



“THE THIRD SPANISH PRESIDENCY OF THE EU IN COMPARATIVE PERSPECTIVE”

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CONFERENCE

The Spanish Presidency of the European Union

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This chapter compares the three Presidencies so far held by Spain with the aim of assessing the factors that may condition the Presidential performance of a Member State. Comparison permits the identification of continuities and change in political attitudes, priorities and the underlying conception of the process of European integration. Since Spain has held the Presidency of the EU on only two other occasions (1989 and 1995), a detailed analysis of these tenures is possible, although this circumstance reduces the depth of the cases considered, which may prevent us from reaching any definitive conclusions.

1. The socialist Presidencies

The PSOE has characteristically intoned a federalist discourse, including proposals favourable to Spanish interests. This could be described as wrapping the national interest in a federalist discourse. The mainstay of this approach is the claim that the contradiction between the national interest and the interest of the Community is a false dichotomy and that progress will be achieved not by pursuing relative gains but by jointly drawing on common advantages (González; 1988). This synergy between the European interest and the national interest has survived as the leitmotiv of the PSOE's discourse right through to its proposals for the future of the European Union outlined in 2001. It is an identity that has been projected both in the domestic sphere and in the EU itself.

From the domestic point of view, European integration served to legitimise and justify the programme of economic modernisation implemented from 1982 onwards. The government presented and legitimised each parcel of government policy in relation to the need to adjust Spain's political and socio-economic structures to its membership of the EU. Modernisation and Europeanisation were thus harnessed to the PSOE's efforts to retain power as the only possible option to bring about the key changes needed to assure Spain's future (Holman; 1996).

The identity between the national and the European interest was projected beyond the borders of Spain as a highly positive attitude towards the process of integration in the form of openly federalist proposals such as those presented at the 1990 IGC in relation with citizenship and economic and social cohesion. González's good personal relations with other European leaders, particularly Kohl and Mitterrand, and his moderate Euro-optimism enabled him to make substantial gains, while avoiding a narrow focus on the defence of the national interest and simultaneously raising his profile as a statesman.

The change in circumstances that came about in the first half of the 1990's, however, was not without effect on the behaviour of the Socialist government. The economic crisis that broke out in 1992 coincided with the rise of "Euro-scepticism" unleashed by the no-vote in the Danish referendum. Meanwhile, the strict monetary policy needed to gain entry to EMU met with a lukewarm response, and for the first time the government's pro-European rhetoric appeared to lose its attractiveness and legitimising power. This period also saw the first open clashes between Spanish and Community interests (over agriculture, fishing rights and so on). The accession of the Scandinavian countries and the possibility of expansion eastwards created a periphery syndrome in the Spanish outlook, heightening fears that the country would be sidelined. This undid the automatic identification with Europe and the EU, which had formed a part of the Spanish mindset since the 1970's.

In this context, the PSOE government adopted a new stance from 1993 onwards that was more focused on the defence of the national interest (Gillespie;1996:155) (Barbé;1999), partly because Euro-scepticism, the economic crisis and the climate of austerity, in addition to the EU's new priorities, had reduced the appeal of González's federalist discourse. This nationalist reorientation of policy was also influenced by the electoral threat posed by the conservatives. Nevertheless, González was careful to prevent this discourse from drifting towards openly nationalist policies. He believed that the trend towards a re-nationalisation of policy would in fact only increase the problems the government faced (González;1992: 21). His leadership within the party was also decisive in quietening some critical voices that had begun to demand re-negotiation of or a more flexible approach to the EMU programme. Rather than yield, González made himself into the defender of Community orthodoxy and even in the depths of the recession the government's answer was more rather than less Europe (Barbé; 1996: 12). In his speech to the European Parliament at the close of the Spanish Presidency of 1995, González made an appeal to conserve the spirit of integration and avoid the narrow view, defensive nationalism and destructive rivalries.

1.1 The 1989 Presidency

The 1989 Presidency took place during the second legislature of the PSOE administration in a year of European, regional and local elections. The PSOE had held an absolute majority in the Spanish parliament since the elections of 1986, although it had lost a significant number of seats compared to 1982. Among other considerations, the Presidency provided the government with an opportunity to polish its image, which had become somewhat tarnished by the end of the legislature, and to gain electoral capital from the prestige associated with sound administration. Nevertheless, the Presidency represented a challenge for the government, because of concern among certain EU member States about the ability of a recent arrival with a tradition of bureaucratic rigidity to cope with the organisational demands inherent in tenure.

For its part, the government was determined to make the Presidency a milestone *en route* to the modernisation of democratic Spain (Barbé; 1996: 14) with effects that would go far beyond the merely organisational aspects. It also saw the Presidency as an opportunity to put the finishing touches to Spain's relations with the EU (Fernández Ordoñez; 1989). Above all, the image the government sought to project, as González himself made clear, was one of dignity and, above all, prestige (Kirchner; 1992: 105).

The foreign minister at the time, F. Fernández Ordóñez, described the mood as institutional and realist, while both observers and Spanish functionaries were at one in defining it as an "administrative Presidency", since no fresh initiatives were launched. Instead, it took over the agenda inherited from the preceding German Presidency, at the same time faithfully reflecting the working programme of the Commission (Solbes et al.: 1988). The big issues of the 1980s (enlargement, SEA and financial perspectives) had already been resolved and the Spanish government thus inherited the completion of the single market, the European Social Charter and the definition of the stages of Monetary Union. Certain particularly Spanish concerns were added to this legacy, such as the treatment of environmental problems specific to southern Europe and certain measures concerning the position of EU citizens (elimination of border controls, right of residence and political rights) in anticipation of later proposals regarding European citizenship.

Spanish initiatives were most clearly discernible in the external agenda and European Political Co-operation (EPC). Spain had found an instrument to widen the scope and increase the effectiveness of its foreign policy both in traditional areas of interest and in new spheres (Sabá; 1996: 187). Latin America was a priority objective, as was the Mediterranean basin (particularly negotiations with Morocco). A third area of interest was relations with the EFTA countries, where Spain hoped to obtain agreement for its proposal that participation in the single market would require sharing in the cohesion effort.

Evaluations of the results of the 1989 Presidency are uneven. While some observers felt that it surpassed expectations, especially with regard to issues related to the single market and political co-operation (Kirchner; 1992: 100), others consider that progress in priority areas was frustrating, though largely because of the limited room for manoeuvre in key issues (Story and Grugel; 1991: 36). Specifically, some progress was made with the single market, but perhaps the most spectacular success was the adoption of the Delors Report on EMU and the first stage of preparations. The importance of this matter was underlined by the Spanish government's decision to bring the peseta into the European Monetary System just before the summit, thereby emphasising that participation in EMU was essential to Spain, even in view of the domestic costs it would involve. The Presidency was, however, obliged to refrain from forcing the issue of an intergovernmental conference (IGC) in order to avoid a direct confrontation with Margaret Thatcher, whose opposition prevented the adoption of the European Social Charter in Madrid. González himself described the agreement as possible rather than desirable. Spain also failed to make progress with its proposals concerning citizenship and obtained little of tangible value in the EPC towards Latin America, eventually making do with a declaration on the debt issue and an increase in development aid funding. From a different angle, however, the results favoured Spain's image within the EU and had an effect on the electoral prospects of the PSOE and of Felipe González (Story and Grugel; 1991: 36)

1.2 The second Presidency: 1995

The circumstances of the second Spanish Presidency were considerably different, both internally and externally. At home the Socialists, by that time in their fourth term of office, had formed a minority government with the support of the Catalan nationalists of *Convergència i Unió* (CiU). The government was trying to weather a storm of criticism from the *Partido Popular* (PP) and *Izquierda Unida* (IU) due to the discovery of a number of cases of political corruption. The Presidency thus came at a time of domestic weakness and represented a life raft for the Socialists, providing international prestige to neutralise the effects of its frailty at home (Barbé;1996:18).

Externally, Spain had consolidated its position and prestige within the Union. However, the climate had turned slightly "Euro-sceptical" due to public apprehensions over the Maastricht Treaty. This had the effect of reining in the ambitions of the EU's member States and reduced the value of the Spanish government's traditionally pro-integration rhetoric.

Because of these factors, the style of the second Presidency sounded a rather different note, despite certain continuity. On the one hand, the government adopted a slightly more nationalist tone, at least at the symbolic level, as shown by the choice of logo (the letter "ñ" with the colours of the Spanish flag in reference to a dispute with the Commission, which had rejected the ban on the sale of computer keyboards lacking the offending letter in Spain). On the other, Spain tried hard to co-ordinate with the preceding Presidencies held by France and Germany, which had created a co-ordination mechanism (the Spanish government was only invited after the agenda had already been established).

The Spanish Presidency set four main lines of action announced in the Spanish Parliament:

- The reactivation of the European economy in a socially integrated framework
- A Europe open to the world in a context of stability, security, freedom and solidarity
- A Europe open to its citizens
- The foundations for the Europe of the future: the 1996 ICG

A lengthy catalogue of specific proposals accompanied these four guidelines. The first included macroeconomic proposals and, in the main, prolonged the administration of outstanding issues in the EU (with priorities such as the definition of an employment policy launched at the European Council meeting in Essen and preparation for the third stage of EMU), but without any major new initiatives. The external agenda was set by recurring themes (relations with Eastern Europe and Asia and the definition of a new model for relations with the USA), as well as two issues vital to Spain's interests: relations with Latin America and the countries of the Mediterranean basin. Objectives in the third area were summed up in policies aimed at establishing direct contact with the citizens and strengthening the third pillar. This last was dealt with very extensively, as a traditional Spanish priority.

The results of the Presidency reflect this agenda. The European Council confirmed the timetable for EMU and chose the name "euro" for the new currency. The most visible results, however, were in the field of external relations (Grasa; 1997), taking in the Declaration of Madrid, the Transatlantic Agenda with the USA, the Inter-regional Agreement with MERCOSUR and, last but not least, the Euro-Mediterranean Conference. This had been a Spanish priority and was based on intensive preparatory work. The Spanish commissioners, Matutes and Marín, had played a central role in obtaining funding for the Renewed Mediterranean Programmes and the approval by the Commission of the report entitled *Strengthening the Mediterranean Policy of the EU proposals for a Euro-Mediterranean association* (Baixeras; 1996: 157). Spain had also taken care to negotiate strategic issues in advance in order to improve the chances of success at the Conference. During the German Presidency, the government had convinced the EU member States of the need to link the allocation of a fixed sum from the PHARE Programme set up for Eastern Europe to similar behaviour on the part of Mediterranean countries. Under their Presidency (first semester of 1995), the Germans had assented to the allocation of a sum equal to 70% of the financing set aside for Eastern Europe, and this agreement provided the material basis for the Euro-Mediterranean Conference.

The European Council meeting held in Madrid established a calendar for the agenda on the future of the Union. In González's opinion, there was some risk that this calendar would prove a drag on the EU and he therefore felt that the main challenge of the Presidency was to steer Europe towards the right course (González; 1995/96). The approach of the Presidency was to separate and order the outstanding tasks (a strategy that also furthered Spanish interests, naturally enough), which included the 1996 IGC, expansion negotiations, managing the impact of enlargement on the EU's policies and resources, the third phase of EMU, the re-negotiation of financial perspectives and the future of the EU. The Westendorp Report was adopted as the starting point for the Presidency and eventually served as the basis for the negotiation of the Amsterdam Treaty.

2. The third Presidency: external and internal factors

2.1 External factors conditioning the Presidency

Elections were held in a relatively large number of Member States: France, Portugal and Holland and, immediately after the Presidency, in Germany and Sweden. These electoral rounds limited the capability for reaching agreements and they also affected the agenda of the presidency. Government officials and commentators foresaw, *a priori*, the effects on reducing the ability and willingness to negotiate and commit of certain governments facing electoral campaigns. In fact, the underlying dispute between Chirac and Jospin had a decisive role in shaping the outcomes of Barcelona. Once Chirac won the Presidential election, he emerged reinforced and his mark became evident at the Seville summit. *A posteriori*, electoral processes produced results that shaped the agenda and/or results of the Presidency and, specifically, the Seville summit. Whilst there was some reticence on the (probable) milder attitude towards the EU of German Christian-Democrat candidate Stoiber, the unforeseen increase of Le Pen's electoral strength and the parallel debacle of Jospin in France plus the irruption of the populist candidate Fortuyn in the Netherlands; the presence in government of Fini in Italy and the apparent increasing fortunes of the far right in Denmark and Sweden gave pre-eminence to concerns raised by far-right extremism, specifically, immigration.

The impact of the September 11th terrorist attack on the United States has lent a new urgency to certain issues, particularly including anti-terrorist measures (which are very dear to the Spanish government) linked to the Third Pillar and common defence policy. Aznar has made this quite clear: *"The Union can and should organise its response to these new threats by taking care, at least, of two issues. Firstly, we must speed up the creation of a common space of liberty, security and justice. Secondly, I shall propose that the basic objectives of foreign and security tasks henceforth include the phenomenon of terrorism."* (Aznar; 2001). Terrorist attacks resulted decisive for enhanced cooperation on third pillar. Just 10 days after the attacks, the EU approved an Action Plan against Terrorism. Within this new climate, Spanish long-standing interests in the Europeanization of anti-terrorist fights found a very positive response.

September 11 affected also other arenas of EU politics. After a initial period of close collaboration with the USA epitomized by the race to share the burden of the Afghanistan war, a growing gap between Europeans and America emerged progressively due to issues such as the status of prisoners at Guantanamo, the European rejection of extraditing detainees to whom death penalty may apply, etc. The growing temptation of unilateralism for USA did not improve this context.

And September 11 affected also the Middle East crisis whose worsening resulted, at least partially, from the re-assertive attitude of Israel. American dismissal of European allies concerns on the region and the destruction of most civil compounds in Palestine constructed with EU money provide both a test and a symbol of the EU status in the international arena in American eyes. Less symbolically, Israel rejected European mediation and even involvement in the conflict. One of the victims is a favourite target of Spanish diplomacy: the Euro-Mediterranean dialogue.

2.2 Internal factors conditioning the Presidency

Internally, the government assumed the Presidency half way through its term and has not suffered any significant erosion of its electoral base, in contrast to the PSOE Presidencies. Whilst several views on Europe (from the orthodox Demo-Christian democratic thinking to

scepticism akin to British conservatives) coexist within PP, Aznar's vision of the EU is close to the Gaullist notion of a "Europe des nations". Already in 1995, he argued that the nation state and sovereignty are (or should be) the basis for the integration process (Bernárdez; 1995: 309). Aznar's thinking on European integration is rooted in the conviction that Spain is one of the great historic nations of Europe and that the European project must remain absolutely compatible with respect for national identities (Rodrigo; 1996: 25). In Aznar's own words, "*The Spain of the year 2000 is an old nation with no complexes, and it is ready to take its place in a globalised world*" (Aznar; 2000). One of Aznar's top priority is the recovery of a post among world's great powers as demonstrated by his reiterated petition to be included in the G-8 or the organized campaign (started already in 1996) to become member of the UN Security Council to be elected at the end of 2002 (between 2003 and 2005). As some voices have noticed, there is a certain mismatch between ambitions and material capabilities provided to support them (Zorrilla, 2002).

A. "Atlanticism"

The PP has been more inclined to take the position of the United States into account than any previous Spanish government or, indeed, many other European governments. This is the result of a gradual change in the direction of Spanish foreign policy towards alignment with other traditionally Atlanticist governments (e.g. the United Kingdom). A number of events confirm this change. In 1998, for example, Aznar was the only Continental leader publicly to support Anglo-American bombing of Iraq (shortly after a visit by the American Secretary of State to Madrid). More recently, Aznar has adopted a certain unilateralism, showing himself to be receptive to the American Strategic Defence initiative in spite of the reticence of other governments and anticipating any common position. The French sociologist Alan Touraine noted this shift (accompanied by Berlusconi), which he regards as evidence of a certain split within the EU (Touraine; 2001). One particularly revealing episode was the PP government's decision to sell the nationalised Spanish defence concern, Santa Bárbara to the American firm General Dynamics rather than its German competitor, which ironically supplies the technology for the production of tanks in Spain. Apart from the Atlanticist leanings of the government, this affair combined a shift in the traditional pattern of Spain's alliances with a liberal view of economic integration, two defining features of the PP's European policy.

B. Pragmatic alliances

The UCD and PSOE governments followed closely the Franco-German partnership and they assumed its initiatives and plans as their own. It is thus possible to draw a clear distinction between the PP and its predecessors in government. The UCD and PSOE administrations regarded the Franco-German pair as the embodiment of integrationist orthodoxy and, therefore, they perceived adherence to this partnership as automatically beneficial given the fit between the European and the national interest. In contrast, the PP government has sought temporary alliances based on the coincidence of interests, ideological affinity and the personal sympathies of Aznar. The European policy of the PP governments has been marked, above all, by a series of clashes with the German administration and sympathy for UK, which has traditionally represented positions that were at once opposed to integration and contrary to the interests of Spain. This positive relationship with the British government culminated with the presentation of the Anglo-Spanish *Strategy for Sustainable Development* at the Lisbon summit. Before the Spanish Presidency started, Aznar and Blair published a joint newspaper article titled *More Europe, better Europe*, that endorsed the two main goals of the Spanish Presidency: antiterrorist fight and the programme of economic liberalization.ⁱ The re-opening of negotiations on Gibraltar in which the issue of future (e.g. sovereignty) was on the table epitomizes the tight relationship between both governments whose pressure mobilized EU support (via regional funds) for their plans. Coincidence with British positions has at times given the impression that Spain is moving inexorably towards the "Euro-sceptic camp".

In contrast, the PP government sustained a large list of disputes with the German government. It begins with the budgetary wrangle that accompanied discussion of the Agenda 2000 and continues with the Spanish government's opposition to certain German initiatives at the IGC 2000. In this case, Spain opposed the withdrawal of the veto over enhanced co-operation, although it finally backed down, while Aznar reacted with distaste to German proposals in the area of federalism and Constitutionalism. Although the erosion of relations between Spain and Germany has been ascribed to the passivity of the Spanish government and

the lack of personal sympathy between Aznar and Schröder, it is also true that the two countries have opposing interests (mainly in relation to budgetary issues) within the EU. Thus, Spain has reacted vigorously to German proposals to renationalise the CAP. The last chapter (to date) of this ongoing tussle came when Aznar presented a memorandum calling for the avoidance of “statistical convergence” as a result of the enlargement of the EU, by which the Spanish government meant an automatic improvement in *per capita* income due to the accession of poorer countries, since this would be detrimental to the Spanish regions. The Spanish memorandum met with a harsh response, not particularly for its contents, but because of the tactics of its presentation. It was tabled in the course of discussions on enlargement linked to the German demand for a 7-year transition period for the free movement of workers. After months of dispute, the Spanish government withdrew its demands, but not until it had provoked considerable displeasure both in Germany and among certain of its partners.

One anecdotal episode sums up the tense relations between Spain and Germany. On the eve of the Hispano-German summit of September 2000, the influential German weekly *Die Zeit* published an article entitled “The difficult European” which discussed Aznar and his European policy. The article mentioned a number of episodes that had reinforced the intransigent reputation of the Spanish government (the Amsterdam summit, green taxes, negotiations on enlargement to the East), as well as giving air to certain stereotypes (delusions of grandeur) and German complaints (the cost of Spain to the German taxpayer). Aside from its (limited) accuracy and journalistic quality, this article was intentionally provocative and had an impact on the Spanish government. The Office of the Government Spokesman translated it, and more than likely it was discussed in government circles.

C. *The liberal vision of economic integration*

As well as Atlanticism and the change in the traditional pattern of Spain’s alliances, the third defining feature of the PP’s differential approach to the EU has been its projection of a liberal economic programme within the European sphere. In contrast to the federalizing initiatives of the Socialist governments (citizenship and economic and social cohesion), the main contribution made by the PP administration to the integration process has been the *Strategy for Sustainable Development* initiative presented jointly with Tony Blair. These proposals are based on an eminently liberal macroeconomic model resting on three main pillars (Aznar; 2000):

- a) Progress towards a knowledge economy and society through the implementation of tailored R&D policies, structural economic reform and the completion of the single market.
- b) Modernisation of the European social model without delay. This is to be achieved through a combination of investment in human capital, measures aimed at preventing social exclusion and employment policies.
- c) Stable economic growth of around 3% per year would be secured by the relevant economic reforms. The development of new technologies has been hampered by excessive regulation, *dirigisme*, and the fragmented structure of national markets. Hence, growth required a medium-term market deregulation programme.

These points translate the PP’s liberal view of European integration. In the opinion of both Aznar and Blair, governments should avoid *dirigisme* or any attempt to interfere in the workings of the market. They should refrain from intervening in business decisions and avoid the imposition of overly strict economic and social regulations. The new role of government is rather to create the conditions for job creation by private enterprise. This vision also has institutional repercussions. National co-ordination is considered more effective than harmonisation, and intergovernmental co-ordination than the EU’s classic supra-national structure in the sphere of economic policy, which should remain under the direction of the Heads of State and/or Government in the European Council (Aznar and Blair; 2000). The importance for the Presidency of these issues results evident from the programme that Aznar exposed in front of the IESE business school.ⁱⁱ

3. Agenda of the Presidency

For the PP and particularly for Aznar, the Presidency represents an opportunity to earn international prestige.ⁱⁱⁱ The Presidency offers also an opportunity to soften the ever more widespread perception of Spain’s intransigent and uncompromising attitude to the defence of its interests, which has resulted from the government’s tenacious struggle to hold on to budget returns in the form of structural funds. In fact, the programme for the Presidency shows

considerable continuity and is imbued with the same clearly pro-European character as those of 1989 and 1995. The stated objective is, after all, the consolidation of the agreements reached on various issues dealt with during previous Presidencies. However, Aznar has occasionally reiterated some mistakes: going against political courtesy, Aznar blamed European left to impede liberalisation (Ortega, 2002a: 32).

The government stressed that the main objective was continuity. This implied the assumption of the outstanding issues of the EU agenda and adopting a managerial profile. In parallel and differently to most other domestic policies, the government stressed continuity with former Spanish Presidency even though it was Foreign Affairs Minister Piqué who voiced this recognition (never heard from Aznar). Piqué declared, explicitly: *Our goal is to equal former Spanish Presidencies in efficacy and Europeanism.*^{iv} Moreover, the Presidency retrieved the “*More Europe*”^v slogan that has been utilised in a number of occasions before by the PSOE and González himself to define their view of Spain in the EU.^{vi}

The agenda of the Presidency reveals continuities with both the ongoing EU agenda and the agenda of former Spanish presidencies. The re-appearance of certain recurrent themes suggests that they are linked to the domestic basis of Spanish European policy. Variance, on the other hand, transmits the peculiarity of incumbent government. The programme for the Presidency (that was presented in September 2001 to the press well ahead its presentation to the Spanish Parliament)^{vii} announced six priorities:

- Fight against terrorism
- Success in putting into practice the euro
- Social and economic reforms
- Enlargement
- External relations. Recovery of some priorities from the 1995 Presidency (such as the Transatlantic agenda)
- Debate on the future of Europe

These comprise two issues, the debate on the future of Europe and the introduction of euro, which *a priori* did not require specific forms of institutional involvement from the Presidency. As for the first, Spain was represented in the Presidium of the Convention and Aznar gave an opening speech at the first session. Spanish government seems to have adopted a cautious attitude (which hides the belief that real negotiations will happen elsewhere at the 2004 IGC). Thus, the programme of the Spanish Presidency contained a veiled warning to convention members: they must behave as true representatives of their institutions. The programme also reminded them to stick to the Laeken mandate in order to achieve a concrete and realistic approach.^{viii} Internally, the government has moved the debate forward with two institutional initiatives for the creation of a specific parliamentary sub-committee to monitor the 2004 Intergovernmental Conference and a committee of the great and the good –the *Council for Debate on the Future of the European Union*– to drive and shape the public debate and create a forum for the participation of civil society whose impact seems to be very reduced. As for the introduction of the euro, it seems that it was more a worry for the Spanish administration in face of uncertainty about the process and reception by public opinion. This concern may have acted as a precautionary reminder that kept a low profile for the agenda of the presidency.

The Spanish Presidency inherited several issues that become its second group of priorities. The agenda of enlargement derived from former presidencies and, to a lesser extent, something similar happened with external relations. In both cases, they touched upon specific Spanish interests: on enlargement, Spain would have to negotiate common positions on financial chapters affecting its own priorities: structural funds and agriculture. Starting point: all items in the agenda should receive a decisive impulse (instead of setting priorities) (De Miguel, 2002). Spanish Presidency declared its ambitious objective of completing the accession negotiations by the end of 2002, allowing the new member States to take part in the 2004 elections for the European Parliament.

On foreign and security policy, Spain assumed the prolongation of ongoing processes (WTO trade negotiations, environmental negotiations in connection with the Kyoto Protocol, etc.), adding two priorities that have traditionally been associated with Spain. These are the celebration of an EU-Latin America-Caribbean summit in Madrid and the re-launch of the Euro-Mediterranean process.

The remaining two priorities, antiterrorism and socio-economic programme, were the themes that reflected government's own preferences and domestic priorities. Through them, the government sought a kind of 'Spanish-zation' of the EU agenda. Whilst external (and unforeseen) circumstances provided solid ground for advancement on third pillar issues, the economic programme had to deal with electoral burdens as well as a progressive relaxation of orthodoxy in the application of fiscal policy by some key member states. The socio-economic agenda picks up the Lisbon process that had been stalling for a while. The Spanish presidency proposed to press ahead with at least three types of measures aimed at underpinning commitments related to the Stability Pact, achieving better co-ordination of economic (fiscal and structural) policies, and completing and filling out the single market in practice.

The latter point is key to the PP's liberalisation strategy, and the government proposed five measures to ensure the full freedom of movement for goods, services and labour. These composed the ambitious agenda for the Barcelona summit.

- First, the Union must create an efficient transport system based on more ambitious Trans-European Networks.
- Second, a true single energy market is needed with Europe-wide electricity grids and gas pipelines that are properly interconnected and have the capacity to generate competition.
- Third, a single market in financial services is essential and a logical consequence of the launch of the euro.
- Fourth, labour markets must be developed on a European scale, since this will make the free movement of labour, and the freedom to establish businesses and provide services a reality throughout the European Union.
- Fifth, greater mobility between national education systems will be needed as a consequence of the above. This will mean promoting quality and centres of excellence, as well as requiring a simpler system for the recognition of degrees and other qualifications, improved language teaching, increasing exchanges of both teaching staff and students and the development of a European scientific research network.

The importance of economic reforms is revealed not only in the single-issue summit scheduled for the spring (this was, after all, a part of the original design) but also in the government's intention to press ahead with the institutionalisation of the Spring European Council through detailed forward planning with both the Commission (2002 Synthesis Report) and the Council and its preparatory groups (working groups, high level committees and COREPER). The government's desire to involve the candidate countries in the task of liberalisation also provides a clear signal. The socio-economic agenda included two further objectives; sustainable development (review of the strategy accorded in Gothenburg) and full employment (with proposals on permanent training, adaptability and the creation of an administrative and fiscal environment that would favour job creation by private enterprise). Spanish Presidency inherited both of them from the Swedish Presidency. Spain has added its longstanding priority of economic and social cohesion to the objective of full employment, although it has stripped away the traditional territorial bias.

The last, but by any means no least, priority referred to the third pillar issues. Spain has played a leading role in this pillar, seeing the EU as a wider stage for the struggle against ETA terrorism and the resolution of common problems such as immigration and organised crime. Since the Tampere summit (1999), the Spanish government has sponsored a number of initiatives such as the European arrest warrant, the elimination of extradition proceedings and the recognition of both criminal and civil law sentences. The Presidency expected to approve some of them under the Spanish Presidency. A further objective is to create a true common policy for immigration and asylum with the aim of completing a single judicial area by 2004.

3. Balance of the third Presidency

The Presidency was carefully prepared. One and a half years before it, the government created an Organising Committee⁵, which included the Minister of Foreign Affairs, the General Secretary of the Prime Minister's Office and the Secretary of State for the EU, assisted by 18 senior civil servants and a Support Unit.^{ix} The Presidency held 41 formal Council meetings, 41 informal ones and 151 other meetings,^x plus no less than 7 summit meetings (European

Councils, Conferences, etc). In preparation for the Presidency, all of Spain's ambassadors were recalled to Madrid for a co-ordination meeting, an unheard of initiative in Spanish foreign policy. This meeting was held on September 10th and 11th, 2001. These careful preparations provide some indication of Aznar's personal desire for a successful Presidency in order to win prestige in the EU and Spain. The two peaks of the Presidency were the Barcelona summit, entirely devoted to the Lisbon process, and the Seville European Council, with five issues on the agenda: immigration and asylum policy, reform of the Council, enlargement, growth and competitiveness and antiterrorist policy.

Consideration of the three types of priorities included in the agenda reveals a somewhat uneven picture. Firstly, these items that did not require a specific Presidency involvement despite their inclusion as priorities had a very secondary role because of different reasons. The large success of the introduction of euro left the Spanish government with the more obvious role of defender of fiscal orthodoxy. Government multiplied his warnings on tight budgetary policies and the Barcelona summit approved the Broad Economic Policy Guidelines that re-affirmed commitment to achieve budgetary balance by 2004.

On the debate on the future of the EU, the Presidency did not have beforehand a specific role, regarding for instance the Convention. Watching Aznar's behaviour, it seems obvious his preference for intergovernmental settings and direct control of any reform. In this line, Aznar watered down the project of Constitution prepared by Schaube and Maertens for the PPE Congress. He seemed to prioritise the intergovernmental and informal setting of prime ministers meetings (in contrast with socialists' empowerment to Convention members) (Closa, 2002).

Aznar's pragmatism fits better with more specific and effective reforms. Hence, he preferred to concentrate on the agenda of reform for the Council. Solana presented a proposal to the Barcelona summit and reform became one of the main items for the Seville summit. The Presidency proposed at Seville three groups of measures.^{xi} Firstly, the summit agreed that the European Council may use the sense of its own discussions to move forward on certain issues. In 2003, the European Council will adopt the first pluri-annual strategic programme. However, attempts to reduce the margin of manoeuvre of individual European Council members were resisted. Jacques Chirac opposed an explicit identification of the standings of each member of the European Council on the issues dealt with. Instead, there was a softer agreement on translating to the Council of Ministers the different positions. Equally, on Aznar's second group of measures, he had to compromise on a milder reform. The leaders rejected the division of the General Affairs Council into two different ones (a general affairs and a foreign affairs) although the sectoral Councils had been reduced from 16 to 9. Finally, as expected, no agreement was reached on the reduction of the number of Presidencies.

No spectacular results happened in these issues inherited from the ongoing EU agenda. On enlargement and despite efforts of the Spanish government, the Presidency was unable to channel the negotiations of the financial chapters. Schröder conditioned any attempt to settle the question of agriculture aid for Eastern applicants to a previous definition of the guidelines for CAP reform.

As for external relations and security policy, the initial ambitious Spanish agenda resulted affected by international conditions. This is particularly the case of the Euro Mediterranean conference of Valencia. The worsening of the Middle East crisis provoked that Spanish politicians greeted as a success its mere celebration. Spain did not succeed in furthering an old ambition, the creation of a Mediterranean Development Bank. It was limited to a line of credit within the EIB. On the other hand, Spain inherited the fruits of early negotiating efforts in the cooperation agreements signed with Algeria and Lebanon. The second regional meeting, the II Summit EU and Latin America/Caribbean (17 May) produced similar meagre results and some commentators regretted the European incapability to act as a collective in the Argentina crisis. Again, the trade agreement with Chile results from former negotiations.

Without any kind of doubts, the two start priorities of Spanish Presidency were the programme of economic reform and the fight against terrorism. As for the first, the Lisbon process inspired by Aznar and Blair had not produced results so far. The Barcelona summit was scheduled as an ambitious re-launching of the process with a large and detailed agenda. However, the closeness of the French elections conditioned agreements. At the ECOFIN meeting before the Barcelona summit, France questioned even the fulfilment of the Stability Pact. Moreover, Chirac twin promise of reducing taxes and increasing expenditure fuelled fears

of large deficit well above the criteria of 3%. In front of this, Spain adopted an orthodox defence of the Stability Pact. Agreements felt far apart from the initial ambitions, even though there were some partial successes.

- The Presidency succeeded in reaching an agreement on the Galileo project after overcoming reluctance from Germany, the UK and Holland (in opinion of Ortega; 2002b) the most significant advance of Barcelona. Strong backing from Spanish Commissioner Loyola de Palacio resulted decisive
- Some improvements in the liberalisation of public utilities markets (opening of markets except for households consumers) despite French opposition. French politicians defended the principle that utilities are a public service rather than an exclusively tradable good
- Agreement on *Single Sky* programme

A priori, the summit agenda reflected the cumulative effect of the successive contributions of earlier Presidencies, in particular, the contributions of the Swedish one on sustainable development and employment. *A posteriori*, the scarce results in these areas gave to the Barcelona summit a predominantly liberalising profile in line with other global summits. Anti-globalisation demonstrators and public opinion perceived the summit under similar lenses than the G-7 summits and this might affect the credibility of the EU.

The conjunction of long-standing Spanish interest in the translation to the EU level of a domestic problem (terrorism) with the very favourable climate created after September 11 transformed anti-terrorist fight in the second most important priority of the Spanish presidency. The Spanish government has been preparing specific political initiatives in the area of the third pillar (for instance, the Arrest Warrant or Euro-order) for some years and when the circumstances became favourable, the EU could approve them very quickly. As mentioned, on September 21, the EU had already elaborated its Action Plan Against terrorism. *A priori*, the Spanish government planned to use the Presidency to push forward with issues such as strengthening of Europol or Eurojust. *A posteriori*, the Presidency had a managerial profile aiming at consolidating and implementing most of the agreements already taken because of the change of circumstances. The government negotiated an early application of the Arrest Warrant by Spain, Greece, France, Belgium and Portugal. Even though, the government reserved for Seville the strategic thinking underpinning EU antiterrorist policy. It will have a horizontal character since Fight against terrorism will involve all European policies and it will be part of CFSP and defence policy (Ortega; 2002c). Finally, the Spanish government sponsored agreement EU-USA on judicial cooperation could only enter in the discussion stage because of the rejection of Europeans to include extradition if death penalty was applicable.

The Spanish Presidency did not initially single out immigration as one of its priorities. The xenophobic turn in elections in Holland and France, plus the heralded proposals of changes in immigration policy in Germany (hardening of legislation on refugees and asylum seekers), Italy (Berlusconi studied the expulsion of unemployed immigrants) and UK (Blair proposed the utilisation of military vessels in the Mediterranean to fight illegal immigrants)^{xii} prompted the reaction of the Spanish Presidency. Of course, Spanish domestic agenda considered also a revision of immigration legislation in face of mounting contingents arriving at Spanish coast. Successive Spanish conservative governments have sought to frame their domestic immigration policy within a EU wide framework as legitimating (and funding) mechanism. If we are to believe to the then Spanish Home Affairs Minister Rajoy, the Spanish government succeeded in europeanising its agenda. It persuaded the EU to adopt the four key principles aiming Spanish immigration policy.^{xiii} Last but not least, Aznar wanted an outstanding issue to mark the Presidency.

Additionally to the Global Plan for Fighting Immigration, Aznar, in close connection with Blair, placed the elaboration immigration policy at the centre of the Seville summit. His proposal resulted in a very restrictive policy^{xiv} whose more contentious point was the proposal of financial punishment through restricting aid to development to these countries that did not take measures against illegal immigration. Additionally, Aznar (supported by Berlusconi and Blair) wanted a European Frontiers Police. Most member States and many NOGs rejected his proposals. Significantly, J. Chirac led the reaction and Aznar compromised on milder provisions: Agreements with immigration countries will have a provision committing them to fight illegal immigration. Automatic punishment was changed by financial support for these supporting plans for borders' control. The proposal for the EU management of the return of illegal immigrants

changed to a programme for the devolution of illegal immigrants and the EU Frontier Police proposal turn into joint police operations in EU external borders.

Conclusions

External factors have conditioned largely both the agenda and the outcomes of the third Presidency. In particular, September 11 events contributed to an early resolution of a long-standing Spanish aspiration, the europeanisation of anti-terrorist fight. Otherwise, this would have probably been the key issue of the Presidency. On this, the PP's government continues with stronger resolution and a more favourable international environment a policy already initiated by the PSOE's governments.

This however, must not be taken as an absence of specificity of the PP's Presidency. The three defining features of the PP government's European policy permeated the Presidency. They, however, have affected differently agenda and outcome. Aznar reliance on close partnership with Berlusconi and Blair heralds his taste for an alternative to the Franco-German engine. But despite rhetoric and undoubted personal closeness between them, the emergence of an alternative axis London-Madrid-Paris seems dubious among other things because Aznar (as probably happens with Blair and Berlusconi) does not seem to sincerely believe on it. Although they share similar tastes on European integration and Atlanticism, their influence in shaping agenda derives more from their capability for seizing the opportunities provided for by the international environment than from sharing a common strategy.

The second preference of Aznar's government (Atlanticism) acted more as a personal aspiration than as effective force modelling events. In this respect, it is telling how despite rhetoric, Spanish policy in the issue of extradition felt naturally within mainstream European policy that embodies a deeply shared value (i.e. the rejection of death penalty).

The programme for socio-economic reform is the single issue on which Aznar's government policy has modelled the Presidency agenda and outcomes. Aznar and his government seem deeply convinced about the necessity of a deeper liberalisation at home and abroad. The liberalisation programme of the Presidency culminated (so far) the strategy initiated by the Spanish government two years ago at Lisbon. It epitomises the preference for what Aznar calls 'concrete realisations' and what has been termed 'pragmatism' in contrast with ambitious designs on the future of the EU. Pragmatism has been presented as a virtue and it certainly may be. However, as some critics have pointed out,^{xv} it may also be an alibi for pressing forward a very ideological view of the EU.

ⁱ Aznar, J. and Blair, T. Más Europa, mejor Europa

<http://www.ue2002.es/principal.asp?opcion=3&subopcion=1&idioma=espanol>

ⁱⁱ Una Europa más dinámica Discurso del Presidente del Gobierno en la inauguración del seminario económico en la Escuela de Negocios IESE de Barcelona (27 Noviembre 2001)

<http://www.ue2002.es/principal.asp?opcion=3&subopcion=1&idioma=espanol>

ⁱⁱⁱ International media, such as The Wall Street Journal, greeted Aznar turn with highly favourable words. After several anodyne presidencies, Aznar offers one of the best opportunities in years for the EU to achieve its full potential. In contrast to inflexibility, localism and resistance to changes of the Belgian presidency, Spanish Presidency represents economic dynamism and, above all, conviction on economic liberalism. Frederick Kempe 'Aznar looks at Europe' *The Wall Street Journal*, 10 December 2002.

^{iv} Piqué, J. Interview in *El País*, 2 January 2002.

^v *More Europe* Program of the Spanish Presidency of the EU 1-1/30-6-2002

<http://www.ue2002.es/principal.asp?opcion=3&subopcion=1&idioma=ingles>

^{vi} See, Closa, C. *The domestic basis of Spanish European policy and the 2002 Presidency* *Notre Europe* European Studies N° 16 December 2001

^{vii} On 10 December 2001, Aznar presented the programme to the Spanish Cortes, on 16 January 2002, he presented a short version to the EP.

^{viii} *More Europe*, quoted

^{ix} Royal Decree 1470 of 4th August 2000 concerning the formation of an Organising Committee for the Spanish Presidency of the European Union

^x Spain 2002: Balance of a semester of European Presidency

<http://www.ue2002.es/principal.asp?opcion=3&subopcion=1&idioma=espanol>

^{xi} Spanish Prime Minister's address to the European Parliament, Strasbourg , 2 July 2002

<http://www.ue2002.es/principal.asp?opcion=3&subopcion=1&idioma=espanol>

^{xii} Apparently, Aznar and Blair addressed a joint letter to NATO's General Secretary Robertson suggest even a military involvement (cited by Ortega; 2002c)

^{xiii} These four principles are the following: 1) Spain and Europe can be 'host' countries; 2) Immigration must be legal and adapted to the necessities of the recipient country; 3) Public authorities must seek the integration of immigrants and these must understand both rights and obligations and 4) Illegal immigration will be fought against. See El País, 30 June 2002

^{xiv} Nair, S. (2002) La apuesta de Sevilla El País, 16 Junio 2002

^{xv} Obiols, R. ¿Torear lo imposible? El País, 16 Junio 2002. Obiols is the Vice-president of the PSE group at the PE.

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