

Spain from Maastricht to Nice

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The Treaty of Maastricht, which was signed on 7 February 1992, marked a very real turning point in Spain's assimilation and integration of the process of Europeanisation. This took place during a three-year period spanning 1993 to 1996, characterised by rising domestic political tension which would ultimately result in a change of government in 1996, when the People's Party (PP) emerged victorious in the general election.

Initially, the Treaty of Maastricht and Economic and Monetary Union (EMU) seemed set to create stark differences between the Member States because it appeared that the conditions governing economic convergence and the need to implement a strict economic adjustment plan might encourage the emergence of a *two-speed Europe*. Under the convergence criteria, inflation was not to be more than 1.5 % greater than the average for the Member States with the lowest price growth, and the fiscal deficit could not be greater than 3 % of gross domestic product. Essentially the success of the convergence plan hinged largely on Community aid: Spain was in receipt of 300 billion pesetas, a figure which would double in 1997.

Another significant factor in the gradual process by which Spaniards came to identify with the process of European integration was an event of key importance to the future of Europe, namely the reunification of Germany, which involved the appropriation of cohesion funds to harmonise living standards in the two Germanies.

In any event, over this period the Spanish Government became one of the staunchest champions of the Treaty of Maastricht and the concepts of economic and social cohesion. Felipe González would actively back the Delors II package, which proposed increasing the Community budget between 1993 and 1997, doubling the structural funds and establishing a new cohesion fund which would increase appropriations to Spain. The situation was a good illustration of the twofold nature of the commitment of Felipe González's Government to the general European interest and the national interest. During the Lisbon European Council of 26 and 27 June 1992, the United Kingdom vetoed the increase in the Community budget; the response of the Spanish Government was to threaten to block the enlargement scheduled for 1995, a clear example of the government defending the national interest despite its deep-rooted pro-European attitude. The Edinburgh European Council consolidated the enlargement process and guaranteed the establishment of the cohesion fund and a doubling of the structural funds, meaning that Spain was in a position to become a contributor to the Community budget in 1999, although it should be noted that the situation in 1992, when unemployment stood at 20 %, made it extremely difficult to anticipate Spain being able to comply with the convergence criteria.

In this context, the PP focused its criticism on corruption in the González Government and on the charge that that corruption was damaging the way the country was perceived abroad and undermining the country's international legitimacy. By contrast, the United Left party criticised the adoption by the government of the concept of a *businessmen's Europe*, where economic aims and arguments took precedence over a Europe of social issues, in which workers' interests would be at the forefront.

Those criticisms did not, however, prevent there being clear consensus between government and opposition on Spain's European policy, as illustrated by the approval of the Treaty of Maastricht by a majority in the Spanish Parliament on 29 October 1992. Of note in that regard was the predominance of the Christian Democrat strand of ideology within the PP on European matters, the most significant pro-European line in the party.

The Maastricht Treaty entered into force on 1 November 1993, and the European Community became what we know today as the European Union.

One issue that was widely discussed in 1994 was the possibility of González succeeding Jacques Delors as

President of the European Commission (especially after he was awarded the Charlemagne prize for his work towards the process of European integration). The offer was subsequently rejected by González on 26 June of that year on the grounds that the complex domestic situation in Spain precluded him from accepting. The candidate ultimately appointed to the post was the Luxembourger Jacques Santer.

The next challenge during this period was sparked by the enlargement of the EU to include Austria, Finland and Sweden (Norway was to reject the proposal to accede to the European Union). The tilting of the Union's centre of gravity towards the North of the continent led the Spanish Government to mount an active defence of its position as a Mediterranean country. Indeed, there were fears that the stronger economies would accelerate EMU, and the conclusion was reached that an increase in cohesion funds should be advocated to counter this evident loss of relative weight within the Council voting system. On 15 February 1995 Spain made a proposal to Coreper to the effect that the net contribution from the countries referred to above should be appropriated to increase the cohesion funds; the proposal angered candidate countries and Member States alike and presented an image of a Spain which was more concerned with manipulating the ideals of a united Europe to its own economic advantage rather than sharing and defending them, even though the proposal was based on a genuine need for economic modernisation.

One of the most formidable challenges in this period was how to respond to the bloody war in the former Yugoslavia, the largest ethnic conflict within Europe since the end of the Second World War; the challenge lay primarily in formulating a joint European response to the consequences of the genocide perpetrated during the conflict and in harmonising rules of intervention in the conflict. Apart from the devastating effects of the massacres and violence of the war in the Balkans, the conflict had indirect effects on the process of European integration, namely a reactivation of nationalist discourse in Europe which, since the beginning of the 1990s, had coincided with declarations of independence in the post-Communist states of Central and Eastern Europe. In Spain this debate was reflected in the role played by the Autonomous Communities in the form of direct representation at European level, as illustrated by their active involvement in initiatives and institutions such as the Committee of the Regions, which was established in 1994.

The year 1995 had a special significance for Spain in terms of its role in the EU, principally during its Presidency of the Council of the European Union in the second half of the year. The Presidency afforded the González Government an opportunity to focus attention on those issues which were both vitally important for the future of the continent and also had the potential to generate political success at national level and reduce the prominence of the corruption scandals occupying the attention of both the national press and the opposition. González's response to opposition charges that the European stage was being used to put a positive gloss on a parlous national political situation was to express surprise at the criticism of his dedication to Europe: in his view, working for Europe was one of the most important ways of working for Spain.

The Spanish Presidency of the Council of the European Union in 1995 set four principal objectives which were presented to the Spanish Parliament:

- The economic revitalisation of Europe in a socially integrated framework
- A Europe open to the world, enjoying stability
- A citizen-friendly Europe
- The foundations of the Europe of the future, the focus of the 1996 Intergovernmental Conference

The above principles were accompanied by macroeconomic proposals of which the priority areas included the formulation of an employment policy, as launched at the Essen European Council, and preparation for the third stage of EMU. The foreign-policy agenda highlighted relations with Eastern Europe and Asia and the formulation of a new blueprint for relations with the United States, but was primarily focused on two regions which were key to Spanish interests: Latin America and the Mediterranean basin.

In line with that priority area, the Euro-Mediterranean Conference was held in Barcelona in November 1995; it was attended by all the countries in the Mediterranean basin, from Europe, Africa and the Middle East,

and set about establishing a common dialogue on the principal political, economic and social issues in the region. It was against that background that a document drawn up by the Assembly of European Regions, a body chaired at the time by Jordi Pujol, was signed: this called for the Mediterranean regions within the EU to be included in arrangements and funds allocated to developing the Euro-Mediterranean area, and referred once more to the need to develop the regional dimension of European integration. It should be noted that Jordi Pujol and the nationalist leaders in general were major figures in Parliament nationally at the time because the Socialist Workers' Party (PSOE) did not have an absolute majority and so had had to form a coalition with the Catalan Convergence and Union Party and the Basque Nationalist Party to ensure stable government.

The Presidency ended with the Madrid European Council, which would pave the way for debates on the third stage of EMU, and agreed on the introduction of the euro, which was scheduled for 1 January 2002, when it would replace the national currencies of those Member States that had fulfilled the convergence criteria.

Following the meeting between Bill Clinton, Jacques Santer and Felipe González, Spanish diplomatic efforts would focus on building closer relations across the Atlantic, with the signing of the New Transatlantic Agenda and the Joint EU/US Action Plan.

In December 1995 a new piece of news with a European bearing consolidated the foreign policy action taken during the Presidency. Javier Solana was appointed NATO Secretary General, an implicit acknowledgement of the international importance of the González Government in Atlantic and European affairs.

Nonetheless, 1995 would also be noted for the GAL case, a court case about secret funds allegedly used by the government to finance a group known as the GAL (Antiterrorist Liberation Group) to fight the terrorist organisation ETA. This absence of morality in public life eclipsed the achievements of the Presidency, namely greater openness towards the Mediterranean, progress in transatlantic relations, and so on, and inevitably caused some damage to the international image of Spain.

Although the change of government in 1996 provided continuity on European matters, the concept of Europe promoted by the PP was closer to the idea of a 'Europe of the nations' than to the supranational model advocated by the PSOE. The new Prime Minister, José María Aznar, argued that nation states were the major elements in the integration process and declared that giving up the idea of constructing a national project might also entail losing the European outlook in common policies. Unlike previous periods, therefore, the idea of Europe was not viewed as a means of salvaging the national situation but as an opportunity to be exploited in various fields.

The new government's European agenda focused on the challenges of being one of the *key* countries which would adopt the euro, and of preventing any negative impact on cohesion funds as a result of the accession to the EU of the countries of Central and Eastern Europe (CEECs). The establishment of not only an economic union but a European judicial area also became one of the priorities of the PP's European agenda, especially following the diplomatic conflict with Belgium, when the Belgian authorities refused to extradite a number of individuals alleged to have links with the terrorist group ETA. That aim was to be spelled out during the Dublin European Council on 13 and 14 December 1996, when decisions were to be reached prohibiting political asylum between the countries of the European Union, strengthening the European judicial area and bolstering Europol.

Nonetheless, the most formidable of all these European challenges was satisfying the convergence criteria set for EMU and the adoption of the single currency, a challenge that Aznar viewed as an opportunity to consolidate a national political success on a par with Felipe González's achievement in 1985 of securing the country's accession to the European Communities.

The economic efforts made to satisfy the convergence criteria would lead to Spain attending the European Council of 2 May 1998 with a lower deficit than France or Germany, meaning that it would become one of

the Member States that would proceed to the third stage of EMU.

Another European project of great importance in this period was the revision of the Maastricht Treaty in the light of the new treaty, the Treaty of Amsterdam, which would focus on financial and institutional issues. The Parliamentary report based on the work done by Carlos Westendorp, Chairman of the Reflection Group for the revision of the Treaties, whose work led initially to the Treaty of Amsterdam and then to the Treaty of Nice, already referred to a model of Europe which would allow Spain to retain the level of representation it had held up to that point. Both the PSOE and the PP had agreed on the principles set out in the report, which sought to come to an arrangement with the key Member States of the EU and to safeguard the individual interests of a Mediterranean country within the Union.

However, that continuity was apparently broken in the course of debates on Agenda 2000: the discussions on the distribution of funds at Community level appeared to mar the concept of European integration as an end in itself with its own inherent worth, the guarantor of an enriching diversity and relative peace, which in practice meant manifest stability, at least within the frontiers of the EU.

The issue of enlargement of the EU to include the CEECs was tackled by way of a vigorous defence of cohesion funds for Spain, a view shared by Portugal, Germany and the Netherlands, none of which was ready at that point to face the economic consequences of enlargement, leading the Luxembourg Council of 1997 to postpone the issue.

Conflict on finance became more bitter, however, during the Cardiff European Council in 1998, when the German Government made a proposal to disqualify countries which were going to adopt the single currency from receiving more cohesion funds. The German refusal to increase its contribution to the Community budget darkened the mood between the Member States further, while Aznar spied a threat to the very thing that would be regarded as a success in Spanish public opinion, namely continued access to the cohesion funds.

The issue was finally resolved at the two extraordinary European Councils held during the German Presidency in the first half of 1999. The key to the compromise was the acceptance by Spain of Agenda 2000 as a basis for negotiation. During the Petersberg Council a proposal was made to establish new funds to help neighbouring countries with large numbers of refugees from the CEECs, a measure which clearly benefited Germany. During the Berlin Council, Germany, which had decided at all costs to reduce expenditure for the period 2000–2006, agreed following lengthy negotiations to an increase from 55 % to 62 % in the share of cohesion funds allocated to Spain, provided that Spain followed a stability programme designed to reduce the deficit. This paved the way for a compromise which led to Agenda 2000 being adopted prior to the next European meeting, the Nice European Council, which was to be held on 7 December 2000.

The agenda of the Nice European Council contained three essential strands geared to the ultimate objective of preparing the Union to accommodate the CEECs following their accession: the Declaration of Fundamental Rights and the launch of a Constitutional Treaty; the revision of initiatives under way; and the governmental conference, the aim of which was to complete the reform set in train in Amsterdam and subsequently incorporate it into a new Treaty.

The attainment of that objective was hampered by the fact that all the Member States formally supported the eastward enlargement of the European Union provided there was no accompanying loss of representation within the EU Council. That viewpoint led to a lengthy series of confrontations on the division of votes in the Council. Following this battle to divide representative power, Spain won the right to 27 votes, two fewer than Germany, France, Italy and the United Kingdom, but the proportional share of power held by Spain was, in the Europe of 27 and in the view of the Aznar Government — as expressed in the Spanish Parliament on 20 December 2000 — the same as the share it had held when it joined the Community.

In conclusion, we can state that the priority given to national interests during the time-span in question seemed to result in the abandonment of both the pro-European commitment and consensus over the period

known as ‘the ten years of the great European gallop’ (1985 to 1995), when the European leaders across the political spectrum had focused on the intrinsic value of the European ideal, namely a guarantee of peace and prosperity through respect for diversity, and the supremacy of the principle of solidarity as an end in itself, rather than viewing that ideal as a grandiloquent justification for securing Community funds.