

Spain's European reinvention?

Blog post by Research Associate Ana Martínez, 30 November 2018

I have just spent an interesting week in Madrid talking with people from every part of the political spectrum. There was a lot of talk of Spain flexing its muscles more in Europe. In the background to these conversations, Spain was pushing hard for - and got - concessions from the UK over Gibraltar that prompted Pedro Sánchez to trail the prospect of co-sovereignty for the territory. Everyone notes that Spanish MEPs will have a uniquely strong presence across all of the main pan-European political groupings after June. The Ciudadanos centrists in particular anticipate playing a pivotal role as a broker between the ALDE and Macron's En Marche. People point out that Spain remains exceptional in not having any significant Eurosceptic political party and some of the highest levels of pro-Europeanism in the EU. These are firm signs of a potential end to long relative marginalisation that followed the 2012 rescue package. But there are also some tests ahead for Spain.

First, the question of differentiation from Italy is tentatively settled, but not completely. Diverging economic data is helping. So is a radically different tone and government composition that contrasts with the Rome administration. However, the market reaction to Spain being included among recipients of warning letters from the European Commission was a warning that old perceptions may be hard to dislodge, especially if the current budget standoff in the Spanish parliament leads to new elections and uncertainty. A resurgence of Catalan problems will have implications for perceptions of political stability.

Second, power is associated with visible leadership of individual institutions. Spanish economy minister, Nadia Calviño, likes to talk about being at the heart of the EU. But it is also about the face of the EU. Spanish EU officials are often effective behind the scene (as Calviño herself certainly was), but lack the profile of Frenchman Michel Barnier, Germany's Angela Merkel and Martin Selmayr, or Italy's Mario Draghi. Spitzenkandidaten for next year's refresh of top jobs currently comprise German, Dutch, Greek and Italian candidates. The most influential Spaniards are Antonio López-Istúriz White (secretary general of the European People's Party), energy commissioner Miguel Arias Cañete and the European Central Bank's vice-president Luis de Guindos. Time is short to ensure the next institutional cycle has a Spanish face.

Most importantly, the next policy cycle will reward countries that offer compelling policy ideas. Spain's traditional role as an Atlantic power, with strong security and economic ties to North and South America. This is an important internationalist outlook in the debate on the EU's geostrategic posture after Brexit. Like Ireland, Spain is now the EU's favourite example of economic orthodoxy in practice, with emphasis on sound finances, continued internationalisation of its largest companies in banking, communications and infrastructure, and investment in skills and education. There must be insights here for a revived and refreshed Lisbon agenda, if a new commission was looking for them.

Is talk of a European reinvention for Spain justified? Numbers in the next parliament will count. As will continued strength in the commission behind the scenes. But in a cycle which will be dominated by French bids to shape the agenda, Italian idiosyncrasy and a big transition in German leadership in the EU, it will be Madrid's ideas that mark it out.