

Britain Outside Europe? The Spanish View

Opposite reactions to regional independence, EU integration

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Spain and the UK share a complex bilateral relationship. Economic ties are strong and important for crisis-ridden Spain, but the Spanish government has clearly made support for further eurozone integration its main priority in overcoming its internal crisis. The referendum on Scottish independence is followed with great interest in Spain, as Scotland leaving the UK in the fall could give Catalonia a boost in its own independence aspirations.

The debate about the UK's future in the EU has to be seen against the backdrop of the severe economic crisis in Spain. This has not only taken a toll on the lives of Spaniards, with cuts in health care or education and ever-growing rates of unemployment, it has also resulted in a significant reduction of Spain's room for political maneuver in the EU. Even though Spain remains the fifth largest EU member state, its inward-looking attitude has returned the country to the periphery of Europe. Today, Spain is more a matter of concern for the EU than an actor shaping European policies.

Despite this, Spain has continued attributing a good deal of importance to its links with other European partners, mainly the largest EU member states of Germany, France, Italy, and Britain. In April 2013, after the first visit (albeit a fleeting one) of a British Prime Minister in Madrid since 2006, Spanish Prime Minister <u>Mariano Rajoy</u> defined Spain and the UK as "[European] partners, [NATO] allies, and [bilateral] friends." In fact, this bilateral relationship is defined by such complexity.

Political contacts form a central part of this complex. Although in every governmental meeting British and Spanish leaders have praised the <u>"strategic relationship,"</u> it has nevertheless retained a low profile, excepting the honeymoon years of José María Aznar and Tony Blair in the early 2000s. Benefiting from their personal friendship, Aznar and Blair jointly boosted the EU agenda on competition and economic growth as well as justice and home affairs. They also both supported the US invasion of Iraq, a position which put them at odds with other EU leaders. The following two Socialist leaders José Luis Rodríguez Zapatero and Gordon Brown returned to the usual low profile of bilateral relations, with few common European interests or joint proposals.

Between the UK and Spain there is an intense relationship based on population links and economic interdependence. Nearly 14 million Brits visit Spain each year, with one million of them having a second home along the Spanish coastline. The Spanish Banco Santander is the UK's third-largest financial organization, and the merger of British Airways and Iberia has produced Europe's third largest airline company.

There is also the everlasting dispute over Gibraltar's sovereignty. Its tax-haven status, border control issues, and environmental conservation are a source of permanent distrust

between the two governments. The <u>last episode</u> [ES] of this conflict made headlines in August 2013 when Spain introduced tight border controls on people crossing into Gibraltar as a reaction to the Gibraltar authorities' decision to drop concrete blocks into the bay in order to create an artificial reef to encourage sea life which in fact restricted operations of Spanish fishing boats. Even though both countries had always sought to avoid an EU dimension to this bilateral conflict, on this occasion ameron asked the European ommission to send a fact-finding mission to investigate the border checks imposed on the Spanish side. Rajoy also asked that the mission be widened to cover smuggling and money laundering in the territory. As a result, the long-standing historical bilateral tension between Spain and the UK has to some extent been europeanized, even if the sovereignty question will remain under the UN umbrella.

eactions to Cameron s Speech

David ameron 's proposal that a future onservative government would renegotiate Britain's relationship with the EU did not cause any substantive political discussion in Madrid, in spite of nuanced reactions by the government and a few spectacular headlines. The consequences that a British exit might have for the EU and Spain were overshadowed by a struggling Spanish economy, EU demands for harsh reforms, and the Scottish independence referendum.

The official governmental reaction showed a division of labor between the prime minister and the minister of foreign affairs. On the one hand, Spanish Minister of Foreign Affairs José Manuel García Margallo [ES] took a tougher stance when he affirmed in a radio interview that Brexit would be "awful news" for the UK because it would "become isolated in a world dominated by regional integration." e also stressed that "the British [had] played a dangerous game by feeding euroskepticism and ameron [felt] obliged to convene a referendum." On the other hand, Prime Minister Rajoy took a more conciliatory and respectful tone. In all his public declarations, Rajoy stated that he really wished Britain would remain in the EU. But above all he underlined his support for ameron 's stance to defend the "in" option in the would-be referendum. hat is more, he appealed to the onservative Party "to find a way of continuing to be a key European partner, without the need for privileges and while maintaining their obligations as partner."

As far as Spanish public opinion is concerned, a poll conducted by the Madrid-based think tank <u>Real Instituto Elcano showed</u> that a month after ameron 's speech a majority of Spanish citizens felt a UK withdrawal from the EU would have negative consequences for the UK (4 percent), for Spain (percent), but mainly for the EU (66 percent). At the same time, Spaniards felt the British had contributed little to the EU.

It was in the Spanish press that voices against the British challenge to the EU appeared most visibly. "British blackmail the EU," "ameron gives the EU an ultimatum, " "ameron opens EU Pandora's box," or "ameron shakes Europe " were some of the headlines the Spanish press published the day after the prime minister's speech.

Nonetheless, in Spain there has been much more interest in the Scottish independence referendum, to be held on September 1, 2014, than in the still ambiguous referendum on Britain's EU membership which may or may not be held in 201. Spain is facing a similar challenge at the moment, with atalonia possibly heading toward a referendum on independence (at the time of writing, the atalan regional government, with the support of its parliament, has announced that the referendum will be held on November , 2014). Therefore, the aforementioned declarations made by the minister of foreign affairs also had a domestic dimension. García Margallo, who has been one of the louder

voices of the government against atalan intentions to hold an independence referendum, has clearly argued that an independent atalonia would be expelled from the EU and would remain outside the UN system.

Britain and Spain have responded differently to nationalist movements active in certain regions within their countries. hile Britain has allowed Scotland to hold an independence vote, Spain has always rejected this possibility for atalonia or the Basque ountry, arguing it is unconstitutional because the Spanish onstitution clearly states that sovereignty lies with all Spanish citizens. But the outcome of the Scottish referendum in September will certainly be followed with great interest in Spain.

hat rexit Means for Spain and the uture of the EU

Spain and Britain have begun to represent two diverging visions about the future of European integration and their roles within it. hile both are located in the geographical estern periphery of Europe, they have taken opposing views on their place in the EU. London has always defended its "opt-outs" and now pushes for "less Europe." Meanwhile, Madrid is fearful of a two-speed Europe, because this could imply that it would no longer be included in the central core of the process of European integration. Spanish politicians have repeatedly pointed out that only "more Europe" can be the solution for the problems Spain faces. In a nutshell, Spain is a clear supporter of further eurozone integration.

Despite this, both countries share outstanding <u>bilateral economic exchanges</u>, Britain being the second biggest gross investor in Spain and the fourth largest recipient of gross direct investment from Spain. They also have <u>a common economic policy view</u> [ES] based on the promotion of free trade, the dismantling of monopolies, and the deregulation of markets, even though Spain will always defend its commitment to the eurozone. One can predict that if any renegotiation of Britain's EU membership meant restrictions to labor market access for Spanish workers or any negative consequences for the Spanish economy, Madrid would react fiercely against it.

At the moment, however, Spanish leaders have not seriously considered what an EU without Britain would imply. For Spaniards, the priority is to get out of the economic, financial, and banking crisis through the reduction of unemployment, returning to a path of economic growth. ertainly, Britain will never become an ally to Spain 's goal of enhancing the political component of the EU. Instead, Spain is well aware that the UK is an indispensable partner for economic governance and security. Spain will never defend a "Europe Ia carte" strategy for itself, but admits that differentiated integration may allow enhanced integration for those countries who really want it.

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