

## **The Long Road to Europe: Spain and the European Community, 1957-1986**

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### Summary

This article seeks to commemorate thirty years of Spanish membership of the European Union by providing an account of the evolution of the country's relationship with the European integration process from its origins to the moment of accession in 1986.

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### Introduction<sup>1</sup>

This article seeks to commemorate thirty years of Spanish membership of the European Union by providing an account of the evolution of the country's relationship with the European integration process from its origins to the moment of accession in 1986. In doing so, it will dwell at some length on the dilemmas facing an authoritarian regime that struggled to adapt to a hostile European political environment while seeking to benefit from the consequences of unprecedented economic growth and prosperity on the continent. In turn, this will allow us to examine the EC's efforts to develop a consistent policy towards a dictatorship that was almost universally detested by European democratic opinion but nevertheless tolerated (and occasionally courted) by member state governments competing for access to an increasingly attractive market. In this regard, the EC's relations with the Franco regime constitute an interesting case study in the dilemmas of democratic conditionality as experienced by an international organisation that had not yet had the opportunity to develop a coherent policy of democracy promotion. As we shall see, the relatively tough line taken by the EC in dealing with a non-democratic regime such as Franco's was to have a lasting impact on Spanish public opinion, and in particular on public

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<sup>1</sup> An earlier version of this article was published in Julio Baquero & Carlos Closa (eds.), *European integration from Rome to Berlin, 1957-2007. History, law and politics* (Peter Lang, Berlin, 2009).

perceptions of the nature of the European integration project as a whole. This partly explains the enormous political significance that was attached to EC membership during Spain's transition to democracy in the wake of Franco's death, which is also examined here in some detail. Indeed there is reason to believe that a majority of Spaniards continued to support the goal of EC membership throughout a lengthy and often frustrating negotiating process (1977-85) precisely because of the political significance it had acquired over the years. In turn, this probably also accounts for the relative ease with which successive governments were able to carry out painful structural reforms that were generally justified in terms of the need to prepare the Spanish economy for the rigours of EC membership.

## 1. From World War to Cold War

Given the origins and founding objectives of the European integration project, relations between General Franco's Spain and the institutions that initially embodied it could scarcely have been easy or friendly. The European Communities that gradually emerged in the mid-twentieth century were conceived to overcome the circumstances and consequences of the inter-war period, and the Spanish regime – which had received considerable military and political backing from the Axis powers during the Civil War (1936-39), and had later tentatively offered Hitler its support – was seen by many as a left-over from an era that had otherwise happily been put to rest. Franco's Spain paid a high price for this 'original sin', and alongside Finland, it was to be the only Western European country excluded from the Marshall Plan and, by extension, from the organisations that emerged on the back of United States reconstruction policy on the continent, most notably the Organisation for European Economic Cooperation (OEEC), set up in 1948. Evidently, a regime such as Franco's was equally incompatible with the Council of Europe, the intergovernmental but eminently political European organisation founded in 1949. Indeed in August 1950 the Council's Assembly became the first European institution to explicitly make Spain's democratization a precondition of membership, when it expressed the hope that "in the near future the Spanish people may be able to hold free elections and set up a constitutional regime, whose members will be eligible to serve as representatives in this Assembly". Finally, unlike the Salazar dictatorship, which benefited from Portugal's centuries-old alliance with Britain, Spain was also barred from the North Atlantic Treaty Organisation, the major Western defensive alliance launched in 1949. It is important to note that the exclusion of Franco's Spain from the early stages of European integration, which initially developed under the auspices of the United States, occurred at the instigation of the major European democracies, which thereby condemned it to extreme dependence on Washington.<sup>2</sup>

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<sup>2</sup> See Charles Powell, 'Spain's external relations, 1898-1975', in Richard Gillespie, Fernando Rodrigo and Jonathan Story (Eds.), *Democratic Spain. Reshaping external relations in a changing world* (Routledge, London & New York, 1995), pp. 16-20.

While uncompromising in their political hostility to the Spanish dictatorship, the Western powers were generally more sanguine when it came to trade relations. Thus, as early as 1948, the United States, Great Britain and France (which reopened its border that year) were already the largest buyers of Spanish exports, particularly agricultural produce, restoring the status quo that had existed prior to the Civil War. This is attributable to both the strength of commercial ties developed over many decades, and to the belief, widely shared in Western Europe, that an economic blockade would be more harmful to Spain's population than to the regime it sought to punish. This position was perhaps best expressed by the French Foreign Affairs Minister, Georges Bidault, during a debate in the French National Assembly concerning the 'Spanish question', when he argued that "il n'y a pas d'oranges fascistes; il n'y a que des oranges"<sup>3</sup>. It was thus that, despite their lack of sympathy for the Franco regime, throughout the 1950s the Western European democracies gradually strengthened their commercial and economic ties with Spain.

In view of the political hostility of Spain's major European trading partners, Franco sought the country's diplomatic reinsertion in the new post-war international order via Washington. By late 1946, the Pentagon's strategists were already seeking to convince the State Department that Spain could be very useful to the United States in the event of another international conflict. This interest only increased in the wake of the Berlin Blockade of 1948, and was confirmed by the outbreak of the Korean War in 1950. With growing support from the US, in November 1950 the United Nations withdrew the sanctions it had imposed on Franco in 1946 (with France and Great Britain abstaining), which paved the way both for the return of ambassadors to Madrid and for Spanish membership of the World Health Organisation (1951), UNESCO (1952), the International Labour Organisation (1953) and finally the UN itself (1955). This bilateral rapprochement between Spain and the US, which took the shape of sizeable loans and government aid from 1950 onwards, eventually resulted in the signing of the decisive September 1953 agreements, whereby Madrid granted Washington the use of four air and naval bases on Spanish soil in return for substantial military and economic assistance.

Although the economic benefits of this agreement were modest by Marshall Plan standards, its political and geo-strategic value was undeniable, for it anchored Spain firmly in the Western camp. It was thus that, less than a decade after the end of a World War in which Franco had taken sides with the defeated powers, the United States and the Cold War enabled Spain to begin to escape the isolation to which it had seemed condemned. However, the 1953 agreement also had somewhat perverse consequences for Spain's relations with Europe, since the latter was able to benefit from its contribution to Western defence (however modest this may have been) without having to offer anything in return. In other words, despite being an eminently

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<sup>3</sup> Pedro Antonio Martínez Lillo, 'Las relaciones hispano-francesas entre 1948 y 1952', in José Ramón de Urquijo & Jean-Pierre Etievre (eds.), *España, Francia y la Comunidad Europea* (CSIC, Madrid, 1989), pp. 145-147.

European power, Spain joined the Western alliance via the United States, as if its geography and previous history had nothing in common with that of its neighbours. Ironically, however, due mainly to the authoritarian nature of the Franco regime, this did not translate into particularly close political or social ties with the US either.<sup>4</sup> In short, this paradoxical situation fostered feelings of isolation and exclusion from the Western European sphere to which Spain had traditionally belonged, a sentiment whose importance must be kept in mind when analysing Spanish society's overwhelmingly pro-European stance in the post-Franco era.

## **2. The Franco regime and the early stages of European integration, 1951-62.**

For the reasons outlined above, Spain was not invited to participate in the early stages of the European integration process.<sup>5</sup> The creation of the European Coal and Steel Community (ECSC) in 1951 barely had any economic impact because these industries were still relatively underdeveloped in Spain. By contrast, Madrid was allowed to take part in preliminary talks concerning the creation of a European agricultural market (or 'Green Pool') in 1953, but the project was later taken over by the OEEC, forcing the government to negotiate entry into this body's agricultural committee, something it did not achieve until 1955, by which time the project had collapsed. More importantly, Spain was later excluded from the negotiations leading to the signing of the Treaties of Rome in 1957, which resulted in the birth of EURATOM and the European Economic Community. However, given that at the time the Six only purchased 30% of Spain's exports and provided 23% of its imports, the regime initially believed it could afford to remain aloof.

In Spain the year 1957 is generally associated not with the Rome Treaties but with the appointment of a new government dominated by 'technocratic modernizers', who initiated a far-reaching transformation of the country's economy policy. Both events, however, were closely related. If the regime decided to abandon its policy of economic self-sufficiency (autarky) it was largely out of fear that it was leading to an economic disaster of unthinkable social and political consequences, an outcome that would inevitably be attributed to its failure to develop closer ties with the major European economies. More specifically, Spain's exclusion from the OEEC had prevented it from benefiting from the European Payments Union, set up in 1950, thereby perpetuating the peseta's non-exchangeability; in practice, this meant that imports could only be purchased with foreign currency earned via exports. Indeed the new government's Stabilization and Liberalization Plan of 1959 would not have succeeded had Spain

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<sup>4</sup> This paradox is explored fully in Charles Powell, 'The United States and Spain, from Franco to Juan Carlos', in Nigel Townson (ed.), *Spain transformed: the late Franco dictatorship, 1959-75* (Palgrave Macmillan, London, 2007).

<sup>5</sup> On this period, see Antonio Moreno Juste, *Franquismo y construcción europea, 1951-1962* (Tecnos, Madrid, 1998), and María Teresa La Porte, *La política europea del régimen de Franco, 1957-1962* (EUNSA, Pamplona, 1992).

not finally joined the International Monetary Fund and the World Bank (1958), and later the OEEC itself (1959), whose experts and funds helped design and finance it. In short, the Plan accelerated the process of Westernisation initiated with the signing of the 1953 agreement with Washington, though in this case the measures implemented led to a rapid Europeanization of the Spanish economy which, in the medium and long term, resulted in weaker commercial ties with the United States.

Though initially greeted with considerable scepticism, if not hostility, the birth of the Community and the fear of being permanently excluded from the major continental markets induced the Madrid government to improve its bilateral relations with the leading member states. The regime was particularly successful in the case of France, as evidenced by the signing of a major trade treaty in 1957 and Paris's decision to lift restrictions on arms sales in 1958, as well as by the joint commemoration of the three-hundredth anniversary of the Treaty of the Pyrenees in 1959. What was more, Spanish Foreign Minister Fernando Castiella developed a good working relationship with his counterpart Maurice Couve de Murville and even General Charles de Gaulle himself. Spain seemed well placed to take advantage of a Gaullist "Europe des patries" led by France, in which the absence of strong supranational institutions would grant leading member states a considerable say in judging future membership applications. In parallel, Madrid also made every effort to win the trust of the Federal Republic of Germany, which was then actively seeking to reassert its national sovereignty. A major obstacle standing in the way of closer bilateral relations was overcome in 1958, when agreement was reached cancelling economic claims dating back to the Civil War. Castiella visited Bonn in 1959, and Finance Minister Ludwig Erhard, the so-called father of the German economic miracle, returned the visit in May 1961. The Franco regime was less successful in its efforts to ingratiate itself with Italy and the Benelux countries, however, which remained consistently hostile to closer ties with Spain.

The birth of the Community in 1957 led to an interesting debate within the Spanish administration regarding the nature and future evolution of the European project, and the political and economic challenges it might pose for an authoritarian regime such as Franco's. The preamble to the Rome Treaty mentioned the need to "preserve and strengthen peace and liberty" amongst the EC's goals, but this was not seen as an insurmountable obstacle to membership. Madrid was nevertheless well aware of the fact that although article 237 stated that "any European state may apply to become a member of the Community", the decision to accept new members required not only the unanimous support of all governments, but also the approval of national parliaments. Matters were complicated further when seven other European states, led by Britain, came together to launch the European Free Trade Association (EFTA) in 1959. The EC appealed to the Spanish government because its members were amongst its major trading partners (with the significant exception of Britain), but its political philosophy seemed incompatible with Francoism. In contrast, the EFTA was thought to be less demanding politically (as evidenced by the presence of the Portuguese dictatorship amongst its founder members), but it was also less appealing

in economic terms, even though Britain accounted for 16% of Spain's exports, as opposed to Germany's 15% and France's 9%. Like Britain, Spain had initially hoped that the rivalry between the Six and the Seven would eventually result in a large free trade area organised around the former OEEC, thus sparing it the need to choose between them. However, EFTA lost all of its appeal in Spain when Britain abruptly put an end to this debate by applying for EC membership in August 1961, with Ireland, Denmark and Norway in its wake. Additionally, Madrid had reason to fear that the Community's incipient Common Agricultural Policy (CAP), which began to take shape in early 1962, would have crippling consequences for Spanish fruit and vegetable exports to the Six. The signing of an association agreement with Greece in July 1961, as well as the opening of talks with other Mediterranean countries, only served to confirm the impression that Spain had no option but to follow suit.

Franco and his alter ego, Admiral Luis Carrero Blanco, were always highly suspicious of the EC, and feared that any attempt to establish closer relations with Brussels would make them increasingly vulnerable to external political pressures. With considerably difficulty, however, the technocrats who had designed the Stabilization Plan succeeded in convincing them that the time had come to abandon their wait-and-see tactics. In doing so, they were greatly encouraged by expressions of French and German support, and not without reason: in November 1961, after meeting Foreign Minister Castiella, De Gaulle had gone so far as to praise "the attitude of Franco and the Spanish regime as a factor for stability and social peace in the world and especially in Europe". This diplomatic support from France (and also Germany) partly explains why Madrid underestimated the importance of a debate held in the European Parliamentary Assembly in January 1962, to examine a report compiled by the German social democrat Willy Birkelbach, a former political prisoner under the Nazis, who had been appointed *rapporteur* of a working group on association and membership applications. Drafted with Spain very much in mind, it argued that "states whose governments do not have democratic legitimacy and whose peoples do not participate in the decisions of the government, neither directly nor indirectly by freely-elected representatives, cannot expect to be admitted in the circle of peoples who form the European Communities", and concluded that "the guaranteed existence of a democratic form of state, in the sense of a free political order, is a condition for membership". In the knowledge that the Assembly's approval was not necessary for membership agreements, the Spanish government went ahead regardless, formally requesting "the opening of negotiations to examine the possibility of establishing an association with the Community capable of leading in time to a complete integration" on 9 February 1962. By way of justification, Castiella's application cited Spain's "European vocation", its geographical position and territorial contiguity with the EC, and its ambitious programme of economic reforms. By way of reply, on 20 February Birkelbach formally enquired of the Council of Ministers and the Commission whether they believed it necessary to consider a request from "a regime whose political philosophy and economic practices are in complete opposition to the conceptions and structures of the European communities". His question attracted considerable

attention, not least because it was the first time the Council had ever been faced with a direct oral question from a member of the Parliamentary Assembly.<sup>6</sup>

Admittedly, the Birkelbach report had referred to full membership status, and not the type of association agreement contemplated in article 238 of the Rome Treaty and sought by Spain. Furthermore, as the Greek case appeared to demonstrate, association agreements could accommodate different modalities of relationship with the EC. With the benefit of hindsight, however, it would seem that the Spanish government made a major tactical mistake by not requesting a more modest commercial agreement, as its own Ministry of Commerce had recommended. The application for associate status provoked a remarkable reaction from the Franco regime's many enemies in Europe, who mobilised via political parties, trade unions, and the media, in an unprecedented effort to stymie what might otherwise have been an unspectacular diplomatic overture. Although Communist and Socialist activists were particularly vocal in their opposition, Liberals and Christian Democrats also played a prominent role. Most surprisingly, perhaps, non-state actors proved most effective in voicing their concern. In June 1962, over one hundred Spanish opposition leaders, both exiled and resident in Spain, convened at Munich under the auspices of the IV Congress of the European Movement, and came to the conclusion that "integration of any country with Europe, whether in the form of full membership or of association, requires democratic institutions", and produced a catalogue of prerequisites for Spanish membership largely borrowed from the European Convention on Human Rights. The Franco regime's more enlightened spokesmen had argued that associate status would accelerate the country's political evolution, but opposition groups loudly countered that this would deprive it of any incentive to abandon authoritarianism.

True to form, the Franco regime shot itself in the foot by overreacting wildly to these events: on returning from Munich, dissidents residing in Spain were forced to choose between exile and confinement, provoking further expressions of protest from numerous European national parliaments, political parties, trade unions and EC officials. In light of this reaction, and in spite of considerable official French and German sympathy for the Spanish application, at the insistence of the Benelux countries, most notably Belgium, the Council of Ministers decided to reply with a mere *accusé de réception*. To a very large extent, the Community was saved in October 1962 by the Commission's decision to put all applications on hold until negotiations with Britain had been completed. In turn, this allowed Madrid to pin blame for the failure of its application on the EC's internal decision-making crisis.

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<sup>6</sup> Daniel C. Thomas, 'Constitutionalization through enlargement: the contested origins of the EU's democratic identity', in the *Journal of European Public Policy*, vol. 13, n° 8, December 2006, pp. 1197-1201.



Ironically, it was the regime's application for associate status that prompted leading European political actors to make explicit what had hitherto been left intentionally vague. The Birkelbach report thus represents a very early expression of democratic conditionality, which had the additional value of providing the Parliamentary Assembly with a pretext to monitor future political developments in Spain. One author has gone so far as to argue that this episode reveals that the constitutionalization of the EC, defined as the embedding of democratic and human rights principles in its treaties and jurisprudence, did not start with the drafting of a treaty or the crafting of a court opinion regarding the proper exercise of authority within the new community's borders, but with a political struggle to set the rules by which the EC would respond to applications for membership.<sup>7</sup> In Spain itself, the general public gradually became aware of the existence of a veto that would only be lifted once the country finally moved towards democracy. As a result, Spain's internal democratization and its membership of the EC increasingly came to be perceived as part and parcel of the same process.

### **3. Coming to terms with rejection, 1962-75**

In view of the EC's prolonged silence, in January 1964 Foreign Minister Castiella approached Brussels once more, though without explicitly alluding to the goal of associate membership. This finally enabled the EC to reply in June of that year, with a rather modest agreement to examine the economic problems posed for Spain by European integration with a view to finding possible solutions. Though widely regarded as the regime's strongest ally in Europe, De Gaulle once again disrupted Madrid's plans by provoking the 'empty chair crisis', finally solved in January 1966 thanks to the so-called 'Luxemburg Compromise'. Once these obstacles were overcome, in July 1967 Brussels offered Spain a mere preferential agreement on commercial trade (as envisaged in article 113 of the Rome Treaty), a politically neutral formula which gained support in the Community following the military coup in Greece that same year, which led to the first suspension of an association agreement on political grounds.

In the 1960s, relations with the EC became increasingly important to Spain owing to the European dimension of the three factors that most affected its economy, namely foreign investment, tourism and emigration. In the wake of stabilization, European capital gradually began to perform the role previously played by US investments. Similarly, by 1967 over 80 per cent of tourists visiting Spain originated in the Six. Additionally, most of Spain's emigrant workers, whose remittances increased sharply in value, chose EC countries as their destination. Furthermore, rapid economic growth in the 1960s failed to eradicate fundamental economic weaknesses while helping to create new ones, the most important of which was the structure of Spain's foreign trade. Although exports grew rapidly during the 1960s and early 1970s, imports

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<sup>7</sup> Thomas (2006), pp. 1190-91.

advanced even faster, resulting in a steadily worsening trade deficit. What is more, the mix of Spain's trade exchanges gave it a tenuous position in world markets: many of Spain's big export industries, such as steel, textiles and automobiles, faced growing foreign competition as well as stagnating demand. For all these reasons, Madrid hoped that closer relations with Brussels would grant it a greater say in decisions that increasingly affected the Spanish economy.<sup>8</sup>

Although the political status of the Preferential Agreement finally signed with Madrid in June 1970 was arguably more modest than that of the association agreements with Morocco and Tunisia, in economic terms it was to prove highly favourable to Spanish interests. The agreement envisaged a significant reduction in tariffs by the EC which greatly boosted Spanish industrial exports to the Six, while the Spanish side was allowed to implement more modest reductions, thereby preventing a massive influx of imports which might have plunged the domestic market into turmoil. As a result, while in 1970 some 46% of Spanish exports went to Community markets, by 1985 the figure had risen to 52%. However, some authors have regretted that the 25% average tariff reduction for industrial goods (as opposed to the EC's 63%) was overly cautious, with the result that Spanish industry –particularly sectors such as shipbuilding- remained over-protected from external competition.

The favourable impact of the Preferential Agreement was significantly undermined by British accession to the EC in January 1973. Until then, Spain had been able to export up to 25% of its agricultural produce to Britain without restriction, but EC membership brought with it new tariff barriers. The signing of a complementary protocol in January 1973 mitigated the impact of enlargement somewhat, but in return Brussels urged Spain to lower its industrial tariffs faster than initially planned, leading to an unsatisfactory stalemate. By this stage, however, growing popular opposition to the regime was seriously impairing its ability to negotiate with the EC and its member states. In December 1970, the death sentences meted out to six ETA activists by a military court –though later commuted by Franco- sparked protests throughout Europe, leading the Commission to warn Madrid of the possible consequences for its relations with the EC. In December 1973, the sentencing of ten trade union leaders to 162 years in prison provoked a similar response. The assassination of Prime Minister Carrero Blanco by ETA that same month triggered a fresh wave of repression, which eventually led to the sentencing and execution of five activists in September 1975, only months before the dictator's death. The regime's refusal to commute the sentences on this occasion resulted in the worst crisis in the history of Spanish-EC relations: all member states (save Ireland) withdrew their ambassadors in protest, and the European Assembly and the Commission successfully demanded that the Council freeze ongoing negotiations to adapt the 1970 Preferential Agreement to the recent enlargement.

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<sup>8</sup> Powell (1995), p. 23. W. Rand Smith, *The Left's Dirty Job. The Politics of Industrial Restructuring in France and Spain* (University of Pittsburgh Press, Pittsburgh, 1998), p. 24.

With the benefit of hindsight, it may be argued that the EC's strategy towards the Franco regime was generally successful. Had it granted Spain associate status, the regime would have claimed it had been fully accepted by the Western democracies, and authoritarianism would have been strengthened as a result. On the other hand, Spain's indiscriminate exclusion from the European markets would have punished Spanish society at large, and not just the dictatorship. In effect, the Preferential Agreement allowed Brussels to steer a middle course, which had the virtue of contributing to the so-called Spanish economic miracle (in 1959-74 Spain grew faster than any other country in the OECD, save Japan), while at the same time preparing its economy for full EC membership in the not-too-distant future.

At a political level, the EC's decision to keep Franco at arm's length also proved far-sighted. By depriving Spain of the real (and imagined) benefits of full integration in a rapidly-developing Community, the EC's veto helped to undermine the ruling authoritarian coalition, elements of which began to regard the regime's continued existence as a hindrance to their present and future prosperity. Additionally, the veto enforced by Brussels, together with the growing prosperity and stability of member states in the 1960s, helped to enhance the appeal of parliamentary democracy as practised in Europe in the eyes of Spanish elites and public opinion at large. More specifically, the EC came to be seen as the embodiment of European values, most notably liberal democracy, and as an antidote to the regime's authoritarianism. It thus came to be widely accepted that democratization would be incomplete unless it was formally sanctioned not only by the major European states, but by the EC institutions as well.<sup>9</sup>

Finally, both before and during the transition to democracy proper, the prospect of EC membership provided guarantees and reassurances to those who faced a post-authoritarian future with apprehension. As one author has observed, membership could be expected to guarantee the free movement of capital, the freedom to travel and work abroad, and most importantly, legal protection against arbitrary confiscation of property. As a result, those sectors of the Spanish population who feared that Franco's death might lead to a violent overturning of the established socio-economic order came to regard the EC as an external wall of containment against possible revolutionary excesses. Indeed the same author has gone so far as to argue that, if such external guarantees had existed in the 1930s, those apprehensive about the consequences of democratization would have been far less inclined to take up arms against the II Republic.<sup>10</sup>

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<sup>9</sup> See Charles Powell, 'International Aspects of Democratization: the Case of Spain', in Laurence Whitehead, *The International Dimensions of Democratization* (Oxford University Press, Oxford, 1996), pp. 293-300.

<sup>10</sup> Laurence Whitehead, 'International Aspects of Democratization', in Guillermo O'Donnell, Philippe C. Schmitter & Laurence Whitehead, *Transitions from Authoritarian Rule. Comparative Perspectives* ( Johns Hopkins University Press, Baltimore, 1986).

#### 4. Spain and the EC, from dictatorship to democracy

Franco's death on 20 November 1975 was greeted with a combination of relief and hope by the EC. In his coronation speech two days later, King Juan Carlos proclaimed Spain's commitment to full integration in Europe's major institutions, a goal subsequently reaffirmed by prime minister Carlos Arias Navarro, who had replaced Carrero Blanco in early 1974. By so doing, they effectively invited the EC (and the Council of Europe) to monitor internal developments closely, and to pass judgement as to when and how the political requisites for membership should be met.

Largely in an attempt to strengthen the king's standing at home, the EC Council of Ministers agreed to resume talks with Madrid in early 1976, even before the new government had provided significant evidence of its democratizing intentions. This prompted a major debate on Spain in the Parliamentary Assembly, in the course of which Socialist and Communist members dismissed Arias Navarro's programme as a half-hearted liberalization of the existing political system. A tour of the nine EC capitals by Foreign Minister José María de Areilza, a committed liberal who lacked genuine authority, failed to convince his hosts of the government's ability to carry out far-reaching reforms. Relations soured further in April, following the arrest of political leaders who had met to announce the creation of a unified opposition platform, prompting a formal protest from EC heads of government which greatly embarrassed the young king. A month later the Parliamentary Assembly adopted a text produced by its *rapporteur* on Spain, Maurice Faure, which once again linked Spanish membership of the EC to progress on the road to democracy. Faure specifically condemned Arias Navarro's plans for a bicameral Cortes, in which a democratically elected Congress would co-exist with a 'corporatist' Senate, on the grounds that such an arrangement "would not measure up to the democratic standards we in the countries of Western Europe set for ourselves". Significantly, he also objected to the government's attempts to exclude communists from the first elections, arguing that "the legal existence of communist parties is a characteristic common to our Western democracies", and consequently a requisite for Spanish accession to the EC. Although the king's decision to dismiss Arias Navarro and replace him with Adolfo Suárez in July 1976 was largely the consequence of his failure to provide effective leadership at home, mounting European pressure in favour of democratization also played a significant role.

Suárez's appointment led to an immediate improvement in Spain's political relations with the EC. After discussing his programme with government and opposition representatives in Madrid, Faure agreed to give him the benefit of the doubt, and in December 1976 he returned to Spain to express the Parliamentary Assembly's satisfaction at the success of the referendum on the decisive Law for Political Reform, which paved the way for free elections in June 1977. Before these took place, in April the Assembly responded to the legalization of the Communist Party with a resolution that amounted to an enthusiastic endorsement of Suárez's performance thus far. Finally, in July the European parliamentarians greeted Spain's first free elections

since 1936 with a resolution expressing the “political will to see Spain occupy its place in the European Community as soon as possible”, in view of which the second Suárez government immediately submitted its membership application. That autumn, the prime minister embarked on his first –and last- tour of the nine EC capitals, in the course of which it became apparent that, in spite of having met the political requisites laid down by Brussels, the road to full membership would be a difficult one. Nevertheless, this external endorsement of Spanish democratization by the EC was extremely important in the eyes of domestic political actors and the public at large.

Membership of the EC was thus sought for essentially political motives. Given the widely-shared perception that there was a strong causal link between the establishment of a democratic political system and accession to the EC, only the latter’s recognition could render the new parliamentary monarchy fully legitimate in the eyes of most Spaniards. Furthermore, the consolidation of the new democracy could best be underpinned by EC membership, which would somehow prevent Spain from sliding back into authoritarianism. It is interesting to note, in this regard, that the symbolic importance attached to EC membership appears to have been considerably greater in Spain than in Portugal or Greece, the other two southern European countries undergoing democratization at the time. This has been attributed to the fact that, while Spain was totally excluded from European institutions during the post-war years on account of Franco’s ‘original sin’, alluded to earlier, Portugal was allowed to join both NATO and EFTA, while Greece, which was a member of both the Alliance and the Council of Europe, also enjoyed a closer relationship with the EC on account of its association agreement of 1962. Furthermore, the accommodating attitude of some European states towards the Greek military dictatorship established in 1967 appears to have undermined the EC’s prestige in the eyes of many Greeks. This may partly explain why in Spain the goal of EC accession enjoyed the unwavering support of all major political parties, including the communists, while in Greece and Portugal it failed to attract the unanimous support of either their parliaments or their people.<sup>11</sup>

Three additional motives for seeking accession deserve mention here. Above all, EC membership was seen by many as the best means of overcoming decades –perhaps centuries- of social, political and economic backwardness. Of course the notion that only closer ties to Europe could lift Spain from its state of prostrate insignificance was hardly new: in the aftermath of the Spanish-American War of 1898, in which Spain had lost its remaining major colonies (Cuba, Puerto Rico and the Philippines), a new generation of intellectuals and politicians had come to precisely this conclusion, and in 1910 the philosopher José Ortega y Gasset had gone so far as to declare that ‘Spain is the problem, and Europe the solution’. What is remarkable is not so much the fact that this diagnosis rang as true in the 1970s as it had over sixty years earlier, but rather that it was specifically relevant to Spain’s integration in a Community based

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<sup>11</sup> Charles Powell, *Cambio de régimen y Política exterior: España, 1975-1989*, in Javier Tusell, Juan Avilés and Rosa Pardo (eds.), *La política exterior de España en el siglo XX* (Biblioteca Nueva, Madrid, 2000), pp. 415-419.

on the notion that member states' interests could best be advanced (and protected) by pooling their sovereignty. In short, the idea that a combination of 'less Spain' and 'more Europe' would enable the country to overcome many of its long-standing structural problems sat comfortably with the goal of integration in a supranational entity. This partly explains why Spaniards would later remain enthusiastic supporters of the process of European integration: 'deepening' could hardly be regarded as a threat by those anxious to overcome an unhappy past in a Community which appeared to embody the promise of a better future.

Secondly, EC membership was widely perceived as a means of overcoming decades of international isolation and irrelevance. In this sense, accession has been described as a cure for the collective inferiority complex nurtured by Spaniards for generations, which cannot be attributed exclusively to the feelings of rejection accumulated during the Franco era.<sup>12</sup> Though Francoism did nothing to dispel them, doubts as to Spain's 'Europeanness' in other parts of the continent long predated the Civil War and the dictatorship. As one author has argued, Spain was on the outer limits of the concept of Europe held by most Europeans who had considered themselves such for some time.<sup>13</sup> This would explain, for example, why King Juan Carlos felt the need to use his coronation speech to solemnly remind the world that "the idea of Europe would be incomplete without reference to the presence of Spain and without consideration for the activities of my predecessors. Europe must take Spain into account, because we Spaniards are European". In spite of the above, it is nevertheless true that most Spaniards attributed the duration and intensity of Spain's international isolation primarily to the Franco's regime, which is why many associated democracy not just with Europe, but with a more dignified international status overall.<sup>14</sup>

Finally, EC membership was also attractive in the 1970s because it was widely believed it would help defuse mounting centre-periphery tensions. During the transition to democracy, peripheral nationalists (in Catalonia and the Basque Country particularly), paid lip service to the notion that remaining within Spain would be less unpalatable if it proved compatible with accession to the EC. Implicitly, the hope was that by devolving competences 'downwards' to the regions and 'upwards' to Brussels, the Spanish state would gradually wither away, enabling the former to establish closer direct links with EC institutions. Though these assumptions turned out to be largely

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<sup>12</sup> José María Jover, 'La percepción española de los conflictos europeos: notas para su entendimiento', in *Revista de Occidente*, 57, 1986, pp. 39-40.

<sup>13</sup> Roberto Mesa, 'La posición internacional de España. Entre el centro y la periferia', in *Leviatán*, no. 33, 1988, p. 42.

<sup>14</sup> Berta Álvarez Miranda, *El Sur de Europa y la adhesión a la Comunidad: los debates políticos* (CIS, Madrid, 1996), pp. 311-40.

unfounded, they certainly proved useful during membership negotiations, ensuring the support of the major nationalist parties for the central government's efforts.<sup>15</sup>

In addition to these essentially political motives, there were of course very powerful economic arguments in favour of Spain's application. As already mentioned, the Spanish economy had experienced very significant development in 1959-74, but the engines of growth (emigrants' remittances, tourism, foreign investment and technological imports) had begun to falter in the wake of the 1973 international oil crisis. Furthermore, Spain's industrialization model, based on protectionism, tariff barriers and considerable state intervention, had become out-dated. Experts thus increasingly saw EC membership as a means by which to modernize the Spanish economy by exposing it to much-needed open market discipline.<sup>16</sup>

However, it was above all the starkly asymmetric nature of its commercial relations with EC member states that added a special sense of urgency to the Spanish application. In 1977, 48% of its exports were bought by EC member states (and as much as 57% of its agricultural produce, including 80% of its fruits and vegetables), while 30% of its imports came from the Nine (including 39% of its industrial goods). Isolation from Europe made no economic sense, and the cost of non-membership would greatly outweigh the cost of adapting to integration. The fact that some nine hundred thousand Spaniards were then earning a living in EC countries was a secondary, though by no means insignificant, consideration. Finally, the Spanish government feared that any delay in lodging its application for membership would allow Brussels to concentrate on Greece and Portugal –who had submitted theirs in June 1975 and March 1977, respectively- thereby giving the EC an excuse to delay consideration of Spain's case until these had been resolved. Despite the reticence of many member states, with considerable French assistance Greece later succeeded in distancing itself from the two Iberian candidates, joining the EC in 1981.<sup>17</sup>

Madrid's application was received with a mixture of joy and apprehension by the Nine. Like those of Greece and Portugal, Spain's request reflected the progress of democracy in Europe, as well as a gratifying recognition of the EC's growing prestige. However, unlike the other two southern European applications, it caused serious concern on account of the size and structure of the Spanish economy. More specifically, the Commission and a number of European capitals were alarmed by the competitiveness of some of Spain's agricultural products, the size of its fishing fleet,

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<sup>15</sup> Miguel Ángel Quintanilla Navarro, *La integración europea y el sistema político español: los partidos políticos españoles ante el proceso de integración europea, 1979-1999* (Congreso de los Diputados, Madrid, 2001), pp. 126-142.

<sup>16</sup> Carlos Closa & Paul Heywood, *Spain and the European Union* (Palgrave Macmillan, London, 2004), p. 14.

<sup>17</sup> Raimundo Bassols, *España en Europa. Historia de la adhesión a la CE, 1957-85* (Estudios de Política Exterior, Madrid, 1995), pp. 169-70.

the possible future mobility of its workforce and the relative poverty of some of its regions.<sup>18</sup>

In a nutshell, Spain's accession negotiations can be described as the process whereby EC industrial goods were granted access to the Spanish market in exchange for Spanish agricultural products gaining access to those of the Nine. In Spain itself, the difficulties encountered have generally been attributed to French (and to a lesser extent, Italian) opposition, which certainly contrasted with the more constructive attitude of Germany and even Britain. However, it should be remembered that the opening of negotiations came at the worst possible moment. In 1979, Europe plunged into the second economic crisis of the decade, when it was still reeling from the effects of the first. Furthermore, serious disagreement over the structure of the EC budget, the future of the CAP and the so-called 'British Rebate' resulted in an almost unprecedented internal paralysis.

The first phase of the negotiations opened with Spain's application on 28 July 1977, to which the Commission responded with a favourable opinion in November 1978. (In February of that year Suárez had made one of his closest political allies, Leopoldo Calvo Sotelo, minister responsible for negotiations with the EC). Following its approval by the Council of Ministers and the European Parliament, formal negotiations started in February 1979. France, however, immediately instigated a variety of delaying tactics, such as the request that the Commission provide a '*vue d'ensemble*' before allowing negotiations to get underway. Despite their public support, other member states, ostensibly scandalised by France's attitude, chose to hide comfortably behind Paris's position, artfully concealing their own misgivings. Alarmed by France's attitude, in November 1979 Suárez travelled to Paris to meet President Valéry Giscard d'Estaing and Prime Minister Raymond Barre, but to little avail.<sup>19</sup>

Spanish fears were confirmed in June 1980, when the French president publicly announced that the Iberian enlargement (but not Greek accession) would have to wait until the consequences of British membership had been fully digested. Although in Spain this position was initially attributed to the upcoming presidential elections scheduled for May 1981, and the need to woo voters in southern France, it was in fact strongly reminiscent of De Gaulle's stance towards Britain and the CAP in the 1960s, in the sense that the ultimate goal was to modify the internal rules of the game in France's favour before the next enlargement deprived it of the ability to do so. This was largely confirmed by the fact that the socialist François Mitterrand, after duly

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<sup>18</sup> Spain's accession implied a 25% increase in the EC's agricultural workforce; a 30% increase in arable land; a 48% increase in fresh fruit production; and a 59% increase in olive oil production. Furthermore, Spain's fishing fleet totalled 70% of the fleet of the Nine; following its accession, one out of every three fishermen in the EC would be Spanish.

<sup>19</sup> Julio Crespo MacLennan, *Spain and the Process of European integration, 1957-85* (Palgrave, Basingstoke, 2000), p. 161.



defeating Giscard d'Estaing in the presidential election, was soon pursuing a very similar policy to that of his conservative predecessor. This became evident in June 1982 during his first official visit to Spain, when he demanded that the Commission draft a new 'inventory' of the problems posed by enlargement. In short, negotiations reached a stalemate because France insisted on reforming the financing of the CAP before enlargement so as to prevent Spain's accession from harming its interests, while Germany initially refused to increase its overall contribution to the EC budget in order to make this possible. To make matters worse, this European *impasse* coincided with a deep political crisis in Spain itself, which led to Suárez's resignation as prime minister and leader of his party in January 1981, and the subsequent coup attempt in February, both of which further undermined Madrid's bargaining position. Nevertheless, Spaniards were pleased by the Commission's formal condemnation of the coup, and the European Parliament's call for an acceleration in accession negotiations. By that stage, the idea that EC membership would help to underpin democratic consolidation was widely adhered to both in Spain and abroad.

Lack of progress in the negotiations encouraged domestic actors to air their concern about the economic consequences of accession. Since Spanish agricultural products did not have a viable alternative to EC markets, industrialists feared that the government would seek a favourable trade-off at their expense. Though generally supportive of EC membership, the Confederación Española de Organizaciones Empresariales (CEOE), Spain's leading business association, feared that the elimination of industrial tariffs would open them up to devastating competition from more efficient European firms, and therefore advocated a very long (ten-year) transition period. Later, in 1982, it was particularly outspoken in its criticism of the government for having agreed to introduce value added tax (VAT) from the moment of accession, as the Commission had requested. More generally, CEOE leaders feared that, due to their domestic political difficulties, Suárez (and later Calvo Sotelo) would accept highly unfavourable terms in a desperate attempt to conclude negotiations at any cost. Paradoxically, while this criticism may have undermined the standing of both prime ministers in the eyes of some voters, it probably strengthened the bargaining position of Spanish negotiators as well.<sup>20</sup>

Throughout his time in office, Suárez, who spoke neither English nor French, showed little interest in Community affairs, and only visited Brussels once, in November 1977. Though he remained committed to the goal of EC membership throughout his premiership, the fact that progress in the negotiations was at best unspectacular partly explains his aloofness. It is also interesting to note that he was careful never to link EC and NATO membership, probably because he always harboured doubts about the latter, which was also far more controversial. Suárez had initially feared that serious disagreement over foreign policy might jeopardise the badly-needed domestic

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<sup>20</sup> Closa & Heywood (2004), p. 21. Rachel Jones, *Beyond the Spanish State. Central Government, Domestic Actors and the EU* (Palgrave, Basingstoke, 2000), pp. 24-51.

consensus successfully forged during the constituent process; once the new Constitution had been adopted in December 1978, however, the major left-wing parties, which remained strong supporters of EC membership, became increasingly vocal in their opposition to NATO.

Suárez's successor, Calvo Sotelo, held a slightly different view of Spain's role in the world, and in his inaugural speech in February 1981 he promised to pursue a "European, democratic and Western" foreign policy. Calvo Sotelo was strongly committed to the Atlantic alliance, and saw no contradiction between Spain's future presence in NATO and its willingness to play a more active international role. Seen in this light, Spain's application for NATO membership in December 1981 (which had been endorsed by Parliament in October) was partly designed to strengthen its appeal in the eyes of other signatories of the Washington Treaty who also belonged to the EC, by proving Spain's commitment to the defence of the West. In other words, for Calvo Sotelo, EC and NATO membership were not only perfectly compatible, but mutually reinforcing.<sup>21</sup>

Spain formally joined NATO in May 1982, unleashing a wave of political turmoil that made serene and informed debate on Spanish foreign policy virtually impossible. Curiously, the possible impact of this decision on the on-going negotiations with the EC was hardly ever raised in public. Nevertheless, some critics did argue that NATO membership would make Spain a less attractive candidate in the eyes of the EC, on the somewhat bizarre grounds that a country so clearly aligned with Washington would have fewer chances of acting as a 'bridge' between Europe and Latin America.

## 5. Negotiating in earnest (1982-86)

The landslide victory won by Felipe González's socialist party (PSOE) in the October 1982 elections provided the new government with a strong popular mandate, such as Suárez had never enjoyed. For both political and economic reasons, EC membership was González's foreign policy priority.<sup>22</sup> Intellectually, the new prime minister's outlook was strongly influenced by the so-called 'Generation of 1914', and in particular Ortega y Gasset, who as early as 1909 had urged the PSOE to be the "party that will make Spain European". For González, membership of the Community had considerable symbolic value, since it represented a chance not only to overcome the international isolation of the Franco period, but also what the prominent philosopher had called

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<sup>21</sup> Leopoldo Calvo Sotelo, *Memoria viva de la transición* (Plaza & Janes, Barcelona, 1990), pp. 126, 144 and 233-34.

<sup>22</sup> Inevitably, lack of progress in negotiations hurt the EC's popularity somewhat. In April 1980, 58% of Spaniards had espoused favourable views on membership, 13% were divided and only 5% were against. By October 1982, those in favour had dropped to 48%, uncertainty had increased to 24%, and rejection rose slightly to 7%. However, in Portugal during this period those with favourable views of EC membership never exceeded 25% of the population. Eurobarometer, 18, December 1982.

Spain's 'Tibetization', by which he meant its exclusion from the European cultural mainstream.

From an economic viewpoint, if anything EC membership seemed more urgent in 1982 than it had in 1977. Partly due to the uncertainty generated by the transition to democracy, Spain's economic performance during the intervening years had been poor: whereas most other European nations had rebounded from the 1973 oil shock by 1976, Spain never fully adjusted. The result was a sharp increase in unemployment and inflation, and a worrying decline in foreign investment. Furthermore, in order to prepare the economy for EC membership, the government faced the task of reforming an outmoded small-scale agricultural sector, an ill-adapted financial system hobbled by undercapitalized banks and securities markets, and an industrial sector handicapped by inefficient state-run firms. Although the economic reforms adopted by the PSOE proved socially painful- with unemployment rising from 15.6% in 1982 to 21.1% in 1985- the government's popularity allowed it to ride the storm without great discomfort. The prospect of EC membership thus became both a pretext and a catalyst for the modernization and opening-up the economy to the outside world, as well as for adapting an outdated state bureaucracy to the new needs and demands of Spanish society.<sup>23</sup>

As other candidates to EC membership had already discovered, what proved decisive in the Spanish case was not so much the bilateral negotiations between Brussels and Madrid, but rather the discussions between existing member states, which had to reach an agreement first regarding the cost of enlargement and the ensuing burden-sharing. (Generally speaking, a candidate country does not have a great deal to negotiate, other than the rate at which it complies with the rules of the club that it plans to join, namely the *acquis communautaire*). Increasingly aware that this would essentially require a prior understanding between France and Germany, González and his government focused their efforts on furthering bilateral ties with Paris and Bonn. This decision also made good economic sense, since these two countries were also Spain's major trading partners: by 1984, they accounted for 54% of Spanish imports (25% per cent from France and 29% per cent from Germany) and 50% of exports (with 30% per cent going to France and 20% per cent to Germany). Furthermore, between them they provided a quarter of all foreign direct investment.

Initially, Mitterrand did not seem very willing to make concessions to González, despite their ideological affinity. In line with his predecessor's approach, in December 1982 he announced that the reform of the CAP and a solution to the British contribution to the EC budget should precede enlargement. Consequently, Madrid sought the complicity of the German Chancellor, the Christian Democrat Helmut Kohl, who was whole-heartedly in favour of enlargement for political, economic and geo-strategic reasons. González duly visited Kohl in May 1983 to offer him his

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<sup>23</sup> Charles Powell, *España en Democracia* (Plaza & Janes, Barcelona, 2001), p. 357.

unconditional support for the deployment of Pershing missiles on German soil in the face of stiff opposition from his political allies in the German Social Democratic party (SPD), and in blatant contradiction with his own electoral programme, which had demanded the removal of all medium-range missiles from Europe. This gesture partly explains why Kohl spoke out so forcefully at the Stuttgart European Council held in June, explicitly linking the successful outcome of the budget crisis to Spanish and Portuguese accession. From then on it became clear that, as far as Bonn was concerned, France would not obtain the increase in Community funds needed to overhaul the CAP, from which it benefited more than any other member state, until after the Iberian enlargement had taken place.<sup>24</sup>

However, Germany's support did not immediately overcome French resistance, prompting King Juan Carlos and González to visit Paris in November and December 1983, respectively, in a desperate attempt to make Mitterrand reconsider. According to González's Foreign Minister, Fernando Morán, when finally forced to choose between taking responsibility for Spain's exclusion and playing a leading role in its accession, which would also shift the EC's centre of gravity southwards, the French president finally conceded that the latter option was undoubtedly preferable.<sup>25</sup> However, the point of no return was not reached until the Fontainebleau European Council of June 1984, which finally produced an agreement on the British rebate and the reform of the CAP, enabling Mitterrand to announce that Spain's accession would take place on 1 January 1986.<sup>26</sup> Along the way, Madrid also agreed to lift the blockade of Gibraltar, imposed by the Franco regime in 1969, in response to British demands, and to recognise the state of Israel, as requested by the Netherlands.

In late 1984 the Spanish government succeeded in getting Brussels to accept a six-year transitory period for industrial products, rather than the three years initially proposed by the Commission, but in early 1985 there were still disputes over some crucial aspects, including agriculture, fisheries, social affairs, the Canary Islands and relations with Portugal. Under Italy's presidency of the EC, in March 1985 a seven-year transitory period was also agreed for agricultural products in general, with extensions of up to ten years for the most competitive Spanish products. Shortly afterwards, Madrid agreed to a very stiff fifteen-year transition period for full access to EC fishing waters, paving the way for the signing of the Treaty and the Act of Accession to the European Economic Community on 12 June 1985.

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<sup>24</sup> Understandably, Kohl's stance improved Germany's already very favourable standing in the eyes of most Spaniards. In the 1980s, no other European country was more widely admired, while France, and of course Britain, were significantly less popular. Félix Moral, *La opinión pública española ante Europa y los europeos. Estudios y Encuestas*, 17, 1989, Centro de Investigaciones Sociológicas, p. 28.

<sup>25</sup> Fernando Moran, *España en su sitio* (Plaza & Janes/Cambio16; Barcelona, 1990), pp. 281-84.

<sup>26</sup> Loukas Tsoukalis, *The European Community and its Mediterranean Enlargement* (George Allen & Unwin, London, 1981), p. 147.

Although both trade unions and business associations expressed reservations, Spaniards generally regarded the outcome of this eight-year long negotiation as satisfactory.<sup>27</sup> This was partly because EC membership brought with it a swift economic recovery, and by the end of González's first term in mid-1986 Spain was poised for rapid growth. Many experts nevertheless believed that Brussels had imposed "a punishing treaty of accession", but Madrid never requested a formal renegotiation.<sup>28</sup> Instead, González followed the advice of Margaret Thatcher, who had told him in 1983 that it was wiser to join the club as soon as possible and then fight to improve accession conditions from within rather than antagonise other members states by obstinately seeking an ideal membership deal from the outset.<sup>29</sup> This strategy later enabled Spain to considerably reduce the transitional periods for agriculture and fisheries, the free movement of workers, and the elimination of the external tariff.<sup>30</sup>

The outcome of negotiations was also broadly satisfactory at an institutional level. Spain was offered either ten Council votes and one commissioner, or eight votes and two commissioners; the fact that it chose the latter reflects the importance traditionally attributed to the Commission by Spanish officials. In addition, it obtained sixty out of 518 members of the European Parliament, and one of the thirteen judges in the Court of Justice. Considering that in 1985 Spain's population represented 12% of that of the EC-12, and that its share of the cake in GDP terms was a mere 6.5%, the fact that, on average, its institutional weighting was approximately 11%, constituted a significant diplomatic achievement.

Although some of the leading players in these events have been curiously reluctant to admit it, there is no doubt that membership of the EC was closely linked to Spain's continued presence in NATO. González had gone to the polls in 1982 with the promise that he would call a referendum to withdraw Spain from the Alliance, on the grounds that Calvo Sotelo's application for membership had been rushed through in the face of widespread popular opposition to NATO, which many Spaniards regarded as a mere instrument of US foreign and security policy. Once in office, however, it soon dawned on him that withdrawal would damage his country's standing in Europe and beyond, but he was reluctant to go back on his electoral promise. The only solution

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<sup>27</sup> According to a November 1986 poll, 52% believed EC membership was a good thing, 21% thought it was neither good nor bad, and only 9% had negative feelings about accession. Moral (1989), p. 46.

<sup>28</sup> Joseph Harrison, 'Spain' in David. A. Dyker (ed.), *The National Economies of Europe* (Longman, Harlow, 1992), p. 205.

<sup>29</sup> González has admitted that Margaret Thatcher taught him "a lesson [he would] never forget", when she told him: "I would like you to know that there are two negotiations. You are in the midst of one now, but once you are sitting at the Council table, you will have to start another, and you will have to renegotiate everything that is causing you trouble now. This is my advice to you, because it is what I have been doing for the past five years". Victoria Prego, *Presidentes* (Plaza & Janes, Barcelona, 2000) p. 236.

<sup>30</sup> Antonio Elorza, 'Reflexiones y balance de diez años en la Unión Europea, in *Información Comercial Española*, vol. 766, pp. 15-16.

was to call a referendum after having convinced public opinion of the benefits of continued membership. EC officials and diplomats representing the nine member states which also belonged to NATO were of course careful not to publicly demand that Spain remain in the Alliance as a prerequisite for accession, in the knowledge that this would have led to accusations of blackmail. The linkage between continued NATO membership and future accession to the EC was indeed extremely subtle; as the president of the Commission, Gaston Thorn, put it, they were “intertwined”. In their contacts with these nine member states, Spanish negotiators hinted that accession to the EC would help win a referendum on continued membership of NATO; for their part, some of their interlocutors promised to be more accommodating in the accession negotiations if they were offered guarantees as to Spain’s future contribution to the Alliance.<sup>31</sup> Ultimately, the best evidence of linkage between both issues is the fact that González did not risk calling the NATO referendum until October 1984, once talks with the EC had been unblocked, and did not hold it until March 1986, by which point Spain had achieved membership.<sup>32</sup> At all events, it is more than a little ironic that the lack of popular support for continued membership of NATO should have been one of the Spanish government’s strongest cards in its EC accession negotiations.

## Conclusion

To a large extent, Spain’s accession to the European Community may be seen as the logical culmination of the gradual process of socio-economic and political convergence which had begun some years previously. At a socio-economic level, the turning point was probably the Stabilization Plan of 1959, while in the political arena it was Franco’s death in 1975 that marked the point of no return. However, this should not lead us to underestimate the difficulties encountered on the long road to Europe. In particular, it is often forgotten that, after advancing rapidly up to 1974, Spain’s economic convergence with the EC deteriorated during accession negotiations on account of the uncertainty associated with the transition to democracy, a wages shock, and two oil crises; as a result, while in 1977 Spain’s per capita GDP was 78% of the EC-12 average, by 1985 it had declined to 71% per cent. No other candidate for membership of the EC has ever experienced a setback of this magnitude during negotiations.

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<sup>31</sup> According to the Spanish Ambassador in Rome, “the fact that we already belonged to the Atlantic security system and the president’s promise that we would stay there helped secure membership of the European Community for Spain, as I frequently observed during my diplomatic endeavours”. Jorge de Esteban, *Asuntos Exteriores* (Libertarias, Madrid, 1994), p. 104.

<sup>32</sup> In spite of having delivered on EC membership, the González government won a very narrow victory, with only 52% voting in favour of remaining in NATO, and 40% against.

Membership of the EC heralded the beginning of a radical transformation of the Spanish economy.<sup>33</sup> When Spain joined the European market it was forced to remove tariffs and contingent protection completely over seven years (with very few exceptions), which was a considerable effort for an economy that was still quite closed, and whose effective protection rate vis-à-vis the exterior was still 25% in 1985 (three times higher than the average of its EC partners). To illustrate the magnitude of the change, one only has to recall that, while in 1975 total Spanish imports and exports accounted for 27% of GDP, in 1985 the figure was 36%, and after a decade of membership in the EC, it had risen to 61%, a level comparable to that of the more advanced European economies. This in turn reflected the fact that EC membership brought with it a sharp increase in the proportion of trade conducted with other member states: between 1986 and 1997 exports of goods to EC markets increased from 63% to 69%, while imports rose from 54% to 67% of the total. In the process, Germany replaced the US as Spain's leading supplier of industrial products, while predominantly Latin American and US agricultural imports were gradually replaced by French produce. In short, Germany and France were not only the key political players in Spain's accession negotiations, but also its major economic beneficiaries. Both factors partly explain Spain's subsequent tendency to align with the Franco-German tandem on most matters relating to the EC's development.<sup>34</sup>

For the historical reasons discussed above, the goal of EC membership was always widely shared by the Spanish public. At the time it was sometimes argued that this unanimity had both positive and negative consequences. Without it, it is unlikely that González would have been able to justify the ambitious industrial restructuring programme implemented during his first term (1982-86) on the grounds that it was a prerequisite for EC membership. Very few Spaniards doubted that the latter would bring with it greater economic stability and prosperity, a promise fully borne out by events. However, it was also sometimes argued that the political (and symbolic) significance attached to membership by virtually all sectors of Spanish society weakened the government's bargaining position, leaving it little room for manoeuvre during negotiations. Whether or not this was actually the case, on balance strong and continued support for accession in the face of considerable adversity must surely be included amongst the factors that ultimately account for Spain's subsequent ability to make such a remarkable success of EC membership.

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<sup>33</sup> See Carmela Martín, *España en la nueva Europa* (Alianza, Madrid, 1998); Pedro Montes, *La integración en Europa* (Trotta, Madrid, 1993); and José Viñals, *La economía española ante el Mercado Único europeo. Las claves del proceso de integración* (Alianza, Madrid, 1996).

<sup>34</sup> Charles Powell, 'Spanish membership of the European Union revisited', in Sebastián Royo & Paul Christopher Manuel (eds.), *Spain and Portugal in the European Union. The first fifteen years* (Frank Cass, London, 2003), p. 150.



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