CHAPTER 14

Spanish Businesses and the Negotiations for Spain's Entry into the European Economic Community

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14.1 Introduction

Spain's entry into the Economic European Community is one of the most important events in the country's recent economic history. It has had a long-lasting impact on the country's economy and has also gone hand in hand with a number of other seminal events such as the political transition following the death of Franco and the international economic crisis which started in 1973. Spanish entrepreneurs were both witness to and indeed played a key role in some of the changes which took place after the 1970s. The pivotal role they played, which has often been overshadowed by political figures in early studies into the period, has only just begun to emerge (García Crespo 2019; González Fernández 2012; Cabrera and Del Rey 2011; Díez Cano 1991).

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The period saw a change in regime, with the transition to democracy after the death of Franco in November 1975. It was a time of uncertainty as well as of progress and setbacks, yet it also spawned a period of hope that Spain's future democracy could be on par with that of other European countries. As in a number of other aspects, the end of the dictatorship and the passing of the Law on Political Reform led to a gradual liberalisation of the old Francoist employer-based structures. Despite the fact that affiliation to the Spanish Trade Union Organisation, the *Sindicato Vertical*, had granted entrepreneurs more flexible participation than was afforded to workers (González Fernández 2004), it was the laws passed on 4 March 1977, governing working relations, and on 1 April 1977, concerning the right to trade union membership, which were ultimately to grant the right to freely form associations. Their coming into force gave rise to a proliferation of business organisations at a national, regional, and sectorial scale and which pursued an array of differing aims and objectives (Gutiérrez Álvarez 2001, pp. 71–78). However, it was not until a few months later, in June 1977, that the organisation of organisations was formed which, since then, has represented the interests of the Spanish employers' associations: The Spanish Confederation of Business Organisations (Spanish acronym-CEOE). It was set up as a large-scale platform of associations with a specific purpose, to make the voice of Spanish business heard in Spanish public life and to defend the free market economy (Cabrera and Del Rey 2011, pp. 356–357).

This desire on the part of business people to become involved in public life also reflected an ever increasing concern; namely, a certain mistrust towards the ruling class which, since the death of the dictator, had focused on political issues—on transforming the regime into a democratic system—and which seemed to be paying insufficient attention to the economic situation, which was particularly delicate in 1977, with alarming increases in inflation, deficit, and unemployment (Hernández Andreu 2006, p. 786). After over a decade of rapid economic growth, made possible thanks to the approval of the 1959 Stability Plan, the 1973 oil crisis had burst onto the Spanish economic scene. It had done so somewhat later, given that the Francoist authorities of the time had failed to take the necessary measures to deal with it, perhaps fearing that strong social unrest might threaten a political system which was already beginning to falter due to Franco's ill health. It was therefore the early democratic governments that were faced with the difficult situation and who strove to remedy it by seeking political consensus. This led to the signing of the Moncloa

Agreements in October 1977 which sought to bring about economic stability (Maluquer de Motes 2014, p. 367). It should be pointed out that only representatives of the parliamentary powers, and not businessmen and women, were present when the agreements were signed.

In this uncertain political and economic situation, a third factor came into play; namely, Spain's membership of the EEC. This had been a long sought-after objective, but had proved impossible for political reasons. The transition to democracy seemed to suggest that such a goal finally lay within reach. This chapter focuses on the issue of Europe and, in particular, on the role played by businesses in the early negotiations, when the government finally gave them the chance to voice their opinions on Spain's entry into the Common Market. Our aim is to ascertain and analyse their views, concerns, and proposals, marking the outlines of their position. Our goal is to find links as well as conflicts of interest with the stance adopted by the first Spanish negotiating team (1978–1980). Although both groups were united by common interests, they did not, as shall be seen, adopt either same tone or the same priorities. The near on three years the first group was together provide us with an insight into the positions that were embraced in the early days of the negotiations, negotiations which, it must be said, were expected to be far swifter than they ultimately proved to be. The negotiating team's desire to maintain contact with business representatives allows us to examine their initial ideas and how these evolved over time. It also gives us an understanding of the Spanish government's economic strategy, how this could be conveyed, and what the result was. The personal archive of Leopoldo Calvo-Sotelo, the first Spanish negotiator, has provided the main documentary support.

14.2 The Return to Europe

Joining the EEC was one of the most important events in Spain's economic history in the second half of the twentieth century. Not only did it reflect an economic need but also the desire to chart a new political and strategic course for Spain's recently established democracy. The passing of the years, coupled with the perspective afforded by over 30 years since Spain's entry, have enabled us to widen the scope of study and to focus on the agreement's impact on an economy that has changed radically from the early days of the transition up to the first decades of the twenty-first century.

It should be remembered that during the accession process, the Spanish government acted as the only interlocutor. The negotiating team, as shall be pointed out later on, sought to reflect the opinions of all the actors involved, yet at no point did it ever delegate its tasks or permit the involvement of any "outside observer". An awareness of the major economic implications of Spain's entry ran parallel to the certainty that it was politics and above all the political decisions of the Common Market member countries which would ultimately grant admission: hence, the desire to seek the internal unity of all sectors of Spanish society in an effort to speak with one voice at the negotiating table.

The desire to speed up Spain's accession soon became apparent. Only a few months after the June 1977 general elections, the newly elected government submitted its formal application to Brussels. In order to conduct the negotiations, in February 1978 the president of the government set up a new Spanish administrative body to pilot the process: The Ministry for Relations with the European Communities. Its first head was Leopoldo Calvo-Sotelo, a businessman who had been working in private industry for 25 years, but who had at the same time developed a keen political vocation. In December 1975, he was appointed Minister for Trade and later became one of the architects of the electoral coalition which served as a platform for Adolfo Suárez's Centre Democratic Union.

Since its inception, the Ministry adopted a two-fold strategy (Lafuente del Cano 2017, p. 66): the outward strategy, geared towards dealing with EEC member countries as well as with EEC bodies and agencies in order to commence the accession negotiations; and the domestic strategy, aimed at bringing Europe closer to Spaniards and, specifically, to those economic sectors which might be most affected by Spain's entry into the Common Market. As part of this domestic strategy, the new ministry undertook a number of initiatives in which it was in direct contact with the leading businesspeople and economic agents in an effort to convey the government's perspective on the matter vis-à-vis the reality of the EEC, the negotiations, and the consequences of Spain's entry. Between February 1978 and September 1980, over 50 activities which pursued such a goal have been documented.[1]

[1] Leopoldo Calvo-Sotelo Archive (hereinafter ALCS), Relations with the EEC, 51, 10. List of talks, meetings, round tables, symposiums, conferences, assemblies, etc. in which the Ministry for Relations with the European Communities was involved. Madrid, 17 May 1979.

An analysis of these meetings provides an insight into two key topics for historiography: on the one hand, the major deep-rooted issues that were raised in the early days of the economic negotiation and which subsequently proved to be decisive vis-à-vis Spain's joining the EEC, and on the other, the role played by businesspeople in the negotiation and their various positions on the matter. For this, we posit a two-pronged approach which pinpoints the positions and priorities of both the ministry and the businesspeople involved.

14.3 The Position of the First Spanish Negotiating Team

Together with the initial positions of the members of the negotiating team, it is interesting to note how they were able to convey their message to their interlocutors. It is also worth asking to what extent the latter's concerns managed to fit in with the plans of the negotiating team. We then look at a series of key ideas that were present on numerous occasions and over a prolonged period of time. Broadly speaking, the message conveyed did not appear to change in any way, although it is true that, in the early days of the official negotiation (February 1979), the timeline for Spain's possible entry into the EEC was a recurrent theme.

Two different levels emerge in this series of arguments. The first concerns the theoretical issues: the outline of the negotiation, the timeframes in which it would be conducted, and the need to involve businesspeople, while the second addressed more practical matters, by analysing the sectors and products that would be directly affected by accession.

14.3.1 Initial Arguments

First, there was the actual essence of the negotiation; in other words, explaining the key aspects of Spain's accession as well as the various stages involved. Both in the internal departmental reports and in the first public appearances made by the minister, the same idea which explained this need emerged time and again: in Spain, there was parliamentary and social unanimity concerning Spain's entry into the EEC.[2] Yet it was by no means clear that it could be inferred from such unanimity that there was a

[2] ALCS, Relations with the EEC, 51, 10. Note on possible ministry activities in the upcoming months, May 1978.

sufficient degree of information concerning the Common Market, both amongst the economic and social sectors as well as amongst the Spanish population as a whole. Indeed, as had occurred in other countries, any debates or exchange of ideas on the matter of Europe had been avoided since they were felt to be superfluous. The ministry thus deemed it necessary to convey, as a mantra, that the negotiations were not in fact negotiations in the strict sense, since Spain had taken as read a series of norms which the EEC had been furnishing itself with over a number of years and which made up the famous "*acquis communautaire*". As a result, the terms could not be negotiated; rather, it was more a question of when to embrace them into Spanish legislation, in other words, what the transition periods involved would be. This was in fact one of the main concerns of Spanish businesses. Likewise, it was considered imperative to explain the various stages involved in the negotiation process and which, following the precedent of the first EEC enlargement, had been set down. Nevertheless, negotiations with Spain did entail certain novelties, prominent amongst which was splitting the whole negotiating process into two parts: the initial stage (the joint vision) in which the two negotiating teams would examine the situation of each economic sector; and a second stage during which the various chapters would be closed. This strategy was at times seen as a delaying tactic on the part of France, designed to attune Spain's entry to fit in with its neighbouring country's various electoral events—notably, the 1981 presidential elections—(Bassols 1995, p. 220).

Whatever the case, the negotiating team was concerned that a lack of understanding of the process might trigger a feeling of frustration, were the negotiations to drag on longer than anticipated. Inversely, this same idea (a delay that might lead to possible disenchantment with Europe in Spain) was also used on various occasions by the Minister for Relations with the European Communities, Calvo-Sotelo, on his early trips to the EEC capitals to try to speed up the steps that would enable negotiations to get underway as quickly was possible. This led to a recurrent theme that was conveyed to businesses: despite the need to overcome the various technical hurdles, the political impetus of the member countries to speed up the negotiations could prove to be key.

Second, albeit closely linked to the previous question, was the idea of defending the timing of Spain's application to join. This matter was also one of the concerns running through the minds of businesspeople. The issue of whether Spain, in the grip of an economic crisis, had chosen the right moment to apply for EEC membership was extremely pertinent. In

the eyes of the negotiating team, the answer was most definitely yes, not only due to economic and political needs, but also because Europe had been forged "by dint of crises", in the famous words of Jean Monnet, a phrase that the minister would repeat on a number of occasions to his former colleagues.[3] Three arguments sought to support this claim. The first was the negotiators' own experience with the EEC: Europe was a work in progress, even though at times there were conflicting attitudes, delays, and uncertainties that called into question the viability of the EEC project. The second was the need to display political coherence, between domestic democratic reform and by joining up with European countries who upheld the same values. If entry into the Common Market was to be seen as final proof that democracy had arrived, Spain could not back down merely because it was going through a tricky economic situation. The third was the practical element: the longer accession was delayed, the greater the number of interests there would be in the EEC and the more difficult it would therefore prove to join. Europe had been forging its identity without Spain, and now was the time for the country to make itself heard on the European stage.[4] In all of this, however, there was a need to maintain a pragmatic approach, since in no way could accession be seen as a panacea or the immediate solution to all of Spain's problems: it was more a matter of perspective, of shifting from the national to the European.[5]

Thirdly, there was the need to encourage businesses to become involved in the negotiation. Engaging economic representatives in the ongoing negotiations was a way to understand and ultimately reflect their demands at the bargaining table. Particularly illustrative in this regard was Leopoldo Calvo-Sotelo's involvement in the study meetings on Spanish business and the future of the European Economic Community, held on 11 April 1978, barely two months after he was appointed. It was the first time he would have occasion to speak to his former professional colleagues, whom he

[3] ALCS, Relations with the EEC, 84, 2. Note for the minister: Study meetings on "Spanish businesses and the future of the European Economic Community", 7 April 1978.

[4] ALCS, Relations with the EEC. 72, 3. Address by the Minister for Relations with the European Communities in the course of Spanish integration in the EEC organised by the Official Chamber of Commerce and Industry and the Zaragoza Confederation of Business, 16 May 1980.

[5] ALCS, Relations with the EEC, 85, 3. Address made by Leopoldo Calvo-Sotelo during the closing act of the talk "The New International Economic Order and Cultural Values" organised by the Institute for Intercontinental Cooperation on 14 June 1978.

asked to become involved in the process and not to let the immediate issue (the economic crisis) take precedence over the key issue (Spain's future in the EEC).[6] A practical question was also to emerge after the request for participation. The members of the negotiating team constantly referred to an idea that could put Spain's entry into the EEC in its true perspective: the same efforts, reforms, and sacrifices that accession would require from certain areas or sectors were identical to those that would have to be made in any case to deal with the economic crisis the country was experiencing.

14.3.2 Practical Arguments

From this perspective, the idea which was deemed basic was that of unity in the negotiation. The aim was to show that the Spanish economy was negotiating en bloc, rather than defending any particular sectors more than others and without sacrificing the quotas of certain products in order to benefit others. The goal was to avoid any resentfulness or misgivings between sectors with conflicting interests and that might emerge during the negotiating process. Indeed, the theoretical outline with which official negotiations began, on 5 February 1979, followed this very procedure: a general study of the Spanish economy during the first stage of a joint vision and then closing the various chapters sector by sector during the second stage, even though this did not eventually prove to be fully the case. The address made by the president of the French Republic before the Agricultural Chamber in June 1980 in the short term led to an interruption of negotiations with Spain and, in the medium term, a veto on some of its chapters, specifically the most complicated, when Spanish interests came into conflict with those of other countries. Agriculture proved to be a particularly exemplary issue and despite Spanish efforts to study and negotiate the matter as soon as possible, it was relegated to virtually the final part of the negotiation, with a new government and a new negotiating team. The address had a major impact on Spanish society and politics at the time, and was soon dubbed by the media as the "giscardazo" (or the Giscard "issue"), and the term has since passed into Spain's recent history.

Secondly, there was a need to conduct an analysis of the sectors and products vis-à-vis the negotiation as well as the possible impact which Spain's entry into the Common Market might have. Before holding any

[6] ALCS, Relations with the EEC, 84, 2.

meetings with the business sector, the ministry issued reports in an effort to learn beforehand the principal concerns of the areas being visited. Irrespective of the place or sector in question, the reports always reflected certain common elements: The Preferential Agreement of 1970 and the tariff issue.

The Preferential Economic Agreement of 1970 was one of the trump cards which the various negotiating teams played up until the very end, such that it appears time and again in the reports issued by the Ministry for Relations with the EEC. In this regard, it should be remembered that with the first enlargement of the EEC, Spain felt that its rights had been affected with regard to the agreement and demanded its adaptation.[7] The EEC position varied between supporting Spain's request and rejecting it, and included the suggestion that a new industrial treaty be signed, since it was believed that the agreement had undervalued Spanish industry. Whatever the case, the situation took on a new dimension subsequent to Spain's application to join in July 1977. After that point, all of the EEC's requests to renegotiate the agreement or to reach a compromise were rejected by the Spanish negotiating team, who only saw the accession agreement as a goal, with no intermediate stages involved. This process, and Spain's determination not to alter its position, are highlighted in the documents used to prepare the meeting with Spanish businesses.[8]

Tariff issues also emerge as a major concern. In this aspect, the Spanish negotiating team did not prove to be as resolute as in the previous instance since, due to their nature, some of the matters under negotiation held an uncertain future. One clear example of this are the issues related to fishing or the iron and steel industry, which were being negotiated in the EEC. Territorial fishing waters were being extended to 200 miles, which meant changes not only in the Common Market but in other countries as well, who would see their room for manoeuvre in EEC waters cut, a matter which was particularly important in the case of Spain due to its large fishing fleet. After the iron and steel crisis of the mid-1970s, the EEC had implemented a new policy which involved approving maximum

[7] AMAE (Archive of the Spanish Ministry for Foreign Affairs), EEC-Spain, 9, 15573. Unsigned report from the General Directorate for International Economic Relations: "Content of the possible protocol to be signed with the EEC as a step towards integration", Madrid, 26 January 1976.

[8] ALCS, Relations with the EEC, 72, 5. "Official visit by the minister to Barcelona". 22 November 1978.

production quotas for member countries, and which was linked to the requirement that third countries should restrict their exports to the EEC.

As a result, the negotiators strove to convey a message of calm. Entry into the Common Market would be beneficial from the economic standpoint, and a balance would be sought between the various sectors in an effort to ensure that no one in particular would lose out, despite the expected sacrifices and cutbacks that would have to be made, above all in the agricultural and livestock sector. Moreover, fresh opportunities were expected to emerge within the various areas of Spanish foreign policy. One of these was Latin-America. For the members of the negotiating team, the desire to join the Common Market would not lead to any break in ties with Latin-America; quite the opposite, it would serve to strengthen them. Spain could become the bridge between the EEC and Latin-American countries which, in turn, would also open up new possibilities for Spanish businesses. In a similar vein, the last of the recurring themes to appear in the arguments put forward by the ministry was the boost which accession would give to trade. The free movement of goods could not only improve the possibilities of obtaining supplies, but also the chances for exports; supply, competition, and product quality.[9]

14.4 The Position of the Businesses

"No one is a prophet in their own land". This was the title Leopoldo Calvo-Sotelo gave to the chapter in his memoires dedicated to recalling his relations with the business world (Calvo-Sotelo 1990, p. 157). In the same section, he evokes one of the phrases that accompanied him on many occasions during his time as negotiating minister: "Membership of the EEC yes, but not at any price".

This phrase summed up business sector concern with how the negotiations for accession were being conducted. The desire expressed by Spanish negotiators to conclude the process during the first term in office (in other words, in 1983) only served to heighten industry's misgivings. Businesspeople were worried that politicians would negotiate a good political agreement with the EEC, but without weighing up the economic repercussions: in other words, that they would sacrifice certain sectors,

[9] ALCS, Relations with the EEC. 79, 8. Note for the Minister for Relations with the EEC: possible ideas for the Study Meeting "Implications for the trade sector of Spain's entry into the Common Framework", 16 November 1978.

which would no doubt be forced to undergo major restructuring, in an effort to achieve political success that would lead to strong electoral support in the following elections.

The difficult political and economic situation, at both an EEC as well as a national level, with which Spain faced the challenge of negotiation should not be forgotten. Firstly, as mentioned previously, the country was being shaken by the delayed effects of the oil crisis. It was the first truly modern crisis to hit the Spanish economy, and affected mainly industry and the service sector, in a context of growing economic freedom and in which a monetary problem, in the shape of inflation, came very much to the fore and was to have significant repercussions for the financial system (Comín and Hernández 2013, p. 307).

The EEC was also going through a prolonged period of political instability which had been heightened by the three-fold application to join put forward by southern European countries. Faced with the lack of any common direction and the difficulty involved in managing an ever-growing group of countries, certain member states, and notably the French president, began to publicly defend the need to first deal with the problems in hand and then to address the issue of enlargement. The matter of French agriculture in all of this question was very much at the front of his thoughts when considering such an approach (Acuña 1986; Sánchez 2016).

This was the context, between 1978 and 1980, which helps to understand the position of Spanish businesses. As did the arguments put forward by the ministry, the number of issues raised by businesspeople during their meetings with the negotiators varied enormously. Some of the points which were of particular concern are highlighted below.

There was no shortage of what were referred to above as "theoretical" questions related to the EEC's situation, its future, the stages of negotiation, or what role France would play. Nevertheless, these were far fewer in number and always took a back seat compared to issues which directly affected the future of their businesses. It is worth noting that in the case of the negotiating team it was exactly the opposite. First and foremost amongst the latter were references to tariffs. One representative example may be found during a trip made by Leopoldo Calvo-Sotelo to Valencia, on 26 June 1978.[10] In this case, the problem concerned misgivings over the competition that would emerge with the economies of the major

[10] ALCS, Relations with the EEC, 72, 7. The visit to Valencia by the Minister for Relations with the EEC, 26 June 1978.

European countries and their large businesses, and which could lead to a rise in unemployment. Once again, the desire to ensure that the government would sign a "good" economic agreement, and one which was not subservient to political interests, was evident. Concerns regarding agriculture and the impact on small and medium enterprise, who feared they would suffer as a result of competition from the EEC, were also likewise raised. The negotiating team's response always tended to be one of optimism and reassurance, highlighting that in the long run the advantages would outweigh the drawbacks. Nevertheless, they repeatedly pointed out that Spain's position as a candidate country was to a certain degree unusual, but that for the moment the country could not aspire to anything more. As a result, a process of adaptation to face up to the competition and the removal of tariffs would be needed.

Another concern voiced by businesses involved what would happen in the period leading up to accession; namely, the situation at that particular time. The question was related to new EEC legislation which, mainly in the case of the fishing industry, could affect Spain's position as a candidate. In other words, negotiators were asked about what possibilities there were of reaching various preferential agreements by sectors in order to be able to face, with some degree of assurance, the period leading up to accession and the period immediately afterwards. Another major issue, therefore, concerned the transition periods. As pointed out, the core of the negotiation involved agreeing the timeframes each sector would have to adapt to EEC legislation. The conflicting interests of certain sectors of the Spanish economy meant that the subject arose again and again. Yet the negotiating team's position on the matter always remained particularly firm: no partial sectorial agreements could be signed, and there would be no differing transition periods.

The third major concern revolved around the role of imports from the Third World.[11] Questions of this nature arose because of the possibility that the trade agreements which the Common Market had with countries whose production costs were lower (and who therefore also offered lower prices) might damage Spanish business, particularly small businesses. A further worry involved the uncertainty concerning whether this kind of small business might actually benefit from Spain joining the EEC, and that it might be only the larger companies who would gain anything from it.

[11] ALCS, Relations with the EEC, 72, 5. "Official visit by the minister to Barcelona". 22 November 1978.

However, the possibility that Spain, once it had joined, could influence member countries to break such agreements with third world countries, was again constantly ruled out by ministry representatives.

Further, there was the matter of industrial reconversion.[12] In a somewhat pessimistic tone, the fear was voiced that Spain's competitive situation at the time, given its adequate work/product relation, might weaken over the years. This might lead to the loss of productivity in traditional industrial sectors who would be forced to undergo a process of reconversion, with the outcome being unclear. The standard response given by the negotiators was the same as mentioned above: the changes, sacrifices, and adaptations which businesses would need to make in the face of Spain's entry into the EEC were exactly the same as those that would be required when dealing with the economic crisis.

Finally, there was the matter of taxes. This was another of the major concerns expressed by businesses during a number of meetings with the negotiating team.[13] The question was raised on two fronts. The first was Spain's having to accept Value Added Tax and when this would be applied. Businesses often voiced their disapproval that EEC requests for Spain to speed up the introduction of the tax, as a sign of good will vis-à-vis the rest of the negotiation, might pressure the government into taking measures in this regard, and so make an economic sacrifice in order to achieve earlier entry into the Common Market. The second front concerned future taxes, not EEC ones but domestic taxes; in other words, whether the government was contemplating raising taxes once Spain had joined the European Economic Community in order to offset the loss of income that would result from the reduction in tariffs.

A concern could be felt amongst businesspeople not only for their region and their sector but also with regard to what direct impact Spain's entry would have on their product. Coupled with this, however, was also the optimism, anticipation, and opportunities which they believed accession would bring.

[12] ALCS, Relations with the EEC, 72, 7.

[13] ALCS, Relations with the EEC, 79, 8. Study meetings "Implications for the trade sector of Spain's accession to the Common Market", November 1978.

14.5 The Same Objective, But Two Strategies

The negotiating team, led by Calvo-Sotelo, viewed the meetings with the business sector as an "all-in-one". In other words, they felt it necessary to merge all of the theoretical arguments with the practical issues that would be brought to the negotiating table. This is why in many of the meetings with businesses not only were sectorial matters dealt with but indeed the whole context of Spain's application to join was put forward: why now was the right time, what steps would need to be taken, when it could be achieved. Questions concerning these matters also emerged in the meetings with businesspeople who, nevertheless, focused to a far greater degree on the material reality of the consequences of Spain's entry. One might interpret a division of roles between, on the one part, politicians in whose hands lay the future of the country, but whose personal wealth was not at stake and, on the other, representatives of the economic sector—in which SMEs were well represented—and who mistrusted their leaders because they felt that their livelihood was being threatened. The slogan of "membership yes, but not at any price" clearly exemplified this view. Yet, one should not oversimplify the interpretation of the situation, given that the vast majority of businesspeople who took part in the activities promoted by the ministry or at which the ministry was represented, were in fact in favour of joining. They were simply interested in gaining a clearer understanding of the risks involved in the process, how it was to be implemented and what direct consequences it would have for their businesses. Their main concerns were not therefore the future development of the EEC or what stance Spain would adopt in the federal-intergovernmental debate, but rather the negotiation of tariffs, the impact of competition from large EEC companies, or the transition periods involved.

A certain sympathy on the part of the negotiating team towards the issues which were important to business is in evidence. They were aware of what was important and why. To what extent this understanding influenced the negotiations is, however, quite another matter, although it can be seen by how firmly they responded to some of the questions raised during the meetings with businesses: a clear and determined response on some matters, whilst cautious and wary in others.

In the matter of EEC economic policy, for instance, some degree of consensus was evident, since at various moments during the negotiation the possibility was explored that Spain, as a candidate country, might enjoy a special status and be represented by being granted the right to speak, if not to vote, on any new economic matters which the EEC might approve.

Spain's proposal was not accepted by the EEC countries and the country had to remain in the uncomfortable position of being only a candidate. It wanted to play an active role in shaping any new EEC policies, but until it actually became a fully fledged member it would have to make do with maintaining its position as a third country.

Businesspeople were also constantly worried about the new tariff barriers that were being introduced. Nevertheless, the Spanish negotiating position afforded little room for manoeuvre since the country was merely a candidate for accession and one which had to be ratified when the time came by the countries that were already members.

The fishing sector proved to be a particular case in this regard (Bassols 1995, p. 170), since Spain could only forge its future position as a member country if it came to terms with the reality of the 200 mile law, and which placed severe restrictions on Spanish fishing vessels operating in EEC waters and which over the years of negotiation sparked countless conflicts between Spain and some of the EEC member countries.

When defending the Preferential Agreement of 1970, a certain degree of consensus was apparent between the position adopted by Calvo-Sotelo's team and the stance taken by businesspeople. This was the legal relationship which Spain maintained with the EEC until the country's accession to EEC bodies became official. Despite the request made by certain EEC countries to Spain to renounce the agreement so as to facilitate the country's entry, the Spanish negotiators stood firm, and used it as a bargaining chip.

Finally, there were the transition periods, which could prove to be more problematic. The interests of Spain's primary and secondary sector were not the same and nor was the EEC proposal. Although it seemed that Spanish industry would benefit from a long transition period, and the agricultural and livestock sector from a short one, the EEC advocated just the opposite: a short period of transition for industry and a long one for agriculture. For its part, the Spanish government always expressed its desire not to overstate the country's agricultural capacity, which would be offset in other sectors. It therefore established a single transition period, which was neither short nor long. When doing this, it drew on the previous experience of the first enlargement, which was used as a constant benchmark during Spain's negotiating strategy.[14]

[14] ALCS, Relations with the EEC, 62, 5. Opening act of the negotiations between Spain and the EEC. Brussels, 5 February 1979. It was also later to serve the experience of Greece, when granted admission in 1981: a single five-year period, with certain exceptions, three or seven years.

14.6 Conclusions

The last third of the twentieth century brought with it substantial changes in the political and economic history of Spain. As in other areas, democracy saw the emergence of the role of businesspeople as actors in the country's public life. This presence was particularly notable during the EEC accession process. Such a negotiation would not have been possible without the democratisation of the country, but was one which took place in the midst of an international recession that was to hit the Spanish economy. The history of Spain's approach towards the EEC contained a mixture of hope, fear, opportunity, and difficulties. For the first time since the Treaties of Rome, the very real possibility of achieving a goal that had been so long sought-after by society, the economic sectors, and the Spanish government, was confronted with a reality check in the shape of the long negotiation process which lasted, officially, from 1979 to 1985. Political assurances that Spain met the requirements for admission were confronted with the statistics, and the economic figures, which in certain sectors and with certain countries, seemed to offer more competitive than complementary aspects. This is why the shadow of France and its agricultural sector remained a constant throughout the process.

Although it is true that negotiations were conducted between governments, since it was the Spanish government who was negotiating and it was the governments of the nine EEC member countries who were setting the pace of the negotiation, other actors in one way or another also played their role and made themselves heard. Prominent amongst these were Spanish businesses. It has been quite rightly pointed out that, unlike membership of the Atlantic Alliance, accession to the EEC enjoyed a wave of unanimity and even enthusiasm. The case of Spanish industry, whilst not challenging this general image, did once again serve as a reality check. Businesses were in favour of joining the Common Market, but not at any price. They were afraid that the government's desire to score some political points might mean, in certain cases, having to make economic sacrifices that could prove detrimental to their interests.

It is therefore interesting to see the strategy devised by the Spanish negotiating team to initiate a campaign to persuade, amongst others, businesses. It was not merely a case of conveying to them the information concerning the EEC and how negotiations for accession would be conducted but also of trying to understand their ideas, concerns, and wishes. Between February 1978 and September 1980 (which saw the last of

Adolfo Suárez's cabinet reshuffles and changes to the original negotiating team) over 50 meetings with businesspeople are documented.

An analysis of these meetings, and of the initial positions of the representatives from the ministry together with the businessmen and women involved provides an insight into the views, starting points, concerns, and certainties of a historic process of enormous economic importance. The bottom line seems clear: there was certain consensus vis-à-vis the core issues: tariffs, transition periods, and taxes, although it is true that members of the ministry were not on occasions able to express their opinion as a result of not having closed the deals at the negotiating table. Other principles, in contrast, such as unity during the negotiations themselves or the transition periods, were very much in evidence. As a result, ministerial members' primary concern for the more theoretical issues did not reflect any disregard for material matters, and nor did industry's misgivings mean that they rejected accession. They were simply each on different levels, and each defended their own positions. Ultimately, the issue of timing is one that must inevitably remain unresolved. We shall never know whether, had circumstances been otherwise, the negotiation might have been different and swifter. Whatever the case may be, the opportunity arose when it did and Spain did not pass up the chance to position itself, politically and economically, at the heart of Europe. Here we have examined the role of a new set of actors, businesspeople, who were to play a key part in the economic preparation that led up to accession and, subsequently, to adapting to the new requirements of an EEC member country.

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