Already in 1990, and partly in response to Spanish interest, Brussels had adopted a New Mediterranean Policy, the Spaniard Abel Matutes being the commissioner responsible for its implementation. Spanish efforts in this area, strongly supported by the Commission and some other member states, notably France and Italy, resulted in a policy which looked forward to the progressive establishment of a free trade area in goods by 2010 and for the gradual opening up of trade in services within the framework of a new Euro-Mediterranean Partnership, formally launched at the Barcelona conference held in November 1995 during Spain's second EU presidency. In principle at least, Spain thereby succeeded in convincing the EU to assume the responsibility of increasing resources destined for Mediterranean cooperation, essentially through the MEDA programme. On the whole, Spanish efforts to achieve something comparable in Latin America met with more limited success, with the result that fundamental objectives had to be pursued through largely national policies. Nevertheless, it is undoubtedly the case that Spanish pressure secured a more generous share of Commission-managed development funds for the region than would otherwise have been forthcoming.

From the moment of accession, one of Spain's overriding concerns was to convince fellow member states that it fully understood that membership entailed certain obligations as well as privileges, particularly in controversial areas such as defence. This largely explains its whole-hearted support for European-led solutions to the problems of European security, undoubtedly one of the hallmarks of Spanish European policy since 1986. The most ambitious sphere that Madrid became involved in was probably the Eurocorps, launched as a tangible reality in 1992 as a result of a Franco-German initiative. In 1995 Spain agreed to contribute a mechanized infantry brigade, and three years later it increased its commitment by offering the Brunete Armoured Division, the best equipped in the Spanish Army. However, internal divisions within the EU over the military dimension of the CFSP left the Eurocorps in an institutional limbo, forcing Spain to invest greater resources in the development of the WEU. Indeed the creation of Eurofor and Euromarfor in 1995 with the participation of Portugal, Spain, France and Italy appeared to lend credence to the emergence of the WEU as a viable force available to the EU for operations in the Mediterranean basin, thereby complementing Madrid's own security provisions in this area.

Spain is undoubtedly amongst the member states for which holding the EU presidency has the greatest domestic political value, and the 1995 edition probably had an even higher internal component than that of 1989, which was already considerable. González had lost his majority in Parliament in the 1993 elections, forcing him to rely on the support of the Catalan nationalists led by Jordi Pujol in order to remain in office. Very tellingly, Pujol largely justified his support in terms of the need to guarantee the stability necessary to meet the Maastricht criteria, a goal most foreign observers believed to be beyond Spain's reach by this stage. What is more, by 1995 González was under mounting media and opposition pressure to resign over a succession of financial and political scandals which had greatly undermined his credibility and popularity. Fully aware that the 1995 presidency would be his last chance to make an impact on the European scene, González pulled out all the stops, but in vain. In spite of events as striking as the Barcelona EuroMediterranean Conference, the signing of a new TransAtlantic Agenda with Bill Clinton, and the naming of the European single currency (Euro), to name but a few, Spanish public opinion was unmoved. With the presidency over, Pujol withdrew his support, forcing González to call early elections in March 1996, which he narrowly lost to the Popular Party under the leadership of Aznar. Nevertheless, the appointment of Carlos Westendorp as president of the Reflexion Group entrusted with the preparation of the IGC which paved the way for the Amsterdam Treaty meant that his views on Spain's European policy would continue to exercise a degree of influence beyond his political demise.

III. The post-González era (1996 to the present): change within fundamental continuity.

Very little was known about the type of European policy Aznar would favour before he was sworn in as prime minister in the spring of 1996. In opposition, the conservative leader had been highly critical of González's failure to defend Spanish national interest in Europe, but without clarifying how he would tackle this task himself. Similarly, the Socialist prime minister had come under attack for accepting Franco-German leadership unquestioningly, but alternative alliances were not made explicit. At a more ideological level, neoliberals within the Popular Party argued that under PSOE rule Spaniards had become accustomed to a bewildering range of public subsidies—many of them the product of González's European policy—which would ultimately prove counterproductive and incompatible with genuine economic modernization. Aznar himself was unusually anglophile for a Spanish politician, and some sectors of his party, strongly under the influence of their Tory friends in Britain, had openly embraced a Spanish variety of Euroscepticism. Since González's solution to Spain's ills had traditionally been 'more Europe,' even those who did not share such a radical stance felt that their own recipe

would have to be somewhat different, perhaps something along the lines of 'more Europe and more Spain.'

While admitting that Aznar's European policy would represent a departure from that of his predecessor, some authors have argued that this is best explained in generational, rather than strictly ideological, terms. While González belonged to the 'generation of 1968,' which had experienced the isolation endured by Spain under Franco and later played a leading role in the transition to democracy, Aznar and his ministers were members of the 'generation of 1989,' which had come of age politically in a fully democratic, European context.¹⁶ By comparison with his predecessor, therefore, Aznar favoured a far less traumatic view of recent Spanish history, one which explained the country's evolving role in Europe in less 'heroic' terms, and which tended to see integration in Europe largely as a consequence of the remarkable socioeconomic changes experienced in Spain as of the late 1950s-early 1960s. In other words, while the former regarded Spain's presence in Europe as something exceptional, the latter could already take it for granted.¹⁷

Overall, by comparison with that of his predecessor, Aznar's European policy since 1996 has introduced a number of interesting novelties without questioning the fundamentals of González's legacy, and may therefore be seen as a combination of change and continuity, with the emphasis on the latter. 18 This already became apparent in the debates and negotiations leading to the Amsterdam Treaty, in the course of which Spain advocated institutional reforms which would pave the way for enlargement while strongly resisting attempts by certain members states to undermine the status quo. 19 More specifically, Madrid rejected the notion of a 'two-speed Europe' advanced by Paris, out of fear of being pushed to the margins of EU affairs on account of its economic vulnerability. The Aznar government was also sceptical about the slightly different notion of 'enhanced cooperation,' seeing in it the danger that some states might be excluded from deeper cooperation against their will. At the institutional level, Spain struggled to retain what it had won at Ioannina, namely its right to be considered one of the 'big five.' This required Aznar to put up a lonely fight well into the last night of the Amsterdam Council of June 1997, forcing the Dutch presidency to acknowledge the existence of a 'Spanish problem' which could only be solved by compensating Madrid with more votes in the Council of Ministers in return for the future loss of one of the two Spanish commissioners.

¹⁵The best expression of this is Guillermo Gortázar's *Visiones de Europa*, published in 1994 as a slightly abridged Spanish version of Stephen Hill's controversial *Visions of Europe*.

¹⁶Andrés Ortega and Pilar Mangas, "Renovación generacional y cambio político," *Claves de razón práctica* 66 (October 1996).

¹⁷José I. Torreblanca, "La europeización de la política exterior española," in Carlos Closa (ed.), *La europeizacion del sistema político español*, p. 507.

¹⁸Rafael Grasa, "Política exterior y de seguridad en un año de tránsito," *Anuario CIDOB 1997*, p. 36.

¹⁹Javier Elorza, "El Tratado de Amsterdam: una evaluación española," in "España y la negociación del Tratado de Amsterdam," *Política Exterior* 79 (January 2001): 37-45.

In spite of these continuities, a comparison between the Maastricht and Amsterdam IGCs reveals certain changes in emphasis. At Amsterdam the Aznar government devoted considerable attention to third pillar issues, most notably by rejecting the very notion of political asylum for EU nationals in other member states, a concern largely dictated by its determination to develop EU procedures and institutions (such as Europol and Eurojust) capable of proving effective in the on-going struggle against ETA. (Some of these concerns were later given even greater salience at the Tampere Council in October 1999, at which Spain advocated the development of the EU as a space for freedom, security and justice.) With regard to the CFSP, Madrid's position remained prudent, advocating the establishment of a permanent organ for planning and analysis, its centralization in the figure of the secretary general of the Council, and the maintenance of unanimity for decision-making while allowing for the introduction of constructive abstention. Overall, during the 1996-97 IGC the government clearly attached less importance to second pillar reforms than to issues relating to the first (such as the weighting of voting in the Council) or third (terrorism and political asylum) pillars, and the CFSP was far less prominent on the Spanish agenda than it had been in the 1990 IGC. 20 It should be noted, however, that this trend was already evident during the final months of the González administration: when the latter listed Spain's future priorities during his farewell speech at the Turin European Council in March 1996, he discussed EMU and the challenges of enlargement, forgetting to mention the CFSP altogether. All of this suggests that as far as Madrid was concerned the debate on the CFSP was by then a question of instruments rather than essence, and that Spain was largely content with existing mechanisms.

During his first few years in office, Aznar was driven by an almost obsessive determination to ensure that Spain would be in a position to join the single currency and take full advantage of Economic and Monetary Union. By 1996 the Spanish economy was beginning to show signs of recovery, and the Maastricht criteria no longer seemed as remote as they had during the recent recession. Nevertheless, Aznar could have succumbed to the temptation of seeking a political solution to the nation's economic shortcomings. However, in September 1996 the prime minister turned down Romano Prodi's suggestion to the effect that Spain and Italy should reach an agreement which would make it difficult, if not impossible, for Germany and France to introduce the single currency without them, making it clear that he intended to meet the Maastricht criteria whatever the cost. This exchange had two immediate consequences: on the one hand, it forced Prodi to abandon his plans to delay the structural reforms necessary to enable Italy to meet the criteria; more importantly, from our point of view, it won Aznar the respect of other

²⁰Esther Barbé, "Spain and the CFSP: the emergence of a 'major player'?" *Mediterranean Politics* 5, 2 (summer 2000): 50.

European leaders, allowing Spain to shed its *Club Med* image almost overnight.²¹ Greatly assisted by a world-wide economic recovery and growth levels reminiscent of the late 1980s, the Spanish government was able to cut public spending, curb inflation and bring down interest rates in time for the May 1998 Brussels Council which admitted the *peseta* into the single currency and the third phase of EMU. The fact that all the other member states which had wanted to join the single currency (except Greece) were finally able to do so did not diminish the significance of this achievement in the eyes of the Spanish government, which reminded public opinion time and again that, for the first time in its history, Spain would be taking part in a key aspect of European integration from its inception. In his determination to neutralize traditional Spanish fears of exclusion from the EU's 'hard core,' Aznar was thus treading firmly in González's footsteps.

This fundamental continuity was also evident in the government's efforts to defend the principle of socio-economic cohesion. Ironically, the impressive performance of the Spanish economy in the late 1990s made it increasingly difficult to defend this principle in the face of growing opposition from net contributors, most notably Germany. In addition, González's closest ally, Kohl, had left the scene in September 1998 to be replaced by Gerhard Schröder of the SPD. Having met the Maastricht criteria, with average annual growth rates of 4 percent and GDP levels at 78 percent of the EU average, it was not easy to demand special treatment for Spain. Additionally, having criticized González in 1992 for the supposedly undignified manner in which he had secured the Cohesion Fund, Aznar was under considerable pressure to outdo his predecessor. This no doubt explains his tough, somewhat abrasive attitude at the Berlin Council held in March 1999, at which Spain was promised ten billion pesetas for the years 2000-2006 from the structural and cohesion funds. ²² Thus, if Edinburgh was the price member states paid to keep Spain sweet on the EFTA enlargement, Berlin could be seen as the concession necessary to ensure that Madrid would not obstruct the forthcoming Eastern enlargement.

It is probably with regard to the defence-related aspects of Spanish European policy that Aznar ventured farthest from the well-trodden path frequented by González. Admittedly, this was largely due to the fact that in the post-cold war era, the Atlanticist-Europeanist fracture which had long divided member states over relations with the U.S. and questions of security and defence lost much of its salience. More specifically, this paved the way for Spain's full incorporation into NATO at the Atlantic Council held in Madrid in July 1997, thereby shedding the constraints imposed by the terms of the 1986 referendum. By the late 1990s Madrid thus formed

²¹Fernando Rodrigo, "La política exterior española en 1997," *Anuario CIDOB 1998*, p. 30.

²²One of Aznar's most compelling arguments was that, although the Spanish economy only accounted for 6.6 percent of the EU-15's GDP, Madrid contributed 7.1 percent of the EU budget. Although the money allotted to the Cohesion Fund dropped from 21,000 to 18,000 Euros, Spain's slice of the cake grew from 55 percent to 62 percent.

part of the 'hard core' of the EU in matters of defence and security, thanks to its new role in NATO and its by now traditional support for the WEU. Unexpectedly, however, this did not lead to greater Spanish presence in defence-related initiatives. In 1998 the 'big four' embarked on a political dialogue which led to the decision to establish military forces for the prevention of conflict and crisis management adopted at the Helsinki Council in December 1999. Although Spain subsequently supported the birth of a Common European Security and Defence Policy (CESDP), it was not one of the promoters of the project. This represented a departure from what had occurred during the negotiations leading to the Maastricht Treaty, in which, as we saw, Spain had played the role of a major player with regard to the birth of the CFSP. Paradoxically, this has been attributed to the replacement of the traditional Franco-German axis by a British 'motor,' which in theory should have benefited Madrid, given Aznar's 'special relationship' with Tony Blair. Be this as it may, in Barbé's view "the effects on Spain are fairly clear: Spain has joined the hard core (armed forces participation) but without having performed the function of political motor, the traditional function of major players."

Aznar's attitude toward the future CESDP may have been coloured by his Atlanticist bias. Although González's early relations with the U.S. were difficult, by the time he left office they could hardly have been improved. The novelty, however, lies in the fact that Aznar not only accepted and welcomed U.S. leadership, as his predecessor had done, but often appeared to be closer to Washington than Brussels. Since 1996, at times of Europeanist-Atlanticist friction Spain has tended to side with the U.S. and Britain, a good example of this being Aznar's reaction to the Anglo-American bombing of Iraq in 1998. This alignment with the U.S. and Britain represents a departure from the behaviour of PSOE governments, which almost invariably sided with the Franco-German axis in times of crisis. The Spanish prime minister's response to the terrorist attacks of 11 September 2001 would also appear to confirm this new trend. Indeed Aznar is of the opinion that some fellow-member states have been more than a little lukewarm in their response to the terrorist threat, a perception which will probably draw him even closer to Washington and London in the near future.²⁴

This latter point leads us to the question of the importance of alliances between member states in the promotion of national interests. As leader of the opposition, Aznar had been highly critical of González's subservience to the Franco-German axis, and was therefore unlikely to follow his lead in this respect. More importantly, however, the Franco-German axis was far less relevant in the late 1990s than it had been a decade earlier. Similarly, Aznar could no longer benefit from the existence of a strong Commission, though he did his best to support Jacques Santer in the face of European Parliament criticism, including that of its president, the Spaniard

²³Esther Barbé, "Spain and the CFSP: the emergence of a 'major player'?", *Mediterranean Politics* 5,2 (summer 2000): 58.

José María Gil Robles. As we have seen, during the final years of the González administration Spanish representatives had increasingly found themselves in the same camp as the British, a trend which became even more apparent under Aznar. In an ideologically hostile European Council (by 1999 Aznar was the only conservative prime minister in Europe, other than that of Luxembourg), it is understandable that the Spanish premier should have found solace in Blair, who has been described (only half jokingly) as the first Christian Democrat to occupy 10 Downing Street. However, talk of a Madrid-London axis should not be taken too literally. As Spain's decision to veto Britain's accession to the Schengen group in 1999 suggests, Gibraltar remains a significant obstacle. More importantly, perhaps, as the Lisbon and Stockholm European Councils have shown, when it comes to major economic issues, both Britain and Spain find it difficult to promote their special interests: the former because of its attitude to EMU, the latter because of its consistently high unemployment levels and its poor performance in areas such as R&D. In these conditions, it is no easy task to lead by example.

Many of the continuities outlined above were again in evidence in the negotiations leading up to the Nice Council of December 2000. Broadly speaking, Spain favoured a minimalist IGC, in other words, one which would allow the EU to strike the institutional bargains necessary for enlargement.²⁵ Madrid was also anxious to prevent the adoption of qualified majority voting as a general rule, essentially so as to retain veto powers over the cohesion and structural funds, but was happy to see it extended to the second pillar, as long as this did not include military operations as such. After lengthy discussions, Spain succeeded in retaining its ability to veto decisions on these funds during the period 2007-13, which was hailed as a major triumph. More generally, Spanish representatives feared that enhanced cooperation should not apply to the 'heart' of European integration, namely the single market and the principle of social and economic cohesion, one of several battles they would lose. Overall, however, the government's top priority was to fight attempts to use enlargement as an excuse to alter the institutional settlement reached during accession negotiations. The official view was that in 1985 Spain had been given 'big power' status in the Commission (with two commissioners, on a par with the 'big four') and 'medium sized' status in the Council of Ministers (with eight votes as opposed to the ten held by the 'big four'). Consequently, if Spain was to lose 'big power' status in the Commission as a result of enlargement, it was entitled to 'big power' status in the Council by way of compensation. This goal was largely achieved when Spain-actively supported by France, which no doubt felt it could do with a large southern ally in an enlarged EU-was allocated twenty-seven votes in the future Council, only two short of the twenty-nine awarded to the 'big four,' even though this meant losing more MEPs-fourteen-than any other member state.

²⁴Author's interview with José María Aznar, 25 September 2001.

²⁵ Javier Elorza, "La UE después de Niza," *Política Exterior* 79 (January 2001).

The Nice Council also agreed that yet another IGC would have to be convened by 2004 in order to continue to shape the process of European integration. True to his pragmatism and his 'deeds, not words' approach to politics generally, Aznar has been somewhat reluctant to take part in the current debate about the future European 'architecture,' and thinks it is somewhat irresponsible, indeed frivolous, to talk of a future federal Europe when the current EU budget cannot exceed 1.27 percent of the combined GDP of its fifteen member states. The Spanish are similarly wary of the idea that Europe's political problems—most notably its legitimacy deficit—will be solved by adopting a formal Constitution, and harbours grave doubts as to the wisdom of seeking to impose Germany's constitutional model on the EU as a whole.²⁶

IV. Conclusions: is Spain punching above its weight?

Since its accession in 1986, Spain has sought to establish itself as one of the 'hard core' members of the EU while recognizing the constraints imposed by its size, its comparatively low level of economic development, its consistently high levels of unemployment and its status as a 'cohesion country.' As we have seen, over the past fifteen years it has attempted to do this in a number of different ways. In the first place, it has taken full advantage of EU policies in order to advance along the road to real-as opposed to merely nominal-convergence with the more economically developed member states. Secondly, and fully in keeping with the principle that EU membership is about sharing rather than losing sovereignty, and hence about sharing rather than losing influence, Spain has been a consistent advocate of a 'deepening' of the EU, as its attitude to EMU, amongst many other major projects, reveals. Thirdly, it has also consistently favoured the EU's ability to play a leading role in world affairs, largely so as to overcome its own shortcomings in this sphere prior to accession. Finally, in order to guarantee all of the above, Madrid has fought hard to retain its institutional status within the EU and reach fruitful alliances, a task complicated by the fact that it does not fit into any of the three categories into which all other member states fall: (i) the very prosperous and large; (ii) the very prosperous and small; and (iii) and the less prosperous and small.²⁷

The forthcoming Eastern enlargement may significantly modify Spain's current weight and role within the EU as a whole. Indeed Spain is facing the prospect of ceasing to be a major recipient of EU funds in order to become a potential donor, and of moving from a context in which Spanish democracy had been bolstered by other EU members to one in which Spain will be expected to contribute to strengthening the new democracies of Central and Eastern Europe.

²⁶Author's interview with José María Aznar, 25 September 2001.

²⁷See José M. de Areilza Carvajal, "Las transformaciones del poder europeo: reforma institucional, principio de subsidiariedad y cooperaciones reforzadas," in José M. de Areilza Carvajal (ed.), *España y las transformaciones de la Union Europea*, pp. 34-35.

This challenge no doubt offers fresh opportunities for Spain, but it is by no means certain that it will be able to take advantage of them unless it undertakes certain reforms. The proportion of the budget devoted to the Foreign Ministry–0.46 percent of the total in 2001, even less than the 0.48 percent earmarked in 1991–will have to be increased significantly in future given that the system will be even more overstretched than it is as present. The Spanish state currently employs some 2,400 civil servants abroad, only a fraction of whom (455) are career diplomats, with a further 230 diplomats based in Madrid. Similarly, it is very telling that five candidate countries, namely Estonia, Latvia, Lithuania, Malta and Cyprus, do not yet have a Spanish embassy. Finally, for many years now defence expenditure has remained one of the lowest in Europe, a trend which has slowed down the transition from a conscript to a professional army currently under way, thereby undermining the credibility of Spain's commitment to the Rapid Reaction Force, amongst others.

These and other considerations might give credence to the view that in recent years Spain has been living beyond its means in the EU, or 'punching above its weight.' If the government wishes to prove these critics wrong, it would be well advised to devote greater material and intellectual resources to its European policy in future.

²⁸Elvira Sánchez Mateos, "Camino viejo y sendero nuevo: ¿España, hacia una política exterior global?" *Anuario CIDOB* 2001, p. 13.