

António Costa Pinto
Nuno Severiano Teixeira
Edited by

Southern Europe
and the Making of the
European Union

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Nuno Severiano Teixeira
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Southern Europe
and the Making of the
European Union,
1945-1980s

SOCIAL SCIENCE MONOGRAPHS, BOULDER
DISTRIBUTED BY COLUMBIA UNIVERSITY PRESS, NEW YORK
2002

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ISBN 0-88033-992-6
Library of Congress Catalog Card Number 2002101786
Printed in the United States of America

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Preface and acknowledgements

Unlike Italy, which was a founder member of the European Economic Community (now the European Union), Portugal, Spain and Greece were latecomers to the process of European political and economic union. This book, written by historians and political scientists, seeks to review the processes involved in the approximation of these countries to European unification and the impact that this has had within these southern European societies from 1945 until their final accession in the 1980s.

The first part of the book contains studies of the relationships between the four southern European countries with the institutions of the then EEC. António Costa Pinto and Nuno Severiano Teixeira provide an analysis of the Portuguese case, which was marked by the move from the authoritarian regime's resistance to decolonisation to a pro-European stance following the country's complex transition to democracy. In Chapter 2, Juan Carlos Pereira Castañares and Antonio Moreno Juste look at the Spanish example, another that is characterised by the persistence of authoritarianism as a hindrance to establishing a relationship with the EEC, as well as by the development of closer economic relations during the 1960s. Antonio Varsori looks at the Italian case in Chapter 3. Italy was clearly different from the other southern European states, to the extent that it participated in all of the

major decisions and debates leading up to the Treaty of Rome. In Chapter 4, Susannah Verney examines the factors that led Greece to decide on association with the European Community, thus marking a new direction in post-War Greek policy.

The second part of the book examines the economic, political and public opinion dimensions of the European unification process and its impact upon southern Europe. In Chapter 5, Alfred Tovas surveys the links between the economic changes in southern Europe and the role played by the EEC in these transformations. In Chapter 6, Geoffrey Pridham analysis the various links between democratisation, the consolidation of democracy and European integration. The prospect of accession to the European Union was an important factor in the consolidation of democracy in Portugal, Spain and Greece, an aspect that was originally underestimated in studies of democratisation. Finally, in Chapter 7, José Magone reviews the evolution of southern European public opinion regarding European unification. In his conclusion, Leonardo Morlino provides an analytical framework for understanding the Europeanisation of southern Europe.

This book is the result of a research project on “Portugal and the unification of Europe”, which was funded by the Portuguese Foundation for Science and Technology and led by the editors of this book. The project involved two conferences on this theme, the first of which was held in the spring of 1997 at the Luso-American Development Foundation in Lisbon, and the second at the Arrábida Summer University during the summer of 1998. The chapters that are published here include revised and updated versions of some of the papers presented at these two conferences.

Some of the participants at these conferences could not, for various reasons, provide copies of their papers for publication in this volume. Amongst those are Nikiforos Diamandouros, who was a lively presence at both conferences, and who has in the meantime been appointed Ombudsman of Greece.

The editors would like to express their gratitude to the Portuguese Foundation for Science and Technology, without whose financial support this project would not have been possible. We would also like to thank the European Studies Institute of the Portuguese Catholic University under whose auspices this project took place. A debt of gratitude is also due to the Luso-American Development Foundation and the Arrábida Summer University for their support in providing facilities for the realisation of the two conferences.

We would also like to thank those who participated as discussants at the conferences and those who took part in the project meetings. In particular, we would like to mention Nancy Bermeo of Princeton University and Philippe C. Schmitter of the European University Institute, Florence.

A special debt of gratitude is due to Stewart Lloyd-Jones, Director of the Contemporary Portuguese Political History Research Centre at the University of Glasgow, for editing and proof-reading this book, translating some of its chapters and for preparing the index.

António Costa Pinto would like to thank the University of California-Berkeley's Institute of European Studies for the excellent working conditions when he spent a semester there during 2000-2001 as a Luso-American Development Foundation Visiting Fellow, and also the University of Lisbon's Institute of Social Sciences. Nuno Severiano Teixeira would like to thank the Center for German and European Studies and the Government Department of Georgetown University where he was briefly a Luso-American Development Foundation Visiting Professor dur-

ing the first semester of 2000-2001, and to the New University of Lisbon's Faculty of Social and Human Sciences.

Finally, a word of thanks must go to Professor Stephen Fischer-Galati for incorporating us into his series once more.

PART I

From Southern Europe
to the European Union:
Historical Perspectives

I

From Africa to Europe: Portugal and European integration

António Costa Pinto
and *Nuno Severiano Teixeira*

Two political factors conditioned Portugal's integration into the process of European unification between 1945 and 1974: the dictatorial nature of Salazar's regime and its tenacious resistance to decolonization.¹ It was only following the institutionalization of democracy and the process of decolonization during 1974–75 that the first serious steps were taken to follow a strategy of integrating Portugal into what was then the European Economic Community (EEC): a policy that was to become the touchstone for political consensus among the moderate political parties of the nascent democracy.

Portugal did not experience the same levels of international isolation as its Spanish neighbour following the Second World War. Its status as a founder member of NATO and participant within other international organizations, such as the Organization for European Economic Co-operation (OEEC) and the European Payments Union (EPU), and its receipt of Marshall Plan funds — albeit on a relatively small scale — are all examples of the country's international acceptance.

¹ Teixeira, N.S., 'Between Africa and Europe: Portuguese foreign policy, 1890–1986,' in Pinto, A.C. (ed.), *Modern Portugal*. Palo Alto: SPOSS, 1998, pp. 60–87; Pinto, A.C., *O fim do Império português: a cena internacional, a guerra colonial e a descolonização, 1961–1975*. Lisbon: Horizonte, 2000.

Being excluded from, and remaining mistrustful of, the Treaty of Rome which marked the foundation of the EEC, and following positions adopted by the United Kingdom (its major trading partner), membership of the European Free Trade Association (EFTA) was to be an important economic aim for the dictatorship throughout the 1960s.² Negotiated on terms that were favourable to Portugal, which saw the majority of its economic activities largely protected, the EFTA agreement was one of the roots of 1960s economic growth and for the significant increase in commercial relations with Europe. It was also behind the emergence of interest groups with fewer associations with the colonies. The development of a pro-European outlook was essentially a consequence of decolonization and the institutionalization of democracy, however.

Following a complex transition process, the integration of Portugal into the EEC became a strategic objective, with simultaneous political and economic overtones. Democratic consolidation and Portugal's insertion into the European economic space were to become inseparable.

The New State and European Unification

Salazar, who had been Minister for Foreign Affairs since the Spanish Civil War, had his own vision, not only as to what he considered Portugal's position in the world should be, but also its position in the post-Second World War world.

His vision of Portugal's place was based on a traditional thesis that held to two fundamental presuppositions. The first of these was that Portugal was essentially an Atlantic country, and as such should not concern itself with central European questions but should instead concentrate its strategic energies in two directions:

² Andresen-Leitão, N., 'Portugal's European integration policy, 1947-1972,' *Journal of European Integration History*, 7, (1), 2001, pp. 25-35.

towards a privileged, or even exclusive, alliance with the major maritime power, and the colonial empire in Africa.³

Salazar remained resistant to the post-War world, and revealed himself to be incapable of adapting to the new international order. He did not understand, or rather, he did not accept the basic organizational principles of the international post-War system. He could not accede to the emergence of the bipolar system of two non-European superpowers. He was especially troubled by Britain's decline and the rise of the United States, which he regarded with ideological skepticism and political mistrust, as the main maritime power. He also rejected the importance of multilateral diplomacy in the international system, and the United Nations in particular. He also had problems accepting the principle of self-rule and, consequently, the resulting process of decolonization. Finally, he watched in reticent silence as the process of European economic reconstruction was conducted through the criteria of international cooperation rather than under the inter-war principles of nationalist autarchy.

Salazar's skepticism in relation to the United States, and his rejection of decolonisation were not new: they had always conditioned his vision of Europe and its relationship with Africa. He saw the relationship between Europe and Africa from a perspective of complementarity and viewed this Europe-Africa binomial as a unity in terms of economic, political and military plans. This was the strategic conception at the heart of all Salazar's beliefs and it was this that was to emerge during the formulation of his foreign policy; not only in relation to Europe and European construction, but also to the entire system of Western security and NATO.

In Portugal's foreign policy from the very beginning of the Cold War, two events highlighted the duality of the country's

³ Ferreira, J.M., 'Características históricas da política externa portuguesa entre 1890 e a entrada na ONU', *Política Internacional*, 6, 1993, pp. 113-56.

strategic direction. Portugal's hesitations over the Marshall Plan in 1947 illustrated its reservations regarding the reconstruction process while the signing of the Lajes Agreement in 1948 — a bilateral defence agreement between Portugal and the United States — heralded Portugal's incorporation into the Atlantic security system, later confirmed with its entry into NATO in 1949.⁴

Salazar's dictatorship and European unification

What was Portugal's position in June 1947, when the US Secretary of State made his celebrated speech at Harvard at which he outlined what was to become the Marshall Plan? As is known, the Marshall Plan was based on three basic ideas. The first was that a devastated Europe did not have the capacity to secure its own reconstruction, and that it would require external assistance. The second was that, in the economic realities of the post-War world, such assistance could only come from the United States. The third was that Europe's economic reconstruction could only be made on the basis of economic co-operation between the European states.

Salazar rejected all three of these presuppositions. He did not believe that either Portugal or Europe required any external assistance, and thought that European reconstruction could be made through its access to Africa. Secondly, he feared that the capital provided through the Marshall Plan would strengthen the United States' economic influence. Thirdly, he believed that the principle of international economic cooperation could not and should not take precedence over the national interest.

⁴ The most important work on Portugal's position regarding the Marshall Plan, and on which much of this section is based, is by Rollo, M.F., *Portugal e o Plano Marshall*. Lisbon: Estampa, 1994. See also Rollo, M.F., 'Salazar e a construção europeia,' in Pinto, A.C. and Teixeira, N. S. (eds), *Penélope: Portugal e a unificação europeia*, 18, 1997, pp. 51-76.

These were the ideological principles, tempered with the political realism that is imposed upon foreign policy, that shaped Portugal's unique position towards the Marshall Plan, which was to enter into the Plan and to integrate into all of the institutional structures created by it, but without seeking, and often refusing, any financial assistance.⁵ This was Portugal's position during the first phase of the Plan during 1947–48. Economic reasoning was in open conflict with political reasoning.

There were two reasons for Portugal's adoption of this position. The first was founded on an optimistic interpretation of the country's financial and economic position. The second was linked to the Plan's system of bilateral payments, where Portugal was interested in creating a multilateral system.⁶ Salazar, quite naturally, did not want to lose political control of Portugal's traditional foreign policy goals. This, however, was the main cause of Salazar's skepticism in his relations with the United States, which was even greater since the matter of the United States' military presence in the Azores had not yet been resolved. A third reason that has only recently been raised in Portuguese historiography, and not yet completely explored, may also be added: that concerning the Nazi Gold that was held in the Portuguese exchequer.⁷

Portugal's strategy was to ensure its presence in all of the institutional structures without being compromised through the receipt of any of the Marshall Plan's financial assistance: aid that it sought to put off until the very last minute. This strategy lasted one year before being altered during the Marshall Plan's second phase in 1948–49 in order to obtain access to financial assistance. The underlying reasons for this change in Portugal's attitude were

⁵ Rollo, M.F., 'Salazar e a construção...', op. cit., 1997, pp. 59–63.

⁶ Xavier, A., *Portugal e a integração europeia*. Coimbra: Almedina, 1970.

⁷ Ferreira, J.M., 'Características históricas...', op. cit., 1993, p. 144. More recent works have examined this theme, with often contradictory conclusions, see Telo, A.J., *A neutralidade portuguesa e o ouro Nazi*. Lisbon: Quetzal, 2000, and Louçã, A., *Hitler e Salazar: comércio em tempos de guerra, 1940-44*. Lisbon: Terramar, 2000.

concerned as much with economics as they were with domestic politics. The deterioration of Portugal's financial situation and the decline in the value of the escudo led to a rethink of the economic situation, while the outbreak of the Cold War forced Portugal's integration into the Western security system, with Salazar's foreign policy being obliged to accept the need for a preferential relationship with the new Atlantic maritime power. Portugal signed the Lajes Agreement with the United States in 1948, an agreement that institutionalized the presence of US military forces on Portuguese territory. The new international situation and political realism had forced Salazar to moderate his traditional anti-Americanism and to accept Marshall Plan money.

In the third phase of the Plan, which lasted from 1950 to 1951, Portugal returned to its original position of refusing financial assistance, although now for different reasons. While during the first phase Portugal received direct assistance, it could at any moment refuse this aid: now, however, any such changes were negotiated directly with the United States' administration. Portugal's balance of payments improved; however the more significant changes were political. Following the Lajes Agreement, Portugal was to become incorporated into the multilateral Atlantic security system, and in 1949 it was to become a founding member of NATO. From this moment on, the greatest proportion of US assistance was directed towards the military.

Whilst mitigated by Portugal's particular position and the relatively small amount of financial assistance, the effects of the Marshall Plan were largely positive. Economically and financially this aid helped the balance of payments by promoting a degree of industrialization, particularly through infrastructural improvements and new economic planning methods. It was in the political and diplomatic spheres, however, that the consequences were more visible in the short-term and more profound in the long-term. The Marshall Plan caused Portugal to participate in all of

Europe's institutional economic co-operation structures: from the Organisation for European Economic Co-operation (OEEC) and the European Payments Union (EUP) to the European Monetary Agreement (EMA).

In the latter half of the 1940s, and while the European reconstruction process was taking place in an atmosphere dominated by the principle of intergovernmental cooperation, Portugal's position was complex and its participation singular. Its participation in the area of economic cooperation was unique within the Marshall Plan, although this very participation was to lead to the country's integration into all of the institutions that were created with the purpose of promoting economic co-operation between the European states. Despite its non-participation in the first purely European military co-operation agreements, for example the Dunkirk and Brussels Treaties, Portugal followed the development of the Western Union and was integrated into the Atlantic security system as a founding member of NATO in 1949.⁸

Of the three types of European co-operation developed during the late-1940s, the only one in which Portugal remained totally marginalised was that of political co-operation. In fact, not only did the wartime and post-war pro-European movements have no political expression in Portugal, with the absence of any Portuguese intellectuals at the Hague Congress,⁹ but the anti-European principles that drove Portugal's foreign policy and the authoritarian nature of the Portuguese regime in particular excluded it from membership of the Council of Europe.

⁸ Teixeira, N.S., 'From neutrality to alignment: Portugal in the foundation of the Atlantic Pact,' *Luso-Brazilian Review*, 29, (2), 1992, pp. 113-27; Telo, A.J., *Portugal e a Nato*. Lisbon: Cosmos, 1996.

⁹ Magalhães, J.C., 'Os movimentos de integração europeia no pós guerra e a participação portuguesa nesses movimentos,' in Guerra, R.T., Freire, A. de S., and Magalhães, J.C. (eds), *Os movimentos de cooperação e integração europeia no pós guerra e a participação de Portugal*. Lisbon: Instituto Nacional de Administração, 1981, p. 45.

Whilst Portugal had participated in the development of European co-operation during the 1940s, the same cannot be said of its involvement with the integrationist movements of the 1950s. Although Salazar may have remained skeptical with regards to intergovernmental cooperation, his attitude towards any form of supranational integration or federalism remained openly hostile. Moreover, while Salazar was prepared to accept that the United States was the new Atlantic power and to alter Portuguese foreign policy to establish a preferential relationship with it after Portugal's integration into NATO, in his mind this had no bearing on European affairs where he continued to place great importance on the British Alliance and to follow Britain's policy positions very closely.

Thus, Portugal stood alongside the United Kingdom at the margins of all European integrationist movements during the 1950s, remaining out of the Schuman Plan and the European Coal and Steel Community (ECSC) as well as on the margins of the proposed European Defence Community (EDC) and its associated European Political Community (EPC).

It was during the long and complex negotiations leading to the collapse of the EDC that Salazar clearly and unequivocally outlined his thoughts on European integration in a circular to all Portuguese embassies defining the principles of Portuguese foreign policy regarding this process.¹⁰ In this document, Salazar's position was made unambiguous, and can be reduced to three points. Firstly, his skepticism regarding the chance of any process of economic integration or political federalism succeeding was clearly expressed. Secondly, he stated that even should European federalism succeed, it would not be something that would interest Portugal. Thirdly, he stated that should the international order

¹⁰ *Circular concerning European integration to diplomatic missions from the President of the Council of Ministers*, 6 March 1953, Arquivo Histórico Diplomático, PEA-M 309, reproduced in Guerra, R.T. et. al., *Os movimentos...*, op. cit., 1981, pp. 61-5.

develop into the formation of large regional blocs, it was by no means certain that Portugal's national interests would be best served within Europe, and that other strategic alliances, with either Spain or Brazil, or fundamentally, with Africa, would be preferable.

During the 1950s, the Atlantic front and the position of the United States were to become increasingly important factors in Portuguese foreign policy. However, from its entry into the UN in 1955 and from the beginning of the 1960s in particular, the colonial question was to become Portugal's main concern. The United Kingdom continued to be Portugal's main reference in all matters European. Consequently, Portugal closely followed the positions adopted by the United Kingdom in European affairs, at least until it became a founding member of EFTA.¹¹

When the United Kingdom reopened negotiations for the creation of a 'common market' following the Messina Conference, and when the idea for a European 'free trade zone' was proposed in 1956-7, no-one — not even the United Kingdom — thought that Portugal was eligible for membership. Considering the low level of Portugal's economic development, and the fact that the proposed free trade area deliberately excluded agriculture, it would appear that this proposal would be of no interest to Portugal. However, when the United Kingdom informed Lisbon of this proposal, Portugal officially stated its desire to be represented at the negotiations.

Portugal accepted the general political objective of liberalizing the market and, in contrast with the other peripheral coun-

¹¹ Alípio, E.S., *O processo negocial de adesão de Portugal à EFTA, 1956-1960*, Unpublished Masters' dissertation, Faculdade de Ciências Sociais e Humanas Universidade Nova de Lisboa, Lisbon, 2001. For more on Portugal's negotiations with EFTA see Griffiths, R.T. and Lie, B., 'Portugal e a EFTA, 1959-1973,' in *Portugal e Europa: 50 anos de integração*, Lisbon: Centro de Informação Jacques Delors, 1996, pp. 185-206. For more on economic relationships see Alvares, P. and Fernandes, C. R. (eds), *Portugal e o Mercado Comum*, vol.1: *da EFTA aos Acordos de 1972*. Lisbon: Pórtico, 1980.

tries of Europe, Portugal did not have any financial problems. Finally, the question of the colonies, which could have constituted a problem, could play in Portugal's favour, given that the United Kingdom was interested in including the Commonwealth and could see a potential ally in Portugal. These reasons distinguished Lisbon from the other peripheral capitals and were decisive in securing Portugal's admission to the negotiating table.

The discussions took place within the OEEC, of which Portugal was already a member, and where it adopted a moderate and constructive negotiating position. On substantive matters, Portugal did not raise any objections to the exclusion of agriculture and was cautious in its requests for special treatment for Portuguese industry. On procedural matters, it rejected being labelled an 'underdeveloped country' and, diverging from the GATT definition, introduced the concept 'developing country'. Portugal refused to participate within the group of underdeveloped countries and instead proposed the creation of a special group for itself, which resulted in the Melander Report.

In this way, while the six members of the Common Market held informal meetings on the creation of a Free Trade Zone, the remaining six did not enjoy treatment equal to Portugal's. However, in November 1958, General de Gaulle exercised his veto and put an end to the negotiations, following which the six Common Market members held a meeting to resolve the question without inviting Portugal — on the pretext that the presence of a peripheral developing country could create undesired precedents. Nevertheless, when the second meeting was called, Portugal's goal to ensure its active participation was achieved through the political determination of the Minister of the Economy Correia de Oliveira, and the diplomatic ability of its negotiators. Portugal also enjoyed open support from the United States and covert support from the United Kingdom.

Thus it was that, in the spring of 1959, when the idea of a free trade zone was transformed into a more limited regional agreement restricted to the six non-members, these six were, in fact seven, with Portugal being part of the process. As a result, Portugal was a signatory of the Stockholm Convention and a rightful member of EFTA.

Why did Portugal decide to join EFTA? An explanatory thesis that is based on the voluntarism of the political and diplomatic actors has developed in Portuguese historiography out of the testimonies of the main protagonists in the process.¹² This explanation is particularly valid at the point of the crucial negotiations that took place following De Gaulle's veto that led to the transition of the free trade zone into EFTA. However, it is clear that the political and diplomatic voluntarism was seriously conditioned by both the domestic and international factors that enabled them and which, in the final analysis, favoured Portugal's objective to join.

Internationally, Portugal's economic and financial position obtained some comparative advantages in relation to the other peripheral countries, just as the moderation of Portugal's stance did not affect the economic interests of the more developed countries. However it was in the political sphere, where there was a coincidence of Portuguese and British positions with regards the colonies and the Commonwealth, that Portuguese diplomacy could use British pretensions to its advantage.

Domestically there were several economic and political factors conditioning Portugal's position. The increasingly close economic relations with European states imposed a choice of one of three alternatives for the Portuguese economy. The first of these was economic autarchy, which, in the context of economic openness and external dependence in relation to Europe, as well as the

¹² See Magalhães, J.C., 'Os movimentos de integração europeia ...' in Guerra, R. T., et. al, *Os movimentos...* op. cit., pp. 48ff.

European interests of some Portuguese economic groups, would be difficult.¹³ The second alternative was to seek a bilateral solution, which, given the lack of partners, would be equally difficult. The final alternative was to seek a multilateral solution which, theoretically speaking, could only be realizable within either the EEC or EFTA. Of these two, the EEC was a non starter given the country's economic development, the political nature of the regime, and Salazar's opposition to any form of integration or supranationalism. EFTA, however, was a possibility.

In a situation in which conditioning factors weighed heavily and the margin for manoeuvring Portuguese foreign policy was limited, EFTA provided the only alternative with economic advantages and without political costs. Politically, therefore, EFTA represented the optimum solution for Salazar as it enabled him to reconcile Portugal's economic integration into a European free trade zone with the regime's political and diplomatic positions. The strictly intergovernmental character of the organisation eliminated any supranational or integrationist pretensions, and, while it incorporated some continental countries, Britain's involvement allowed Portugal to maintain its essentially Atlanticist orientation and to maintain the country's traditional foreign policy strategies: continuation of the British Alliance. Most importantly, the fact that EFTA was a free trade zone rather than a customs union, allowed Portugal to remain within the organisation whilst maintaining its privileged relationship with its colonies.

As with the Marshall Plan, so too with Portugal's participation in EFTA — both had largely positive effects on the country. Membership of EFTA not only appeared to be cost free, but it also brought several benefits. Portugal was integrated into a European institution that was dedicated to economic cooperation, which was an important contributory factor in terms of the

¹³ Santos, E., 'Portugal e a adesão à EFTA: primeiro passo para o fim da autarcia,' *História*, Julho-Agosto 1998, pp. 62-74.

country's future relationship with the EEC. Also, this international experience brought domestic lessons: by participating as a full member of EFTA, as an equal with the developed and democratic states, the regime gained additional legitimacy. Finally, because the free trade zone model that was adopted allowed Portugal to maintain its privileged relationship with the colonies, it seemed to fit perfectly Salazar's own strategic conception of the complementarity of Africa and Europe. In the context of Portuguese foreign policy's limited scope for manoeuvre, this represented an enormous political advantage and was the main reason for Portugal's membership of EFTA. However, it was also to have a perverse effect in the medium-term. The growing importance of Europe in the Portuguese economy, and particularly in its external trade, provoked a radical change in the conception of the relationship between Europe and Africa during the 1960s. If, at the time the Stockholm Treaty was signed in 1960, the concept was one of complementarity, then by the end of the decade it had become one of competitiveness. This was the problem that exercised the regime during its final years, becoming the central political debate of Marcello Caetano's brief rule.

The international dimension of the Colonial Wars

The most important agents of Portuguese diplomatic resistance to pressures to decolonize that were being exerted on Portugal by the international community, including its allies, were not new and they had proved their relative success through the country's membership of NATO and the US base in the Azores. The protective barrier that was provided by NATO during the Cold War minimized Portugal's international isolation and provided it with some military support.

If we accept that Portugal's invitation to become a founding member of NATO was motivated primarily by the US's desire for

military access to the Azores, then Portuguese resistance to decolonisation could also be secured through the Azores.¹⁴ Its bilateral relationship with the US had dominated the regime's thoughts at the beginning of the 1960s.¹⁵ The election of John F. Kennedy marked a change in US policy towards Africa, however, and unleashed unprecedented pressures on Portugal to decolonize, pressures that were more noticeable following Eisenhower's more prudent softly-softly approach.

One sign of this change in US policy was the United Nation's condemnation of Portugal in March 1961, which was greeted with shock in Lisbon. The effect of this vote was short, however, and did not achieve its goal, although it did signal the beginning of a very difficult period for Washington-Lisbon relations. Washington 'soon discovered, however, that any new attacks against white domination in Africa would threaten other US Cold War objectives.'¹⁶ After 1960, the United Nations became the principal diplomatic battlefield in the war against Portuguese colonialism.¹⁷ Despite its attempts, which were almost always motions of condemnation, the UN had little impact on the day to day war effort and even its commercial and military embargoes could easily be ignored. Nevertheless, this was the period of Portugal's greatest international isolation, and a time of embarrassment for its allies.

¹⁴ Teixeira, N. S., 'From neutrality to alignment...' op. cit., pp. 113-27.

¹⁵ On bilateral relations see Antunes, J. F., *Kennedy e Salazar: o leão e a raposa*. Lisbon: Difusão Cultural, 1991 and Antunes, J. F., *Os Americanos e Portugal: os anos Richard Nixon 1969-1974*. Lisbon: D. Quixote, 1986; and more recently Rodrigues, L.N., *Salazar-Kennedy: a crise de uma aliança*, Lisbon: Notícias, 2002. On multilateral relations see Teixeira, N. S., 'Portugal e a Nato 1949-1999,' *Nação e Defesa*, 89, Primavera 1999, pp. 15-41 and Telo, A. J., *Portugal e a Nato*, Lisbon: Cosmos, 1996.

¹⁶ Thomas J. N., *Black liberation: the United States and white rule in Africa, 1948-1968*. Columbia: University of Missouri Press, 1985, p. 60.

¹⁷ Martins, F., 'A política externa do Estado Novo: o Ultramar e a ONU. Uma doutrina histórico jurídica (1955-68),' *Penélope*, 18, 1998, pp. 189-206; Duarte Silva, A. E., 'O litígio entre Portugal e a ONU (1960-1974),' *Análise Social*, 130, 1995, pp. 5-50.

According to one of the relatively few studies of the UN's attitude towards Portuguese colonialism, support for Portugal was very rare.¹⁸ In terms of votes, the most active opponents of Portuguese colonialism were, unsurprisingly, the Afro-Asian and Soviet blocs, with the latter's opposition more consistent. Whilst constituting a relatively homogeneous group, Western Europe was much less cohesive, even within some of the sub-groups, such as the EEC, NATO and Scandinavia. Despite all, between 1956 and 1965, Western European states voted 48 per cent in support of Portugal's colonial policy, with 32 per cent against. If we consider only NATO members, which included Portugal's closest partners, the situation was better, with 55 per cent of the votes in support, with only 23 per cent against. As far as the debates were concerned, NATO members generally maintained a prudent silence, but European delegates had generally criticized Portuguese policy (54.7 per cent).¹⁹ No Western state, with the exception of Spain and Portugal itself, was disposed to support Portuguese policy, much less 'eulogize Portugal's overseas presence'.²⁰ The Scandinavian countries were relatively consistent in their criticism of Portugal, particularly from the end of the 1960s when they became the main humanitarian and political supporters of the Portuguese colonial liberation movements.

While its position as a member of NATO could be an acquired annoyance for Portugal's partners, it also had a powerful stabilizing effect on the dictatorship, which provided it with a protective shield for its colonial adventure. For the United States in particular, Portugal's importance was predicated 'in the US bases on the Azores', and only 'secondarily as a member of

¹⁸ See Beller, D. C., *The Portuguese territories issue in the United Nations: an analysis of debates*, Unpublished Doctoral thesis, University of California Los Angeles, 1970.

¹⁹ *Ibid.* pp. 129-30.

²⁰ *Ibid.* p. 134.

NATO'. However, it was difficult to separate one from the other.²¹ While Portugal was the least important of NATO's founding members, the United States, the United Kingdom, France and West Germany all continued to defend it within the Alliance, before the increasing criticism of Portuguese colonialism that was emanating from Holland, Denmark and Norway.

Optimistic views on the colonial wars, which regarded the situation in the Portuguese colonies poorly, whilst ignoring the 'smaller colonies' — such as Guinea-Bissau — were being expressed by the US administration at the end of the 1960s. Whilst there was general international indifference towards the Portuguese conflict, there was at least a greater element of sympathy towards Portugal, which was expressed by Henry Kissinger who argued that the Portuguese dictatorship was 'a NATO ally defending the West and its African flank.'²² However, whilst relations with the US were good, the mere act of noticing the conflict was complex, given that the US government was more concerned with its own domestic crisis provoked by the Watergate scandal. As one student of Luso-American relations has noted: 'between 1969 and 1974,' Portugal and Portuguese Africa 'entered into a dormant phase' of US foreign policy, and were to remain there 'until the Lisbon coup.'²³

The economic and social changes of the 1960s

The colonial war occurred during a period of economic development when Salazar, against his convictions, was obliged to take liberalizing measures and open the country to foreign investment. Whilst, in common with much of southern Europe at this

²¹ Coker, C., *Nato, the Warsaw Pact and Africa*. London: Macmillan, 1985, p. 64.

²² See Schneidman, W. W., *American Foreign Policy and the Fall of the Portuguese Empire*, Unpublished Doctoral Thesis, University of Southern California, 1987, p. 228.

²³ *Ibid.* p. 362.

time, Portugal enjoyed substantial economic growth during the 1960s it nevertheless remained a relatively poor and backward country that was funding an expensive war.

Financing the war involved diverting substantial funds from two crucial areas during the 1960s: investment in the transport infrastructure in general, roads in particular; and education spending.²⁴ A relatively uncontroversial belief is that by the end of the 1960s, the colonies had come to represent an enormous burden on public finance, maintaining a huge debt in Lisbon at a time when, to cite a student of Portuguese colonialism, 'Portugal no longer needed the colonies to pay its way'.²⁵ Despite differences of opinion regarding the role the war played in Portugal's economic growth, the view that 'the war was fought more to defend the regime than it was to save the economy,' appears to be the most credible.²⁶

The withdrawal of the Portuguese economy from Africa to Europe, which occurred precisely at the moment of the colonial wars, was an important factor. Portugal's export sector responded dynamically to the stimulus provided by EFTA, which absorbed an ever increasing proportion of Portuguese produce — to the detriment of the colonies. 'Inevitably, the changed economic realities of the 1960s and 1970s were progressively corroding the logic of imperial connections and of economic nationalism.'²⁷ Portugal's economic growth during its first decade of EFTA membership reached six per cent, with foreign investment in Portugal also expanding. There was a significant growth in external

²⁴ Clarence-Smith, G., *The Third Portuguese Empire, 1825-1975: a study in economic imperialism*. Manchester: Manchester University Press, 1985, pp. 194-95; Láins, P., 'Causas do colonialismo português em Africa, 1822-1975,' *Análise Social*, 146-147, 1998, pp. 488-93.

²⁵ Clarence-Smith, G., *The Third Portuguese...*, op. cit., p. 196.

²⁶ *Ibid.* p. 193.

²⁷ Corkill, D., (ed.), *The Portuguese economy since 1947*. Edinburgh: Edinburgh University Press, 1993, p. 16.

trade, both in volume and direction, which was to have an extremely important political significance. During the 1960s, the importance of the colonies for Portuguese trade declined to be replaced by Europe, with both tourism and emigration having important consequences on economic growth.²⁸ During this decade the final destination for Portuguese emigrants moved from the American continent to Europe, France in particular, and expanded at an impressive rate.²⁹

Marcelo Caetano inherited a very different country in the summer of 1968, one that was more European, at least in terms of economic exchange, leading him to sketch the outlines of a set of liberalizing policies. Caetano himself had been one of the dictatorship's few notables to propose, in 1962, the adoption of a prudent federalist solution for the colonial question; however, after obtaining power, he opted in both his political discourse and strategy promises to continue the war.

The war effort was redoubled, although now within the context of economic growth, and in 1970 Portugal spent a total of 45 per cent of its budget on defence and security. With a military force of 140,000 men, the proportion of the population under arms in Portugal was exceeded only by Israel, and North and South Vietnam.³⁰ Despite muted protests by the 'Europeanists', who had precise data proving the very limited adverse effects that would be felt with the 'loss of empire', the political authorities refused to prepare any initiatives for a peaceful resolution to the colonial problem.

²⁸ Maravall, J. M., *Regimes, politics and markets: democratization and economic change in southern and eastern Europe*. Oxford: Oxford University Press, 1997.

²⁹ Barreto, A., 'Portugal: democracy through Europe,' in Anderson, J. J. (ed.), *Regional integration and democracy: expanding on the european experience*. New York and Oxford: Rowman and Littlefield, 1999, pp. 95-122.

³⁰ See Cann, J. P., *Counterinsurgency in Africa. The Portuguese Way of War, 1961-1974*. Westport: Greenwood Press, 1997.

Caetano and the Commercial Accord with the EEC

Marcello Caetano's ideas on European integration and the Europe–Africa relationship did not differ substantially from those of Salazar. What was different, however, was the domestic and international political situation.

If, as we have seen, the conception at the beginning of the process was one of African and European reconciliation and complementarity, by the beginning of the 1970s the dominant idea was one of competitiveness and incompatibility. The economic effects of EFTA membership and the resulting approximation to Europe, were translated domestically into two antagonistic concepts of developmental strategy that affected the country's external orientation. These two antagonisms came to the fore through the political debate between the 'Europeanists' and the 'Africanists' that dominated the regime's final years.³¹

Caetano's hesitations enabled a small liberal and technocratic pro-European group to consolidate itself within the dictatorship, which was to part company from the regime on the eve of its collapse.³² The spokespeople of this tendency that emerged out of the limited pluralism that was permitted during the regime's final years, such as those associated with SEDES, attempted to give a political expression to the alliance between Europe, economic modernisation and the liberalization of the regime.

Caetano's position in this context was that of a referee who sought to reconcile what, at that moment, seemed irreconcilable. As far as he was concerned, the Africa–Europe alternative repre-

³¹ The most important work on this debate is Castilho, J. T., *A ideia da Europa no Marcelismo 1968-1974*. Oporto: Afrontamento, 2000. See also Magalhães, J. C., *Portugal na Europa o caminho certo*. Lisbon: Bertrand, 1997.

³² Castilho, J. T., *A ideia da Europa...*, op. cit. See also, Mendes, P. E., *Portugal e a Europa: Factores de Afastamento e Aproximação da Política Externa Portuguesa*, MA Thesis, ISCTE, 2001.

sented a false choice. Adopting a traditional Salazarist attitude, he defined the European question as: 'the movement of economic understanding that will transform itself into a customs union,' and 'the movement for political integration that will transform itself into a European federation.'³³ Portugal had much to gain with the former and everything to lose with the latter. Economically, Portugal had to persevere with EFTA and other programmes for economic cooperation. Politically, however, Caetano shared De Gaulle's belief that Europe would have to remain a collection of independent states. It was in accordance with this belief that he developed Portugal's strategy towards the European Community.

When the United Kingdom made its first application to join the EEC in 1961, Portugal adopted its traditional position of following Britain's lead in European questions and did likewise, albeit within the limits of the possible. There were three fundamental obstacles preventing Portugal from making a formal request for incorporation: the low level of the country's economic development; the authoritarian nature of the regime; and the colonial problem, which had become critical with the outbreak war. During this difficult time, Portugal's diplomatic strategy was predicated upon opening multilateral negotiations between EFTA and the EEC. However, the United Kingdom's unilateral approach obliged Portugal to negotiate directly with the EEC. The difficult international situation and the lack of any domestic consensus led Lisbon to delay its application until 1962 — the last EFTA member state to do so. When it was made, the application was couched in an 'ambiguous manner' in order to allow a degree of flexibility at the negotiating table.

De Gaulle's 1963 veto of Britain's application introduced a delay in solving the problem, much to Portugal's relief. The matter only came to the fore again following De Gaulle's departure

³³ Caetano, M., *Renovação na continuidade*. Lisbon: Verbo, 1971, p. 19, cited in Castilho, J. T. *A ideia da Europa...*, op. cit.

from the political scene when the European project was relaunched at the Hague Summit of 1969 leading to the EEC's first enlargement.

With the United Kingdom's renewed request for EEC membership and its resignation from EFTA, this organization's future was irredeemably compromised. Once again the unilateral nature of Britain's application ruled out any opportunity for multilateral EFTA-EEC negotiations capable of dealing with the Portuguese case. Portugal had to form some type of relationship with the EEC, and it would have to negotiate it directly and bilaterally.

Following Britain, in May 1970 Portugal requested talks with the EEC and formed an *ad hoc* commission, the Inter-Ministerial Commission for External Economic Co-operation that was charged with analyzing the situation and proposing possible alternatives.³⁴ This Commission's report was clear in its diagnosis: the existing nature of economic relations between Portugal and Europe, and the United Kingdom's resignation from EFTA meant that it was imperative that Lisbon establish 'any kind of relationship with the EEC'. The Commission's report suggested three alternative ways forward for Portugal: accession to the EEC, association with it, or the establishment of trade agreements with it. Accession was out of the question for reasons mentioned above. Association would be difficult given that Article 238 of the Treaty of Rome effectively prevented the EEC from compromising to such an extent for the convenience of a country such as Portugal. Establishing trade agreements with the EEC thus emerged as the only politically possible alternative. The Commission recommended that Portugal adopt a moderate and flexible negotiating position: moderate in order to avoid raising the colonies in such a way as could undermine any agreement, and flexible in the formulation of the agreements so as not to undermine any future membership application.

³⁴ Castilho, J. T., *A ideia da Europa...*, op. cit.

The trade agreement with the EEC was signed in July 1972 and was ratified, without polemics, shortly after. The scope for manoeuvre in Portugal's foreign policy was too narrow to allow the flexibility required to step beyond the limits of a trade agreement, and its approximation to Europe and the weakening of EFTA required it to establish new multilateral economic relations. This being the case, an agreement with the EEC was an imperative, and a trade agreement was the formula that involved the minimum degree of political compromise.

The trade agreement with the EEC was to have important economic, diplomatic and political consequences within Portugal. As membership of OEEC had been an important step leading to EFTA, in its turn EFTA membership was a factor leading to the trade agreement. This agreement, and its 'evolutionary clause' in particular, was to be a decisive factor for Portugal's future accession. The agreement also represented the culmination of a process of political awareness towards the impasse in the country's strategic direction. The intergovernmental co-operation of the 1940s and 1950s, and Portugal's membership of both OEEC and EFTA allowed a degree of reconciliation between Africa and Europe. During the 1960s and 1970s, the economic effects of EFTA and the EEC trade agreement on the one hand, and the colonial war on the other, clearly demonstrated that they were competing, and not complementary projects. From that moment on, it became evident that Portugal's accession to the EEC was not only dependent upon the existence of certain economic conditions, but also on the need for democratization and decolonization.

Portugal's approach to the construction of Europe between 1945 and 1974 was determined by several factors. Firstly, it accepted the economic aspects of intergovernmental co-operation whilst rejecting the political facets and any supranational or integrationist model. Secondly, it was dependent upon the nar-

row scope of the regime's foreign policy — that is to say, it was determined by economic and social factors (e.g. foreign trade, emigration, and tourism) and not as a result of any strategic choices — Europe was a necessity, not a project. Thirdly, if during the 1940s and 1950s Portugal's attitude towards the construction of Europe seemed compatible with its idea of the complementarity of Africa and Europe, then during the 1960s and 1970s its economic approximation to Europe and the ongoing colonial wars put an end to this illusion, a conception that was now seen to be politically antagonistic. The maintenance of the African colonial empire required the continuation of authoritarianism, while Portugal's integration into Europe required decolonisation and democratization. Opting for the European path was the great political innovation of the nascent Portuguese democracy.

Democracy and European integration

The 25 April 1974 military coup paved the way for the institutionalization of Portuguese democracy. Portugal's transition occurred at the height of the Cold War, at a time when there were few international pressures for democratization. The rupture provoked by the Portuguese military resulted in an accentuated crisis of the state, fuelled by the concurrence of democratization with the decolonisation of the final European colonial empire.³⁵ Powerful tensions, which incorporated revolutionary elements, were concentrated into the first two years of Portugal's democracy. During 1974–75 Portugal also experienced a high level of foreign intervention, ranging from diplomatic pressure to the creation of political parties and social organisations (such as the unions and interest groups), as well as within the anti-left strategies of the 'Hot Summer' of 1975. Portugal was a constant topic

³⁵ See Maxwell, K., *The Making of Portuguese Democracy*. Cambridge: Cambridge University Press, 1997.

of discussion at international forums, from NATO and the EEC to the institutions of the Soviet Bloc.

The military coup took the international community, and the United States in particular, by surprise.³⁶ Faced with intense social and political mobilization from the left, and concerned with the flight of the country's economic elite and their capital, the moderate parties obtained only limited success in implanting themselves and were able to function during the crisis only with financial and technical support from important figures within the US administration and the European 'political families organisations,' with these latter often serving as guarantors ensuring the support of the former.

Transition to democracy and decolonization

The EEC observed Portugal's transition with discretion, although it gave unambiguous signals that, politically, it favoured the emergence of a pluralist democratic system, whilst simultaneously granting limited economic assistance. Soon after the first democratic elections, which took place in 1975, the European Council announced that it was prepared to begin economic and financial negotiations with Portugal, although it stressed that, 'in accordance with its historical and political traditions, the European Community can only support a pluralist democracy.'³⁷

The first significant international challenge for the nascent Portuguese democracy was to divest itself of its colonial empire. The second was to open Portugal to the world and reestablish

³⁶ Pero, M. del, 'Kissinger e la politica estera americana nel Mediterraneo: il caso portoghese,' *Studi Storici*, 4, 2001, pp. 973-88.

³⁷ See Magone, J., 'A integração europeia e a construção da democracia portuguesa,' in Pinto, A.C. and Teixeira, N.S. (eds), *Penélope: Portugal e a unificação...*, op. cit., p. 137. See also Magone, J., *European Portugal: the difficult road to sustainable democracy*. London: Macmillan, 1997.

diplomatic relations with all countries, bringing an end to the international isolation brought about by the deposed regime.³⁸ Decolonisation and the reestablishment of diplomatic relations did not in themselves constitute a new strategic direction for Portugal's foreign policy; rather, in the midst of the strenuous conflicts during the process of democratization, there was another more silent battle taking place, one that was concerned with the international strategic choices for the new democracy.

The transitional period was characterised by conflict concerning the country's foreign policy options, through the practice of parallel diplomacy and, consequently, by the absence of any clear foreign policy goals. Despite the conflicts, hesitations and indecision, the Provisional Governments, and in particular those with a preponderance of military ministers, tended to favour adopting a Third Worldist foreign policy and promoted the formation of privileged relations with the country's former colonies. This was the final manifestation, albeit in a pro-socialist form, of the thesis that was so close to Salazar's heart — of Portugal's 'African vocation'.

The consolidation of democracy, which began in 1976 with the election of the first constitutional government, can be characterised by the clarification of Portugal's foreign policy choices, and by the unequivocal positioning of Portugal in the world as a Western country, albeit one that was simultaneously Atlanticist and European. It was these two visions that were to become the basic strategic foreign policy vectors for the nascent democracy. The Atlanticist outlook was predicated on the permanence Portuguese foreign policy's historical characteristics, and played an

³⁸ MacDonald, S., *European destiny, Atlantic transformations: Portuguese foreign policy under the Second Republic*. New Brunswick: Transaction Publishers, 1993; Ferreira, J. M., 'Political costs and benefits for Portugal arising from membership of the European Community,' in Lopes, J. da S. (ed.), *Portugal and EC membership evaluated*. London: Pinter, 1993; Gama, J., 'A adesão de Portugal às Comunidades Europeias,' *Política Internacional*, 10, 1994-95, pp. 5-19.

important role in directing Portugal externally, and in stabilizing it domestically. The establishment of good bilateral relations with the United States, and the strengthening of its multilateral participation within NATO, were the clearest expressions of the new democracy's international position.

Having overcome the Third Worldist temptations of the revolutionary period, Portugal adopted the 'European option' unrereservedly from 1976. Now, however, this choice was a strategic decision and a political project, rather than the merely pragmatic and economic stance it had been under the authoritarian regime.

Democratic consolidation, the European option and adhesion to the EEC

Contacts between Lisbon and the European institutions were initiated as early as 1974. The European Commission granted Portugal economic assistance while the European Council made its political position clear: it was ready to begin negotiations, but only on the condition that a pluralist democracy was established. Nevertheless, the country's economic condition, the political instability and continuing uncertainty regarding the destiny of the democratic regime during the transitional period ruled out any advance from the European front.

It was the first constitutional government, led by Mário Soares that adopted the 'European option'. The first step in this process occurred in August 1976 when the Portuguese government successfully applied for membership of the Council of Europe. Once a member of this organisation, which also consolidated the international community's recognition of the new democratic regime, Lisbon began to outline its next and decisive step: application for accession to the EEC.

Following a series of successful negotiations in a number of European capitals between September 1976 and February 1977, the government made its formal application for EEC member-

ship in March 1977. One month later, the European Council accepted Portugal's request and initiated the formal process laid out in the various treaties, including the mandatory consultation of the European Commission. In May 1978, the Commission presented a favourable report, clearing the way for the formal negotiations to begin in Luxembourg the following October.³⁹ With the formal application made, and accession negotiations under way, the hesitations and polemics over the nature of Portugal's integration had finally been superceded, placing Portugal firmly on the European path.

The government was motivated by, and based its decision to follow this strategic option on, two main objectives. First, EEC membership would consolidate Portuguese democracy, and second, EEC assistance would guarantee the country's modernisation and economic development. Several Portuguese economists remained fearful, with the majority expressing grave reservations regarding the impact EEC membership would have on some sectors of the Portuguese economy.⁴⁰

A complex series of negotiations, lasting seven years, followed Portugal's membership application. An earlier step had been taken in September 1976, prior to the country's formal application, with the revision of the 1972 EEC trade agreement through the conclusion of the Additional and Financial Protocols, which Portugal interpreted as representing a form of pre-membership agreement.⁴¹ Despite these prior agreements, formal negotiations

³⁹ Ferreira, J.M., 'Os regimes políticos em Portugal e a organização internacional da Europa,' *Política Internacional*, 11, 1995, pp. 5-39.

⁴⁰ Cravinho, J., 'Characteristics and motives for entry,' in Sampedro, J. L. and Payno, J.A. (eds), *The enlargement of the European Community: case studies of Greece, Portugal and Spain*. London: Macmillan, 1983, pp. 131-48. See also Tovas, A., *Foreign economic relations of the European Community: the impact of Spain and Portugal*. Boulder and London: Lynne Rienner, 1990.

⁴¹ Ferreira, J.M., 'Os Regimes Políticos em Portugal...', op. cit., p. 28.

on Portugal's membership lasted from October 1978 until June 1985.⁴²

There were two important domestic factors that can help explain just why the accession negotiations for such a small country with a relatively weak economy were so complex and drawn out. Firstly, Portugal's economic situation immediately prior to the transition and, more importantly, the economic measures that had been taken during the revolutionary period — in particular the nationalization of important economic sectors. Secondly, continuing governmental instability and the political and constitutional nature of the Portuguese regime. Following 1976, the democratic regime was undeniably pluralist, and was generally considered as such; however, the 1976 constitution was a product of the revolutionary period, and consecrated within it the Council of the Revolution. It was a democracy, but it was a democracy under the tutelage of an undemocratic military institution. These factors weighed heavily in the negotiations, and delayed their conclusion.

During the early-1980s, Portugal's democratic regime overcame all of these objections. The constitution was revised in 1982 to abolish the Council of the Revolution and the National Defence Law, and the armed forces finally accepted their subordination to the civilian political authorities. By 1983 Portugal's democracy had been consolidated, thereby eliminating all of the domestic obstacles that were preventing the successful conclusion of the entry negotiations.

One external hurdle remained, however. During Europe's southern enlargement, the EEC was also conducting accession negotiations with Spain, a country that had a much larger economy than Portugal's, and which did not share its smaller neighbour's history of close relations with European economic institu-

⁴² Alvares, P. and Fernandes, C. R. (eds), *Portugal e o Mercado Comum*, vol.2: *dos Acordos de 1972 às negociações de adesão*. Lisbon: Pórtico, 1980.

tions. Portugal's diplomatic strategy was keep its entry negotiations separate from those of Spain, in the hope of securing EEC accession more rapidly, thus giving it the important status of member state prior to Spain's entry. This tactic was not successful, however, as the Community's policy was to negotiate with both Iberian nations simultaneously, with the result that Portugal's accession was delayed a further two years, after all the dossiers on Spain had been concluded.

The culmination of the accession process finally arrived in June 1985, when the new government, led by Mário Soares, signed the Treaty of Accession. On 1 January 1986 Portugal became a full member of the EEC.

State, civil society and attitudes towards European integration

As an international actor, the EEC did not play a decisive role in the consolidation of Portugal's democracy.⁴³ Although several authors have suggested 'that the European Community played an important role' in the promotion of democracy in southern Europe, the confirmation of this is not so apparent in the case of Portugal.⁴⁴ While the economic support offered by Europe was important, the overall impact of the 'prospect of membership' on the consolidation of Portuguese democracy merits much deeper investigation. For one section of the Portuguese political elite of that era, accession was viewed as a guarantor of domestic democratic consolidation, and as a lever for the country's modernisation.

⁴³ Morlino, L., *Democracy between consolidation and crisis: parties, groups, and citizens in southern Europe*. Oxford: Oxford University Press, 1998, p. 19.

⁴⁴ Whitehead, L., 'Democracy by convergence and southern Europe: a comparative politics perspective,' in G. Pridham, (ed.), *Encouraging democracy: the international context of regime transition in southern Europe*. Leicester: Leicester University Press, 1991, p. 59

Whilst present in the programmes of several of the new political parties from the earliest days of the April 1974 coup, it was primarily in the context of the political cleavages of 1975, when they were faced with socialist and Third Worldist alternatives, that the parties of the right and the centre-left emphasized 'Europe' and the EEC as a reference for Portugal's future. In the context of a polarized transition, in which some of the divisions had been solidified into a conflict that was more one 'between democrats and revolutionaries than between democrats and involutionaries', the European option was an important factor in the break from a dictatorial, isolationist and colonialist past, whilst simultaneously assuming an anti-Communist and anti-revolutionary dimension.⁴⁵

The Portuguese case provides a good illustration of the thesis that regards the European Community as an reference for Europe's development and acts as a 'ready symbol' that the democratic elites could utilize to legitimate the new domestic order after the contested transition and the end of the colonial empire that had been so dear to the New State. On the other hand, and as it had in Spain, it led to the successful consolidation of a 'democratic tradition' that was based on the 'synchronization and homogenization of [national] cultures and institutions, with those of Europe', whose social and economic components had been changing since the 1960s.⁴⁶

When Mário Soares, as leader of a socialist government, made Portugal's formal request for EEC accession in May 1977, the country was living with the legacy of a contested transition, and had a constitution that protected the revolutionary nationalizations and agrarian reform, and which maintained a strong military presence in political life.

⁴⁵ See Alvarez-Miranda, B., *El sur de Europa y la adhesión a la Comunidad: los debates políticos*. Madrid: Siglo Veintiuno, 1996, p. 202

⁴⁶ Pérez-Días, V., *The return of civil society: the emergence of democratic Spain*. Cambridge MA: Harvard University Press, 1993, p. 3

The theme of the Socialist Party's (PS — *Partido Socialista*) 1976 electoral campaign was *A Europa Conosco* (Europe With Us), with the party receiving support from many of Europe's most important social democratic leaders. By adopting this rather vague theme, the PS was seeking to distinguish itself from the Third Worldist and neutralist tendencies that had characterised Portuguese politics during 1974-75, and which yet retained some support within the moderate left and the Armed Forces Movement (MFA — *Movimento das Forças Armadas*). Soares incorporated the proposal for EEC accession into his party's programme as a foreign policy priority for Portugal.

By 1974, EEC membership had also become a theme in the programmes of the right and centre-right parties, with the Social Democratic Centre Party (CDS — *Partido do Centro Democrático Social*) proclaiming itself to be convinced pro-Europeans and the Social Democratic Party (PSD — *Partido Social Democrata*) adopting a more cautious approach.⁴⁷ Beginning with the PS's initiative, the three parties advanced rival proposals for promoting the accession negotiations, although the PSD was at times less consistent. During the latter half of the 1970s, arguments in favour of the Community were actively promoted as the means through which the necessary political and constitutional reforms, particularly those relating to the military presence within the Council of the Revolution and the nationalizations, could be effected.

Only the Communist Party (PCP — *Partido Comunista Português*) remained consistently opposed to EEC membership, and rejected the prospect of accession. This opposition was an important element in its political campaigns between 1977 and 1986. After 1986, the PCP stopped calling for Portugal to withdraw

⁴⁷ See Durão Barroso, J.M., *Le système politique portugais face à l'intégration européenne : partis politiques et opinion publique*, Lisbon: APRI, 1983; Marques, N., *Les partis politiques et les opinions publiques au Portugal depuis 1974 face à l'intégration européenne*, DEA, Université de la Sorbonne Nouvelle-Paris III, 1995.

from the EEC, and adopted a more moderate position whilst continuing to argue for revision of the accession treaties.

Civil society and the interests groups representing those who would be most affected by EEC membership had practically no role to play during any stage of the accession negotiations. European integration was a decision made by the political elite alone, rather than 'a response to popular demand'.⁴⁸ The governing elites dominated the negotiating process, with only limited involvement by the business associations or agricultural interests.

Semi-paralyzed as a consequence of the transition to democracy's most radical phase, the employers' organisations were slow to establish international contacts and participate within European structures. Following the wave of nationalizations and agrarian reform of 1975, these organisations welcomed Portugal's application from the perspective of their domestic battle for a reduction of the public sector, the liberalization of employment laws and the initiation of a privatization programme.

Both the Confederation of Portuguese Industry (CIP — *Confederação da Indústria Portuguesa*) and the Portuguese Industrial Association (AIP — *Associação Industrial Portuguesa*) supported accession, although to differing extents. The CIP wavered between domestic liberalization and protectionism before the EEC, and demanded more pre-entry economic aid before later demonstrating its opposition to the final agreements. The AIP adopted a more pragmatic 'join and see' position.⁴⁹ Nevertheless, despite the CIP's occasional attacks, the hypothesis that the attitudes of these two organisations reflect an attempt to make the government adopt an aggressive negotiating stance rather than a

⁴⁸ Bermeo, N., 'Regime change and its impact on foreign policy: the Portuguese case,' *Journal of Modern Greek Studies*, 6, 1988, p. 14.

⁴⁹ Lucena, M. and Gaspar, C., 'Metamorfoses corporativas? Associações de interesses económicos e institucionalização da democracia em Portugal (I),' *Análise Social*, 114, 1991, p. 899.

reflection of any principled opposition by these organisations appears plausible, especially since these attitudes did not enjoy much support amongst their affiliates.⁵⁰ Several surveys of the employers' organisations' attitudes towards accession have confirmed the dominance of political considerations, with the EEC being presented as the 'guarantor for greater political security that will encourage investment in and modernisation of the productive structures in the country.'⁵¹

The party political and ideological cleavages were much more obvious within the trade union movement, with the Communist *Intersindical* standing opposed to accession, and the social democratic General Workers' Union (UGT — *União Geral de Trabalhadores*) being firmly pro-European.

Formed out of the struggle against communist domination of the trade union movement, and supported by foundations that were associated with social democratic, liberal and conservative political parties, the UGT was rapidly integrated into the European labour movement's international institutions. It was only after accession that *Intersindical* moved away from its original opposition to adopt a more pragmatic position.

It is important to note that these organized interest groups did not play an important role in the formation of opinions or in generating proposals for the political decision makers from within these groups they represented during the accession negotiations. Despite the economic dimensions of accession, the political and ideological debate continued to dominate proceedings.

During the 1980s, Portuguese society finally broke free of the double legacy of the authoritarianism and the 1975 revolutionary

⁵⁰ *Ibid.*

⁵¹ See Marques, G., 'L' intégration des groupes d'intérêt portugais au niveau européen,' in Sidjanski, D. and Ayberk (eds), *L'Europe du sud dans la Communauté Européenne: analyse comparative des groupes d'intérêt et de leur insertion dans le réseau communautaire*. Paris: PUF, 1990, p. 199.

process. Democratic consolidation, EEC accession and economic development all coincided to create a virtuous circle that could not have been foreseen at the moment of application. To the surprise of many sectors of public opinion, in 1990 Portugal lost its status as an 'under-developed country', a label that had been used to characterize the country ever since the concept had been devised. Following the conclusion of two complex agreements with the International Monetary Fund (IMF), a flood of Community funds began arriving in Portugal with tangible effects. The statistics reveal that there was an observable improvement in living conditions which was combined with a relatively low unemployment rate.

In the 1980s, Portugal underwent a second cycle of growth and social change. The movement of population toward the coastal areas, as well as urbanization, increased, although rates remained below the European average. More noteworthy, however, was the acute drop (to 12 percent by 1992) in the numbers of workers actively engaged in the agricultural sector, a process that continued to break up traditional rural society in the northern and central areas of the country. Emigration was being replaced by a movement from the countryside to the cities. The growth of the middle class and the tertiary sectors was also prominent in this period, and school attendance rates increased substantially.

Rather than the catastrophic prospect that seemed to loom large for Portugal during the 1970s, the country managed to consolidate its democracy and to take important strides forward in its social and economic modernisation as a member of the European Union. As an EU member, Portugal was also forced to accelerate the liberalization of its domestic market as a direct consequence of deepening economic and monetary union.⁵²

⁵² Macedo, J. B. de, 'External liberalization with ambiguous public response: the experience of Portugal,' in Bliss, C. and Macedo, J. B. de (eds), *Unity with diversity in the European economy: the Community's southern frontier*. Cambridge: Cambridge

Portugal's route to EU membership was promoted by the political elite, with a great degree of political consensus, without any attempt to measure public opinion through referenda. It was not until after accession had been secured that popular opinion began to exert pressure for more public participation in the reforms that were taking place within the EU.

Both the process of decolonisation and the adoption of a pro-European policy led to the production of a significant ideological output by some sections of the intellectual elite, although the often heralded 'identity crisis' never appeared in any tangible form.⁵³ Following a period of recriminations criticizing the decolonisation process that emanated mainly from conservative groups in the late-1970s, and which largely fell on deaf ears, smaller extreme right wing parties sought to capitalize on the discontent felt in the small groups that had been most affected by Portugal's new found Europeanism: their target audience were those who had fled the colonies to settle in Portugal, the *retornados*.⁵⁴ The conversion of this conservative ideology to a discourse proclaiming the need to defend a 'national identity' that was threatened by incorporation into the European Community also met with little popular success — even within the conservative milieu, as is evidenced by the fact that EU membership was supported by the two main conservative parties, the CDS and the PSD.

On the one hand, nationalist discourses emerged during the 1970s as a reaction against the country's incorporation into Europe, promoted by a conservatism that utilized, instrumental-

University Press, 1990, pp. 310-54; Lopes, J. da S. (ed.), *Portugal and EC membership...*, op. cit.

⁵³ Pinto, A. C. and Nuñez, X. M., 'Portugal and Spain,' in Eatwell, R. (ed.), *European political cultures: conflict or convergence?* London: Routledge, 1997, pp. 172-92.

⁵⁴ Pinto, A. C., 'The radical right in contemporary Portugal,' in Cheles, L., (ed.), *The far right in Western Europe*. London and New York: Longman, 1995, pp. 108-28.

ly, the country's exclusively Atlantic vocation. On the other hand, the Communist Party promoted the more economic defence of the 'interests of the national productive forces' in the face of European capitalism. However, with the myth of the empire ended, the democratic elites managed to consolidate the belief within public opinion that Europe was the only means through which Portugal could reconstruct any important relationships with the new Portuguese speaking African states, particularly since almost all economic links had disappeared and political relations had deteriorated following the granting of independence in 1975.

With the prospect of accession, and in the wake of it, new identity problems were to arise, the most important of which was the nature of Portugal's relationship with its neighbour, Spain. During, and particularly after, Portugal's attempts to negotiate accession separately, Spain regularly appeared in the public's mind as the powerful neighbour that had 'invaded' Portugal's economy. Having swiftly transformed itself into Portugal's major trading partner, Spain and the 'Spanish menace' stood as a threat to the liberalization of the Portuguese market.

In 1978, three years after decolonisation, almost 70 per cent of Portuguese believed that 'Portugal had a duty to grant these countries their independence', although they also thought that 'the rights of the Portuguese had to be protected.' Only 2.2 per cent of those questioned were in favour of continuing the fight against the liberation movements.⁵⁵ Nevertheless, a significant minority of 20 per cent thought, in 1978, that Portugal could not survive economically without the former colonies. The gradual diminution of this belief seems to be linked directly to the prospect of EEC accession: 'the accession process and membership itself, besides providing a substitute for the lost colonies, also

⁵⁵ Bacalhau, M., *Atitudes, opiniões e comportamentos políticos dos Portugueses: 1973-1993*, Lisbon: FLAD, 1994, p. 255.

represents an incentive for a change in the nature of the country's economic, social and cultural activities.⁵⁶

Nevertheless, the emergence of EEC membership as a positive goal within Portuguese society was a lengthy process that was initially restricted to the political elite. In 1978, shortly after the formal membership application had been submitted, most Portuguese had no opinion with respect to Europe, with over 60 per cent of the population stating that they did not know if EEC membership was essential for the future of Portugal's economy. It was not until the early-1980s that the population became better informed and was able to express a clearer opinion on the subject.

The *Eurobarometer* survey has regularly recorded Portuguese public opinion since 1980, and its reports have revealed a clear upward trend in support of EEC membership, with a large increase occurring in 1986, the year Portugal finally joined. The proportion of the population believing EEC membership to be a good thing rose from 24.4 per cent (1980-82) to 64.5 per cent (1986-90), rising to above 70 per cent during the 1990s.⁵⁷

In 1993, 65 per cent believed that Portuguese economic development had been boosted greatly as a result of EU membership. As appears to be the case in other southern European countries, there seems to be a strong suggestion that the urban middle classes generally tend to Europeanism with only a weak sense of 'national pride', while the less educated and the rural lower classes generally have weak pro-European sentiments and a strong sense of 'national pride'.⁵⁸

⁵⁶ *Ibid.* p. 257.

⁵⁷ *Ibid.* p. 269.

⁵⁸ See Braga da Cruz, M., 'National Identity in Transition,' Herr, R. (ed.), *Portugal, democracy and Europe*, Berkeley: Institute of International and Area Studies, 1993, pp. 157-58.

In relation to the process of political unification and the objectives of the Maastrich Treaty, the large majority of Portuguese were strongly in favour of a common security policy, and only slightly less supportive of political and monetary union. This support declines further when they are specifically asked about their views on the creation of a European political federation (with a single federal government), with the majority expressing themselves opposed to this objective.

By reaffirming their country's European identity, and remaining optimistic regarding the European Union following accession and the process of adhesion of the 1980s, the Portuguese do not seem to have experienced any serious identity problems, either through the loss of the colonial empire in 1975, or as a consequence of Portugal's new international position within Europe since 1986.

Spain: in the centre or on the periphery of Europe?

Juan Carlos Pereira Castañares
and *Antonio Moreno Juste*

Spanish-European relations: questions from the south

According to one American study, Spain is the tenth oldest power in the world. Geographically speaking, it is a European, or to be precise, a Western European state, which, thanks to its cultural diversity, has contributed to the art, literature, music, folklore and language of Western civilisation. Spain has played an indisputable role in both of the defining processes in the history of Europe: that of continental unity (Catholicism, the Empire of Charles V, dynastic unions, economic integration); and that of national diversity (wars, nationalism, protectionism). In addition, Spain has been a principal or secondary player in many of the historical events of post-medieval Europe. Sociologists and surveys tell us that Spain's image in Europe and the rest of the world is well established (47.7 million tourists visited it in 1998), if one-dimensional and excessively stereotyped. The body of hispanists dedicated to the study of the past and present of this country is one of the largest groups of experts in the Western world. In spite of all these arguments apparently indicating that Spain forms part of the centre of Europe, why do the Spanish continue to question their position and identity?

To all intents and purposes, perhaps unlike in other European states, the Spanish are constantly examining their identity and relationship with Europe. Even today, with a stable, democratic, developed state, 'fully integrated into Europe', doubts resurface from time to time as they ask themselves 'What is Spain?' or 'Are we fully Europeans?'

Terms such as failure, backwardness or decadence define the evolution of the Spanish people. The existence of a so-called 'Spanish problem' has given rise to such intense polemics as those expounded between Claudio Sánchez Albornoz (*Spain, an historic enigma*) and Américo Castro (*The historical reality of Spain*); Spain's most eminent intellectuals, among them José Ortega y Gasset, José Antonio Maraval, Pedro Laín, Julián Marías, Salvador de Madariaga and Francisco Ayala, have written thousands of pages on the subject, and, more significantly, the publication of a study by the historian Juan Pablo Fusi and the economist Jordi Palafox has fuelled a new debate about the historical 'problem', involving historians, sociologists, political experts and economists.¹

Lastly, throughout Spain's history, there appear to have existed three major paradigms: that of decadence, with its roots in the 17th century; the romanticism of the 19th century, which sees Spain as the country of drama and violence; finally, the paradigm of exceptionality that gathered force during the 20th century.²

Consciously or unconsciously, these reflections and debates have all had one common reference point: Europe. Whenever the Spanish are confronted with a problem or with failure, or when their history differs from that of their neighbours, they see them-

¹ Fusi, J. P. and Palafox, J. *España: 1808-1996: el desafío de la modernidad*. Madrid: Espasa-Calpe, 1997.

² Alvarez Junco, J. 'España: el peso del estereotipo.' in *Claves*, 48, 1994, pp. 2-10; Ayala, F. *La imagen de España*. Madrid: Alianza, 1986; Cepeda, J. *La historia de España vista por los extranjeros*. Barcelona: Planeta, 1975; Costa, J. *Reconstitución y europeización de España y otros escritos*. Madrid: Instituto Estudios Administración Local, 1981, and; Dawson in *España y Europa*. Madrid: Punta Europa, 1952.

selves as being on the periphery of Europe. Is it indeed true that 'Africa begins at the Pyrenees?' On the other hand, if Spain's history is to be compared with that of other European states, or if we consider Spain's contribution to western civilisation, we can conclude that it belongs to the centre of Europe on its own merits. To quote Ortega y Gasset, if 'Spain is the problem, Europe is the solution.'

In previous studies, we have looked in detail at the determining factors in Spanish-European relations.³ Our thoughts on the subject and the constant debate that the Spanish carry on from the south, have led us to assert that, since the start of the European construction process, relations between Spain and Europe have taken on a new appearance. On one hand, the historic 'doubts' and the aforementioned polemics carried on into modern times are still present, but on the other hand, the analysis now revolves around three meanings of the term Europe:

- Europe equals modernisation;
- Europe has come to mean 'modernisation' in the sense of 'coming into line' with everything European, and is seen generically as a challenge that has confronted Spanish society throughout the 20th century.⁴ Europe represents, individually or collectively, an 'essential' part of Spanish reality;

³ Pereira, J.C. 'L'Europeismo spagnolo (1945-1970): obiettivi e iniziative de una Spagna divisa.' In Pistone, S. *I Movimenti per l'Unita europea, 1945-1969*, Università de Pavia, 1996, pp. 125-49; Pereira, J.C. and Moreno, A. 'España ante el proceso de integración europea desde una perspectiva histórica: panorama historiográfico y líneas de investigación.' In *Studia Histórica*, IX, 1991, pp. 129-53; 'La Spagna franchista di fronte al processo di costruzione europea.' In *Storia delle Relazioni Internazionali*, 1, 1991, pp. 59-81; 'Il Movimento per l'Unità Europea e il processo di transizione e di consolidamento democratico in Spagna (1975-1986).' In Pistone, S. (ed.) *I Movimenti per l'unita europea (1970-1986)*. Milan: Jaca Book Edizione, 2000, and; Moreno, A. *España y el proceso de construcción europea*. Barcelona: Ariel, 1998.

⁴ Abellán, J.L. 'El significado de la idea de Europa en la política y en la Historia de España.' In *Sistema*, 86-87, 1988, pp. 42-73; Laín, P., 'El reto de Europa.' In *Visiones de España, reflexiones en el camino hacia una Europa avanzada*. Barcelona: Círculo de

— Spain's drawing closer to Europe is therefore seen as a necessity, closely linked to the act of Europeanisation. This term has come to symbolise Spain's aspiration to secularisation and scientific and technical progress, but it also implies social modernisation and democratisation of political structures and economic progress, thereby acquiring the sense of 'historical challenge'.

The Europeanisation of Spain was the aim of Ortega, Cajal and Azaña in their respective intellectual, scientific and political fields, an objective that was interrupted by the Civil War and, subsequently, by Franco's dictatorship. The fact that Spain has recently managed to create a truly European profile is proof of this situation. Although Spain began this modernisation process on the same rhythm as Europe, it remained one of the last countries in the cultural and geographical reality. To quote Félix Ortega:

For more than four centuries, the history of Spain has been one of limited progress and reactionary withdrawals. Full modernisation of society is taking place belatedly, at a faster pace than elsewhere, and for this reason it has been difficult to assimilate the changes.⁵

Europe equals democratisation

Following the Civil War, the term 'Europeanisation' was eclipsed as the modernisation process saw itself paralysed in Span-

Lectores, 1986; Racionero, L. *España en Europa*. Barcelona: Planeta, 1987 and; Ramirez, M. *Europa en la conciencia española y otros estudios*. Madrid: Trotta, 1996, pp. 13-104.

⁵ Ortega, F. *El mito de la modernización*. Barcelona: Anthropos, 1994. p. 184. See Juliá, S. 'Anomalía, dolor y fracaso de España.' In *Claves*, 66, 1996, p. 10-22; Marichal, J. *El secreto de España*. Madrid: Taurus, 1996 and; Tortella, G. *El desarrollo de la España contemporánea*. Madrid: Alianza Universidad, 1994.

ish society. However, the end of the Second World War brought with it a change in the appraisal of Europe as a reference point for those defeated in the Civil War. In the ‘resistance culture’ that evolved among Spain’s losing side, the term Europeanisation was gradually replaced by the wider term Europeanism. This new idea, apart from representing the inheritance of an ideal of modernisation and progress and the disharmony between Western Europe and Franco’s Spain, unified the democratisation aspect and the struggle against the dictatorship. To speak of Europe was to speak of a Europeanism that, definitively, came to be tantamount to the idea of an Europe united around democratic values and with a high degree of economic and social development — an Europe of which Spain should form part.

At the beginning of the 1970s the European model to be adopted in the transformation of Spain — that of a social, democratic and constitutional state, participating in the process of European integration — was fundamentally accepted and adopted by not only the main democratic political parties at the state level, but also by the historical nationalities.⁶ Becoming part of Europe and participating in the EU were accepted as necessary and positive steps towards burying Spain’s recent past for once and for all.

The ‘consensus’ that integration into Europe enjoyed during the transition to democracy, the progressive juxtaposition of the concepts of ‘Europe’, ‘Europeanism’ and ‘European regional organisations’ from the representations, affected the very legitimising idea of the Spanish democracy.⁷

⁶ According to John Hooper in *The new Spaniards* (Harmondsworth: Penguin, 1995), this is the only way of translating *nacionalidades históricas*, a phrase first heard soon after Franco’s death, which was used out of context in an attempt to satisfy the Basque Country’s (amongst others) claim to national status without having to actually call them nations. As Hooper observes, ‘*Historic nationality* may not be English, but then *nacionalidad histórica* is not Spanish.’

⁷ Morán, F. ‘El europeísmo español señal de identidad de la restauración democrática española.’ In *Movimiento Europeo*, 3, 1982, pp. 18–23; Aguila, R. del and Montoro, R. *El discurso político de la transición española*. Madrid: CIS/Ed. Siglo XXI,

Europe equals the end of traditional isolation

In the Spanish collective conscience, the ranks of Europeans have traditionally perceived themselves as being subject to a dialectic that created a vision of the Peninsula as a world apart, marginalised by the nature and history of the continental model. The difficulties of this relationship have been seen, sometimes with a particularly dramatic quality — something that differentiates Spain from other similar cases — as an expression of a long-lasting isolation, held to be responsible for Spain's marginalisation, backwardness and its being disregarded by Europe. This fact may be linked to the perception of a long political and economic decadence with respect to Europe, to which should be added the scale and drama of internal conflicts, reflected — on numerous occasions — in a tendency towards either isolation, withdrawal, self-absorption or neutrality.

This isolation — a basic characteristic that some have tried to present as proof of how the Spanish character is different from that of the rest of Europe — is endemic in the course of Spain's history to such an extent that it has been attributed to the existence of:

...a nationalism which, on many occasions, is identified with a patriotism felt with personal passion, manipulated at will when individual interests are seen to be affected by confrontation with collective bodies, or at least those on the other side of the Pyrenees. They are

1984; Botella, J. 'La cultura política de la España democrática.' In Cotarelo, R. (ed.) *Transición política y consolidación democrática en España (1975-1986)*. Madrid: Centro de Investigaciones Sociológicas (CIS), 1992, pp. 121-36; Gooch, A. 'El lenguaje político español.' In *Revista de Estudios Políticos*, 52, 1986 pp. 137-52 and; Neila, J.L. and Moreno, A. 'Spanish political culture and the process of European integration.' In *Public opinion and the European Union: the case of Spain*, Paper presented at the European Community Conference 'European identity and the European integration', University of California, April, 1993.

elements which, in short, are looked upon as a value to be maintained or a principal to be fought against.⁸

However, this 'Europeanism' has broken with the tendency towards isolation. And yet, 'Europeanism' was — and still is — given too much of a mechanical interpretation, as it is believed to be the 'magic ointment' of a 'modernisation' that will allow the Spanish, within the framework of democratic coexistence, to abandon the links between the centre and the periphery.

It is in the context of breaking with tradition and the culture of isolation that Spanish 'Euro-optimism' is best understood, an optimism that only recently sent all the sociological sensors used by Brussels to measure the degree of support for its projects out of control.⁹

Franco's Spain and the process of European construction

Conditioning factors

Although the Europe that emerged from the Second World War never had any pretensions of turning itself into a universal model, during the 1940s and 1950s Europe attempted something

⁸ Jover, J. M. 'La percepción española de los conflictos europeos: notas históricas para su entendimiento.' *Revista de Occidente*, 57, 1986. See Juliá, S. 'Franco, la última diferencia española.' *Claves*, 27, 1992, pp. 16-21 and; Mesa, R. 'La posición internacional de España.' *Leviatán*, 33, 1988, pp. 39-54.

⁹ *Imagen de España en Europa (1)*, 1386, Madrid: CIS/GALLUP 1983, and *Imagen Institucional de España en Europa*, 1802, CIS-BUERKE/EMOPUBLICA, 1988. Del Campe, S. 'La opinión pública española y la política exterior.' *Informe*, INCIPE, 1991, Madrid: INCIPE/Tecnos, 1992, pp. 15-29; CIS 'La opinión pública ante la CEE, 1968-1985.' *Revista Española de Investigaciones Sociológicas*, 29, 1985, pp. 287-376 and; Lamo de Espinosa, E. 'La mirada del otro. La imagen de España en el extranjero.' *Información Comercial Española*, 722, 1993, pp. 11-27.

that nonetheless approached this. This included a rejection of totalitarianism and dictatorship in any form; parliamentary regime and pluralist democracy; Keynesian reforms and a mixed economy with a considerable degree of indicative planning; the creation of welfare states; plans to enter the world arena as a third power in a rigidly bipolar system, and efforts to transcend mere international co-operation by means of institutional formulas on a supra-national level.

Within this context, it would have been very difficult for Spain, emerging in 1939 with its nationalist rhetoric, autarchic economy, intellectual provincialism and so-called 'organic democracy', to integrate into western Europe.

Dictatorship versus democracy

The Spanish political regime took the form of a dictatorship, and this basic disharmony with Western Europe was the defining factor in Spain's international situation until the death of Franco in 1975.

After denigrating liberal democracy as an antiquated form of government, and given the copernican about-turn in international politics following the Second World War, and the good health enjoyed by these new regimes as contrasted with the demise of fascism, the Franco regime decided to re-christen its original political system 'organic democracy'. The novelty consisted in a supposed new form of representation, as opposed to the traditional democracy of 'one man one vote' (inorganic). Corporations were represented: family, district, trade unions etc. (organic). The only problem was that such 'representation' never represented anything, and it only served to emphasise the rejection of a secular, liberal and democratic Europe, which, for its part, stigmatised this counter-revolutionary, traditionalist and anti-liberal Spain. The disharmony that existed between 1939

Spain and 1945 Europe exemplifies the clash between the two.¹⁰

From an economic point of view, the autarchic economic policy initiated after the Civil War, based as it was on extreme protectionism and very low labour costs, resulted in the development of a rudimentary industry whose poor quality products were utterly incapable of standing up to international competition. This economic model was crippled at the end of the 1950s — growth was ever more difficult to achieve, and the economy was beset by inflationary tensions and by an unsustainable foreign debt. Faced with this situation, the regime had no choice but to link the Spanish economy to foreign markets and participate in international financial circuits in order to obtain supplies of raw materials, capital goods and to secure foreign financial resources. All this meant that there was a need for a stabilising adjustment to help the country deal with the benefits of opening up to the outside world in line with the rules of international economic organisations: fundamentally the OEEC, the IMF and the World Bank. The regime's top priority was to adapt to the West's economic strategy, by means of international co-operation.¹¹

¹⁰ See the studies of Juan José Linz, Max Gallo, Guy Hermet, Stanley Payne, Amando de Miguel or Javier Tusell. See Ferrando Badia, F. *El régimen de Franco. Un enfoque jurídico-político*. Madrid: Tecnos, 1984, pp. 87-106; Esteban, J. de and Lopez Guerra, L. *La crisis del Estado franquista*. Barcelona: Labor, 1977; Poulantzas, N. *La crisis de las dictaduras. Portugal, Grecia y España*. Mexico: Siglo XXI, 1976, and; Vilar, S. *La naturaleza del franquismo*. Madrid: Península, 1977; Fraga, M. *Horizonte español*. Madrid: Editora Nacional, 1965, and; Fraga, M. *El Nuevo Estado Español. Veinticinco años de Movimiento Nacional*. Madrid: IEP, 1962, chapters II and III: 'La organización y el desarrollo del Estado.' and 'Las instituciones representativas.'

¹¹ Gonzalez, M.J. *La economía política del franquismo*. Madrid: Tecnos, 1979; García Delgado, J.L. 'La industrialización y el desarrollo económico de España durante el franquismo.', pp. 164-90 and Carreras, A. 'La industria: atraso y modernización.', pp. 280-313, both in Nadal, J. and Carreras, A. (eds), *La economía española en el siglo XX. Una perspectiva histórica*. Barcelona: Ariel, 1987; Tortella, G. 'Pattern of economic retardation and recovery in south-western Europe in the twentieth century.' *Economic Historical Review*, 1994, pp. 1-24; Viñas, A. et al., *Política comercial exterior de*

With this in mind, any analysis of the relations between Franco's Spain and Europe should take into account the fact that, while the Franco regime did not take part in the process of European integration, it did participate in the international co-operation procedures that were set in motion following the end of the Second World War.¹²

The Cold War and its consequences

In addition, this participation in the process of international co-operation was aided by another factor of singular intensity in post-war Europe, namely the strategic needs of Western defence resulting from bipolar confrontation.¹³

The gradual change in relations between the Allies that was to lead to the Cold War meant exchanging the anti-fascism of the immediate post-war period for an anti-communist stance. This was to have a major effect on the assessment of Spain's situation, as the imperatives of European defence came before any other consideration. The fear expressed by some Western leaders that if Franco was ousted this would automatically lead to the appear-

España, Vol. II. Madrid: Banco Exterior de España, 1979; Velarde Fuentes, J. (ed.) *Lecturas de Economía española*. Madrid: Aguilar, 1969, and; Requeijo, J. 'Lo que fuimos y lo que somos.' *Información Comercial Española*: '50 años de economía española.' 676-677, 1990, pp. 5-18.

¹² Pereira, J.C. 'Spain's changing role in international relations during the 1950s.' In Varsori, A. (ed.), *Europe 1945-1990: the end of an era?* London: MacMillan, 1995, pp. 265-74, and; Pereira J.C. and Cervantes, A. 'La política exterior del franquismo: un reto para la historiografía española.' *Cuadernos de Historia Contemporánea*, 12, 1990, pp. 175-83; Moreno, A. *Franquismo y construcción europea 1951-1962. Anhelos, necesidad y realidad de la aproximación a Europa*. Madrid: Tecnos, 1998.

¹³ Wingeate Pike, D. 'Franco and the Axis stigma.' *Journal of Contemporary History*, 10-12, 1982, pp. 369-407; Portero, F. *Franco aislado, la cuestión española (1945-1950)*. Madrid: Aguilar, 1989; Lleonart, A. *España y ONU. La 'Cuestión Española'*, Vol. I (1945-46); Vol. II (1947); Vol III (1948-49); Vol. IV (1950). Madrid: CSIC, 1983-1991.

ance of a communist government in southern Europe would have influence not only on the strategists.

From a moral point of view, the participation of Franco's Spain in the defence against the Soviet threat was reprehensible considering that Spain could turn into a double-edged weapon against the very Western system that accepted the help of a dictatorship of fascist origin in the defence the 'Free World'. However, when faced with this question, we should neither exaggerate Spain's strategic importance nor take it out of context. Spain was a playing piece of certain importance on the West's geo-strategic chess-board, given that it could serve as a supply and withdrawal platform in the event of Soviet aggression against Western Europe. Spain's position with respect to the centre of European gravity was peripheral, but its future was of direct concern not only to NATO, but also to the other European regional organisations whose members shared borders with Spain.¹⁴ The United States was quick to grasp the situation, and signed several military-economic pacts with Spain in 1953, which proved to be a basic instrument of political support for Franco.

Europe's attitude towards the Franco regime

It should be noted that in Europe different feelings existed about Spain. Three basic positions can be defined with regard to the Franco regime and its participation in the European regional system that emerged during the immediate post-war years:

— one school of thought emphasised the idea of encouraging democracy in Spain by means of economic co-operation.

¹⁴ Marquina, A. *España en la política de seguridad occidental*. Madrid: Ed. Ejercito, 1986; Viñas, A. *Los pactos secretos de Franco con los Estados Unidos*. Barcelona: Grijalbo, 1981; Braund, P. *L'anillo mancante. Il problema de la Spagna franchista e l'organizzazione della difesa occidentale (1947-50)*. Sassari: Università degli Studi di Sassari, 1990.

This co-operation would have a range of effects: it would improve the Spaniards' standard of living; it would prevent nationalist sentiment from being used to justify Spain's isolation; it would mean an economic liberalisation that would inevitably ferment political liberalisation. As a consequence, with regard to Franco's Spain, it was advocated that economic relations be maintained and increased;

— the second position was that any economic aid for Franco's regime would only help reinforce its internal position, thereby slowing down the process of democratisation. As a consequence, any kind of participation by Spain in European regional organisations was rejected;

— lastly, a very small minority held the view that Spain's entry into Europe at all levels would quite simply help Spain along the road to democratisation.

Several factors should be considered when evaluating the origin and evolution of these positions: on the one hand, the persistence of certain stereotyped ideas about Spain in the post-war years; on the other, the main players on the international stage's attitude towards Franco's Spain.

The various ideas about Spain's past that were buried in European consciousness resurfaced on the outbreak of the Spanish Civil War and affected the perception of Spain after the end of the Second World War. It should be noted that European public opinion was based on preconceived ideas and culturally inherited stereotypes, which oscillated between the romantic image of Spain and the 'black legend'. Franco's regime was stigmatised by some and forgotten by others.

There are two possible explanations for this. One is political-ideological: the Franco regime had outlived all the other pre-war authoritarian or fascist experiments, and so the persistence of a dictator in Spain played on the European conscience; the other is

cultural: Franco's regime was seen as a step backwards into a new dark age, carrying on the cliché of the Catholic counter-reformation, which, together with ignorance of the internal situation, made it acceptable to keep silent about Spain. Nevertheless, Spain continued to incite conflict and arouse passions in Europe.¹⁵ Broadly speaking, Europe maintained two interpretations, one 'secular humanist' and the other 'traditionalist catholic':

- the traditionalist catholic interpretation served as an intellectual weapon for those who viewed the continuance of Franco's regime in a positive light and considered Spain's collaboration in western defence to be fundamental;
- the secular humanist interpretation grew up in Europe from a kind of 'emotive anti-Franco feeling' which would persevere until the end of the regime and the death of its leader.

Having established the framework of the different perceptions of Spain in Europe, we should now consider the attitude of the main protagonists in the processes of inter-governmental co-operation and supra-national integration under way in Western Europe, the United States, international organisations and pro-European groups.

There was no unanimous position with regard to Spain among the Western powers. While for the United States, the Spanish problem was fundamentally one of security, the priority for European governments was internal politics and the reaction of public opinion. This situation is demonstrated in Spain's relations with Western Europe and the role played by the United States in supporting a *rapprochement* between Franco's Spain and the European regional organisations, not only where defence was concerned — and here its best exponent was NATO — but also in

¹⁵ Ucelay, E. 'Ideas preconcebidas y estereotipos en las interpretaciones de la guerra civil española: el dorso de la solidaridad.' *Historia Social*, 6, 1990, pp. 23-43.

the question of economics, in which it participated either directly or indirectly, as was the case of the OEEC. However, this did not stop the European governments coexisting with Franco's regime until 1975 without too much trouble. Europe benefited from Spain's contribution to Western security without having to offer it anything in exchange. Moreover, in post-war Europe, most countries had a turbulent recent political past — not too far removed from fascism — in common, for which reason they were especially sensitive to a possible political change in Spain and the introduction of democratic institutions. In fact, the triumph of democracy in Spain was held by some to be intimately linked with their own internal consolidation.

Nevertheless, it was not until the 1970s that any concrete initiatives on the part of European governments to encourage democratisation in Spain — not counting attempts during the immediate post-war period — were witnessed.

Pro-European groups

For those groups in favour of European integration in the years immediately following the Second World War, particularly those on the Left, it was clear that Franco's Spain should not participate in the new post-war European system. The fact that the Spanish Civil War occupied an important place in the collective consciousness of the European Left during the 1940s and 1950s was one of the movement's best arguments within the regional institutions that had emerged out of the integration process.

This generalised opinion resulted in the invitation extended by the European governments to prominent members of the Spanish community in exile to attend the meeting of the European Congress in the Hague in May 1948. Some months later, the European Union Study Committee, set up in November 1948, expressed the opinion already voiced by the Congress at the Hague: Spain should

be excluded.¹⁶ As Paul-Henri Spaak recalls: 'Spain alone remained outside the common endeavour. At that time, it was still hoped that General Franco would be ousted.'¹⁷

This support for Spaniards in exile was to continue for the duration of the dictatorship. In June 1962, at the IV Congress of the European Movement, an important meeting took place between representatives of both the democratic opposition in exile and of the internal Spanish resistance movement, at which it was agreed to demand that the European institutions exclude Spain for as long as the non-democratic regime endured. These demands were supported not only by the European Movement, but also by the main European political movements (socialists, liberals, Christian democrats, etc.) and continued to be voiced by them until Franco's death.¹⁸

Although relations with Franco's Spain were an issue of secondary importance on the complex community agenda, it is true that for decades the Western democracies had tolerated the existence of an authoritarian regime in Spain. Their attitude only found a common voice when faced with the problem of Spain within the framework of the European integration process.¹⁹

¹⁶ 'En Espagne, les passions vibrent toujours avec force; et hors d'Espagne, les passions suscitées par L'Espagne sont, en général tumultueuses. Cela se comprend. La guerre civile a laissé des traces encore brûlantes dans l'esprit de beaucoup d'Européens.' Intervention by M. Duynstee, at the Assembly of the Council of Europe, 16 May 1962. *Conseil de l'Europe. Assemblée Consultative. Compte-Rendu des débats Quatorzième session ordinaire.*

¹⁷ *Seconde réunion du Comité d'Etudes pour l'Union Européenne, 22 Novembre 1948. Procès verbal de séance. Archive Ministère Français des Affaires Etrangères (AMFAE) Z-EUROPE Généralités* Vol. 11. And *Sous Comité Politique, 14 Decembre 1949*: '...quant l'Espagne, ce serait facile si seulement Franco voulait céder la place.' (AMFAE. Z-EUROPE Généralités, Vol. 11).

¹⁸ Spaak, P. H. *Combates inacabados*. Madrid: Espasa Calpe, 1973, p. 225.

¹⁹ See Satrustegui, J., Alvarez de Miranda, F., Baeza, F., Bru, C.M. and Moreno, A. (eds), *Cuando la transición se hizo posible. El 'contubernio de Munich.'* Madrid: Tecnos, 1993.

A good way of determining the level of relations between Spain and the European regional organisations is to establish which of these Spain came to participate in. By 1963 it was a member of 24 organisations. An analysis of these reveals that they can all be grouped under the heading of 'technical bodies'. At the same time, five of them are not strictly European in nature. Only the Council of Europe can be described as a body formed with the aim of promoting the process of European integration, to which it should be added that Spain only enjoyed observer status on several expert committees and, with the exception of the Organisation for Economic Co-operation and Development (OECD) — which was never explicitly political, — on none of the organisations.²⁰

So, from the point of view of the European institutions, the presence of a dictatorship defied the founding principles of European unity to which they aspired. And yet, the only two international governmental institutions that refused to accept non-democratic states as members were the Council of Europe and, later, the European Community.

The rapprochement between Europe and Franco's Spain: an unequal balance

On the 'international agenda' of Franco's regime, rapprochement between Spain and the European regional organisations was viewed differently at different times. Following the period of isolation immediately after the Second World War, rapprochement with Europe changed status, from being a 'minor' political issue in the period 1949–55 (a phase of simple informing and evaluation,

²⁰ See Report 'La situation politique en Espagne.' (*Conseil de l'Europe. Assemblée Consultative Document*, AS/NR, 12, 36. Strasbourg, 13 janvier 1961, and *Rapport fait au nom de la commission politique sur 'Les aspects politiques et institutionnels de l'adhésion ou de l'association à la Communauté.'* 15 janvier 1962. Parlement Européen, *Débats et Documents de Séance (1952-1984)*, Doc. 122/1962).

with a growing interest in joining the process of international economic co-operation) to an 'intermediate' political issue during 1957-62 (a period of formulating a 'wait and see' policy with regard to Europe) until finally becoming a 'top' political issue from 1962 until Franco's death (a time of definition with regard to Europe and decision-making on the question of European integration). It was during this final period that Spain made repeated attempts to initiate relations with community institutions.

These shifts in attitude correspond to three different phases in Spain's international position in Europe following its post-war isolation: the normalisation of bilateral relations on the European scene (1949-1955); participation in the trends of international co-operation that grew up in the post-war years (1955-1962); and the inescapable need to move closer to the process of European integration as a consequence of the requirements of economic liberalisation and commercial openness in foreign dealings, and the continuation of an expanding economic policy (1962-1975).²¹

²¹ '...Banco Internacional de Pagos, Consejo de Cooperación Aduanera, Consejo de Europa através de su Comité de Cooperación Cultural, Comité de Expertos en materia de Patentes, Comité de Expertos para la Producción y Comercialización para Productos de la Vid y Espirituosos; Conferencia Europea de Aviación Civil; Oficina Central de Transportes Internacionales por Ferrocarril; Conferencia Aduanera de Administraciones de Correos y Telecomunicaciones; Organización Europea de Investigación Nuclear, Comisión Económica para Europa de Naciones Unidas, Conferencia Europea de Ministros de Transportes; Sociedad Europea para la Financiación de Material Ferroviario; Consejo Europeo de Códigos de Alimentación; Organización Europea de Investigaciones Espaciales; Consejo General de Pesca para el Mediterráneo; Conferencia de la Haya de Derecho Internacional Privado; Comité Intergubernamental para la Migraciones Europeas; Organización para la Cooperación y el Desarrollo Económico; Agencia Europea para la Energía Nuclear; Sociedad Europea para el Tratamiento Químico de Combustibles Irradiados; Organización Europea y Mediterránea para la Protección de Plantas; Consejo Oleícola Internacional; Comisión Permanente del Convenio Internacional de Pesquerías de 1946; Unión para la Protección de Nuevas Variedades de Plantas; Conferencia Euro-

The end of isolation and the beginning of multilateral co-operation in European relations (1945-1955)

International condemnation of the Franco regime in the Potsdam Declaration of 2 August 1945 and, in particular, the ratification of Resolution 39 (I) of the General Assembly of the United Nations on 12 December 1946, which recommended that Spain be excluded from all international organisations and conferences until there was a change in the Spanish political regime,²² distanced Spain even further from the processes of international co-operation at work in Europe. In the same spirit, the Consultative Assembly of the Council of Europe approved a resolution on Spain on 10 August 1950.²³

However, the Franco regime's interest in finding a place for itself in post-war Europe — by means of various bilateral, and later multilateral, diplomatic initiatives, — and its determination to soften the negative image of Spain that persisted in European public opinion, resulted in a conscious effort to open channels of contact with any European regional body — preferably of a military or economic-technical nature — that Spain could adhere to,

pea para Comunicaciones Espaciales.' Dirección General de Organizaciones Internacionales: *Organizaciones europeas de carácter intergubernamental en las que participa España*. Madrid, 6 de noviembre de 1963. Archivo Ministerio de Asuntos Exteriores (AMAE Leg R-7260 E. 27).

²² Areilza, J.M. *Memorias exteriores 1947-1964*. Barcelona: Planeta, 1984; Armero, J.M. *La política exterior del franquismo*. Barcelona: Planeta, 1978; Espadas, M. *Franquismo y política exterior*. Madrid: Rialp, 1987; Pereira, J.C. and Moreno, A. 'La Spagna franchista...' art. cit.; Powell, chapter 'Las relaciones exteriores de España.' In Gillespie, R., Rodrigo, F. and Story, J. (eds), *Las relaciones exteriores de la España democrática*. Madrid: Alianza, 1996, pp. 36-41 and; Preston, P. *Franco*. Barcelona: Grijalbo, 1994.

²³ 'L'Espagne et la cause de l'axe: complicité et exonération.', *Guerres Mondiales et Conflits Contemporains*, 162, 1992; Pollack, B. *The paradox of Spanish foreign policy: Spain's international relations from Franco to democracy*. London: Pinter, 1987, and; Wingeate Pike, D. 'Franco and the Axis stigma.' art. cit.

with the ultimate aim of forcing itself in as a full member, or failing that, obtain some kind of advantageous connection with those organisations of greatest political importance: NATO; OEEC; the Council of Europe.²⁴ These objectives met with mixed success: Spain became a member of the OEEC in 1958, but it was not until 1977 that it joined the Council of Europe, and NATO membership was only achieved in 1981. As a consequence, Franco's regime developed a grievance towards the heart of Europe that was based on the principles of Catholicism and anti-communism and which continued to grow from the end of the Second World War to the end of the 1950s. Of vital importance was the defence of the West, but this was inextricably bound up with a united Europe in which Spain did not believe.

The problem of definition with regard to Europe: the politics of 'wait and see' (1955-1962)

In general terms, Spain's position in the second half of the 1950s can be summarised as follows: once the Franco regime — following a period of international isolation and nearly 15 years of *sui generis* relations with the West — had its foot in the door of the European system created during the post-war years, the *relance* of the process of European integration from 1955 meant a change in political attitude and in economic relations to be established in the face of shifting circumstances in Europe. This situation coincided with the dying gasp of Spain's autarchic economic model and the need to enter the dynamic of international economics. Undoubtedly, from this moment on, the regime's foreign policy

²⁴ 'L'Assemblée, émet le voeu que dans un proche avenir le peuple espagnol puisse tenir des élections libres et établir un régime constitutionnel dont les parlementaires pourront être membres de cette Assemblée.' (*Conseil de l'Europe. Assemblée Consultative*. Doc. AS (2) 4/50. Strasbourg, 10 août 1950). See *Assemblée Consultative*. Doc. AS (2) 127/50, Strasbourg, 22 août 1950.

towards European integration was put on the back burner, behind the now all-important economic policy.²⁵

A question of a different nature is the regime's assessment of the process of European integration. This can be seen from two different viewpoints that perfectly summarise the light and shade in the Franco regime's attitude towards European integration. The first is characterised by a fundamentally political assessment, very similar to several of the analyses and projections made by the Ministry of Foreign Affairs. The focus of its assessment was the political suitability of choosing processes of international co-operation or supra-national integration as a means of bringing the regime closer to Europe. Should they have to opt for one of the models being considered, they would favour the concept of a 'Europe of sovereign nations' as described by De Gaulle. In other words: recognition of the reality of Europe; opposition to endowing European institutions with supra-national powers, and substitution of the principle of economic integration for political solidarity between sovereign states.

The second position would be established as a logical consequence of the results of the open debate about the liberalisation of the Spanish economy from 1957 on, and would represent the view of the Senior Economic Administration, which was concerned at the dangers of falling back into a renewed position of isolation, this time of an economic nature, with, according to the Administration's assessment, 'irreversible, and... unpredictable consequences for Spain'. In its opinion, moving closer to Europe was the only way to avoid the stagnation of foreign trade and the

²⁵ See Garrigues, J. and Armero, J.M. *La participación de España en las Comunidades Europeas*. Madrid: Tecnos, 1974; Gimenez Caballero, E. *La Europa de Estrasburgo (Visión española del problema europeo)*. Madrid: Instituto de Estudios Políticos, 1950; Larraz, J. *La integración europea y España*. Madrid: Espasa Calpe, 1961; Paris, H. *El futuro de España y las Comunidades Supranacionales*. Madrid: n. p., 1962, and; La Porte, M^a. T. *La política europea del régimen de Franco, 1957-1962*. Pamplona: EUNSA, 1992.

resulting progressive isolation that would paralyse economic development and relegate Spain to the rank of underdeveloped nation. Politically, the resulting loss of sovereignty would be less damaging than the consequences of non-integration and dependency on other countries for any kind of financing.²⁶

These efforts to adapt to the international context culminated in an application to open negotiations with the EEC in response to an economic logic that would guarantee the survival of the regime, regardless of the limitations of this attempt at rapprochement from both an economic and, above all, from a political point of view.

Putting a new economic policy into practice, along with a pressing need for foreign trade to maintain and increase exports, made it essential for Spain to establish a new relationship with Europe and the EEC. Co-operation in a mere secondary partnership was no longer enough for the plans of the Spanish economy. Spain had to gain a stronger foothold in Europe, which was the main market for Spanish exports.

*Attempts to move closer to the process of European integration
(1962-1975)*

From an institutional viewpoint, the history of Spain's relations with the EEC dates back to the final months of 1959, when the Spanish government negotiated authorisation for diplomatic representation in the EEC. The first Spanish ambassador to the EEC obtained his *placet* in January 1960. However, the first real move towards membership occurred in the heat of the changes in the

²⁶ Dirección General de Política Exterior 'Directrices de Política Exterior' s/f. 1957. AMAE Leg. R-7650 E. 4-6. See Muns, J. *Historia de las relaciones entre España y el FMI (1958-1982)*. Madrid: Alianza Editorial, 1986, and; Varela, M. (ed.), *El Fondo Monetario Internacional, el Banco Mundial y la economía española*. Madrid: Pirámide, 1994.

economic policy of Franco's regime, and consisted in a tentative advance towards Western Europe on 9 February 1962, when the Spanish government asked the Community if an 'association could be formed that might one day lead to full integration.'²⁷

Upon receiving the Spanish application, the EEC felt obliged to take an official line against the Franco regime. Both European governments and regional bodies with a parliamentary assembly agreed that liberalisation within Spain — economic and political — should be the 'cause' and not the 'effect' of integration into Europe. Political liberalisation, or at least the existence of indications that the Spanish regime was moving in this direction, were considered essential by Western Europe if Spain wished to form an association that went beyond the strictly economic and technical. Spain's application went unanswered, beyond an acknowledgement that the request had been received. Relations with Spain were, from then until the disappearance of the Franco regime, to be a secondary issue on the busy Community agenda.²⁸ Nevertheless, neither the economic changes nor the interest awakened by an expanding market like Spain's went unnoticed, and in 1964 initial exploratory conversations took place, which, at the end of long negotiations beset by political and technical difficulties, bore fruit on 29 June 1970 with the signing of a sim-

²⁷ Viñas, A. 'La política exterior española durante el franquismo y el Ministerio de Asuntos Exteriores.' In Guerra, *Dinero y Dictadura. Ayuda fascista y autarquía en la España de Franco*. Barcelona: Grijalbo, 1984, and 'La Administración de la política exterior en España 1939-1975.' *Información Comercial Española*, 13, 1980, pp. 159-247; Delegación Española ante la OECCE, *Informe sobre la eventual entrada de España en la OECCE*, París, July 1955, (AMAE Leg. R-5332 E.1); Viñas, A., Viñuela, J., Eguidazu, F., Pulgar, See and Florensa, S. *Política comercial exterior de España 1931-1975*, T. II. Madrid: Banco Exterior de España, 1979. Cap. IV-VII.

²⁸ '...solicitar una asociación susceptible de llegar en su día a la plena integración después de salvar las etapas indispensables para que la economía española pueda alinearse con las condiciones del Mercado Común.' *Acta de la Comisión Delegada del Gobierno para Asuntos Económicos*. 2/2-1962. Archivo Presidencia del Gobierno (APG) PG. CM. SG. Caja 075 n. 24.2.

ple Preferential Agreement between Spain and the EEC. This came into force on 1 October of the same year. To this was added an additional protocol that, in spite of its provisional nature, was the last document signed by Spain and the Community until democratic Spain officially presented its membership application.²⁹ No further progress was made at that time because the Spanish authorities were still adapting to this situation when they were caught off guard by Franco's death in a new climate of internal repression that meant, as far as the European scene was concerned, a return to isolation that was similar in some aspects to that of the post-war years.

Taking stock

The *rapprochement* between the EEC and the Franco regime should be seen as an integral part of the visible edge of Spain's new economic policy. The regime set aside political difficulties arising from the internal constitution of the dictatorial state, whilst at the same time pondering the economic problems posed by a move towards Europe. This simplification of the issue continued until Franco's death in 1975. The evolution of the regime's policy had, in general terms, little to do with the assimilation and acceptance of a united Europe, given that the changes made in the implementation of the European idea were designed to be of use to the regime's foreign policy. As a result, integration into Europe was a means, and not an end desirable in itself. In short, Spain's institutional 'peculiarity' with regard to Western Europe prevented not only clarification of Spain's international position, but also its

²⁹ 'Par ailleurs, le gouvernement espagnol a présenté le 9 février 1962 une demande d'association à la CEE, demande à laquelle le Conseil a accusé réception le 6 de mars 1962.' See *Commission de la Communauté Européenne. Cinquième rapport général sur l'activité de la Communauté (du 1 mai 1961 au 30 avril 1962)*. Annex Institutions. p. 236.

adaptation to Europe's institutional architecture. Spain was a dictatorship born of the convergence of certain factors that could hardly be overlooked by the democracies of Western Europe.

The impact on Spain of relations with Europe can be summarised in four points:

- the economic reforms already begun were reinforced;
- there was no significant political change in the regime's move towards a democratic system;
- numerous tensions, which had hitherto been latent in Franco's Spain, now came to the surface;
- nevertheless, it meant a complex system of short and long term incentives and guarantees, tending to favour democratisation and restoration of liberties.³⁰

The Spanish transition and democratisation process: Spain's integration into Europe

The foundations of the integration process

It is a generally held opinion that Europe and European integration had a very positive part to play in the process of transition and democratic consolidation in Spain. This influence was particularly positive in six different areas:³¹

³⁰ Report by José Núñez Iglesias, Madrid, 8 April 1964 - Archivo General de la Administración (AGA). AE. Caja 12.480 - and the Report by Alberto Ullastres, Bruselas, 4 November 1966. Also see 'Nota para la Comisión Delegada sobre nuestras conversaciones con el Mercado Común.' Madrid, 18 February 1967 (AGA. PG. SGM. ST. Caja 432). Alonso, A. *España en el Mercado Común*. Madrid: Espasa Calpe, 1985, and; Bassols, R. *España en Europa. Historia de la adhesión a la CE. 1957-85*. Madrid: Política Exterior, 1995.

³¹ See Powell's chapter, 'La dimensión exterior de la transición democrática.' *Revista CIDOB d'Afers Internacionals*, 26, 1993, pp. 37-65; Marques, M.-N. 'Les limites de l'intégration européenne et la Méditerranée, le marché des fruits et légumes de 1959 à 1977.' In Girault, R. and Bossuat, G. (eds), *Europe brisée, Europe retrouvée*.

1. it contributed to the reinforcement of the legitimacy of democracy, as exercised in Western Europe, in the eyes of the elite and among the Spanish public;
2. it made possible a consensus — albeit without debate — between all democratic political forces on Spain's membership of the European Community, which was seen as an essential guarantee for Spain's fragile, fledgling democracy;
3. it acted as a buffer in the issue of region versus nation during the Spanish transition. In other words, the prospect of integration into Europe helped to moderate the confrontation between the central State and the historic nationalities, thus paving the way for the creation of the *Estado de las Autonomías*;
4. it radically transformed Spanish social reality by means of an unprecedented modernisation of Spanish political culture, which found in Europe a model to emulate and to be integrated into;
5. regarding Spain's negotiations for EEC membership, it made possible the adaptation of financial, commercial and manufacturing structures. Without this prospect, it would have been difficult to carry out these reforms due to the costs they entailed;
6. it made it possible to resolve an old and fundamental issue of Spanish foreign policy: the definition of Spain's position on the international stage.

Democratic legitimacy

From the end of the 1970s, the existence of the Community's veto on Spain's membership affected the mood of certain groups

Paris: Publications de la Sorbonne, 1994, p. 379–403, and; Chastagneret, G. 'Une histoire ambiguë: les relations entre l'Espagne et les onze de 1949 à 1982.' In *España, Francia y la Comunidad Europea*. Madrid: CSIC/Casa Velázquez, 1989, pp. 191–219.

within Spanish society who had tolerated or supported the dictatorship. Some of these groups, like the Catholic church, enjoyed great social influence. Others, like businessmen, who had economic power, began to see Franco's regime as an obstacle to their aspirations.³² This fact, together with other factors — such as growing prosperity and stability in most European countries —, served to reinforce the legitimacy of democracy as exercised in Western Europe in the eyes of the elite and among the Spanish public. In this way, Europe — and its most coherent expression as perceived by the Spanish, the EEC — became a symbol of everything that the Franco regime had denied the Spanish people for so many years. For this reason, when the Spanish political elite, whether reformers — i.e., products of the old regime — or the political and trade union opposition, envisaged a democratic future, they did so with one eye on the institutional mechanisms and public behaviour they observed in the European democracies around them.

In short, both immediately before the transition and throughout its evolution, the European Community represented an important guarantee for those contemplating the disappearance of the dictatorship with apprehension. It seemed reasonable to suppose — and in fact, this is what actually happened — that a transitional government keen on joining the EEC would go to great lengths to avoid calling into question the basic values and rights of Western Europe, in order not to be rejected by its potential Community partners.

Undisputed consensus over Europe

After Franco's death, Europe became an essential element of political democratic culture in the making, and acted as a unify-

³² Pereira, J.C. and Moreno, A. 'Il Movimento per l'Unità Europea e il processo di transizione...' art. cit.; Moreno, A. *España y el proceso de construcción europea*. op. cit., and; Cotarelo, R. (ed.), *Transición política y consolidación democrática...* op. cit.

ing force in Spain's newly emerging political class. At that time, Europe was reaching its peak as a model for the Spanish system of democratic coexistence. Being accepted and approved of by Europe was one of the main banners of political socialisation for the budding democracy. Clearly, having been accepted by the EEC, the time was ripe for integration into other European regional organisations: the Council of Europe and the European Communities. All the democratic political forces saw membership of the European Community as an essential guarantee for the young and fragile Spanish democracy. The institutional declarations made in the Congress of Deputies on 5 June 1977, following the first elections to be held since 1936, left no room for doubt. The same can be said for the attitude and response of the European institutions at particularly critical moments during the Spanish transition, a prime example being the attempted *coup d'état* of 23 February 1981.³³ Moreover, this legitimate basis, defended by political consensus, made it easier for Spanish society to comprehend the manner in which, and against what background, the membership negotiations were unfolding over the course of several long and difficult years that were characterised by economic crises and political instability. Nevertheless, no social or political debate was needed to reach consensus about Europe, inasmuch as joining the EEC was seen to be vital.

With regard to different opinions over European integration, many of the political groups in Spain's fledgling democracy adopted the most forward-thinking positions of their ideological counterparts in Europe in questions relating to integration into Europe.³⁴

³³ 'Manifiesto del Congreso de los Diputados a la Asamblea del Consejo de Europa de 8 de octubre de 1977,' 'Resolución del Congreso de los Diputados de 27 de junio de 1979' and 'Declaración del Parlamento Europeo de 8 de marzo de 1981.'

³⁴ Partido Comunista de España (PCE), 'La paz es posible. Una propuesta de política exterior y de defensa fuera de la OTAN,' Madrid, 11 February 1986.

Essential structure of the nation

In much the same way, European integration had a positive effect on another fundamental aspect of the Spanish transition. Admission to Europe acted as a buffer in the issue of nation versus region.³⁵ Spain needed a new 'essential structure' — just as Ortega had asserted fifty years earlier — that would allow its various historical nationalities (Catalonia, the Basque Country, Galicia and Andalusia) to find a place for themselves within a democratic reality after 40 years of centralised dictatorship.

Although from the very first there was unanimous agreement with regard to the Spanish political forces handing over state powers to Europe — integration into the European Community was never disputed — when it came to sharing out powers among the regions it was a different story: no complete agreement could be reached. During those years, political debate was burdened by excess ideological baggage, and certain behaviours and attitudes encouraged under Franco's dictatorship, principally with regard to the question of Catalan and Basque nationality, which had to be dealt with.³⁶ However, both processes moved forward side by side from the very beginning of the transition period — the historical nationalities' progression towards self-government, beyond mere administrative decentralisation on the one hand, and the state's political move towards the process of integration into Europe on the other. It is likely that this dual process — although not completely free of tensions — was one of the factors that helped a good relationship to form between

³⁵ Moreno, A. 'Europeísmo y nacionalismo.' In Blas, A. de (ed.), *Diccionario sobre Nacionalismo*. Madrid: Tecnos, 1997, pp. 141-48, and; Ortega, L. 'Poder europeo, poder nacional, poder territorial.' *Sistema*, 109, 1992, pp. 25-37.

³⁶ Blas, A. de, *Sobre el nacionalismo español*. Madrid: Centro de Estudios Constitucionales, 1989, and; Castro, J.L. de, *La participación de las regiones en el proceso de construcción de la unión europea*. Bilbao: Universidad del País Vasco, 1994.

the central State and the historical nationalities at the very beginning of the transition.

This compatibility between the restoration of democratic freedom, the creation of the State of Autonomies and Spain's entry into Europe are elements that form part of the same process of change in Spanish political culture that is reflected in the results of the Centre of Sociological Research's survey of the Spanish people's opinion of Europe, or the perceptions that have developed among the citizens of the Spanish state — fundamentally among the historical nationalities — that Franco's regime equals centralism equals isolation, while democracy equals autonomy equals Europe.

The challenge of modernisation

There can be no doubt that, in spite of the deficiencies that continue to exist in the Spanish economy, its modernisation is one of the most significant consequences of the search for 'compatibility with Europe'. It represents the definitive option for a true market economy, the opening up of Spain to the outside world and the updating of its manufacturing system.

The tentative liberalisation of the Spanish economy set in motion during the 1970s allowed Spain to catch up with Europe to a certain extent, thanks to its proximity to, and the strong economic relations established with, the EEC countries.³⁷ During the transition, the EEC was responsible for this stimulus to the Spanish economy. For Spain, EEC entry meant substantial changes in economic rationality, a harmonisation of structures which involved a sweeping transformation of economic policy and a

³⁷ Prados de la Escosura, L. and Zamagni, V. (eds), *El desarrollo económico de la Europa del Sur: España e Italia en perspectiva histórica*. Madrid: Alianza Editorial, 1992; Tortella, G., *El desarrollo...* op. cit., and; Pulido, A., *Así entramos en la Comunidad Europea*. Madrid: Pirámide, 1997.

radical change of business culture. This economic reform was virtually synonymous with a relaxation of the mechanisms of state intervention and the opening up to European markets. It meant the suppression of state monopolies and trade, greater transparency in state subsidies, the introduction of rules of competitiveness between companies operating in the EEC, etc.

The objective of membership meant a significant opening up to the outside, and not only to the European Community. As a result, customs rights and quantitative import restrictions had to be abolished, and numerous rules and practices increasing protectionism in the domestic market were modified. In the same way, it provided an incentive for the modernisation of the manufacturing and financial systems. Moreover, it made it possible to begin streamlining heavy industry (on the agenda since the early 1970s), to introduce structural improvements in agriculture, fisheries and communications, and to draw up new policies on technological innovation and professional training.³⁸

Along with changes to the economic structure, increasing proximity to Europe in the period 1975–1986 meant a transformation of Spain's social fabric, which was not without its contradictions and difficulties. In addition to the problems caused by the economic crisis of the 1970s — at the height of the transition — there was also the leap from a dictatorial and archaic society to another that hoped to find a place for itself in the vanguard of social Europe in the 1980s.³⁹ This transformation took on radical

³⁸ García Delgado, J. L., (ed.), *Economía española de la Transición y la Democracia*. Madrid: CIS, 1991; Montes, P., *La integración en Europa*. Madrid: Trotta, 1993; Viñals, J., (ed.), *La economía española ante el Mercado Único europeo. Las claves del proceso de integración*. Madrid: Alianza, 1992, and; Martin, C., *España en la nueva Europa*. Madrid: Alianza Economía, 1997.

³⁹ Gaviria, M. *La séptima potencia. España en el Mundo*. Barcelona: Ediciones B, 1996; De Miguel, A., *Los españoles. Sociología de la vida cotidiana*. Madrid: Ed. Temas de Hoy, 1994, and Various Authors, *España 1993. Una interpretación de su realidad social*. Madrid: Centro de Estudios del Cambio Social. Fundación Encuentro, 1994.

characteristics, but it took place in an atmosphere of such mind-blowing change that few had a clear perception of what was really going on. The change consisted in the recognition of a series of citizens' rights that attempted to bring Spain into line with the European Community. This recognition was set in motion by the construction of the welfare state, something that had not existed in Spain. After the return to democracy, and even before entry into the European institutions, Spanish society displayed a special sensitivity towards the social aspects of European integration at a time of fairly generalised confusion. The result had a profound effect on the social fabric, habits and rules of behaviour. At the same time, it meant a much greater increase in public spending than had been the average in the Community during those years.⁴⁰

Spain's appearance on the international scene

The unclear nature of Spain's international position and its only partial acceptance on the international scene prior to the 1980s — as a consequence of domestic political circumstances determined by the persistence of Franco's dictatorship in the consciousness of democratic Western Europe — made it very difficult to project a positive image of Spain in the aftermath of the Second World War. From this point of view, it is clear that only when Spain's international position became fully defined was it possible to complete the transition with respect to foreign policy.

1986 was the year when the transition, as far as foreign policy was concerned, could be said to have come to an end, coinciding with the coming into force of the Treaty of Accession to the European Community, the signing of the Single European Act and the referendum on whether Spain should stay in NATO. In

⁴⁰ Gómez Castañeda, J. 'La economía de la democracia española.' In Various Authors, *La política exterior española...* op. cit., pp. 169-99.

fact, it was from this time onwards that Spanish foreign policy began to de-personalise and to become a normal institution. Spain's full participation in the process of European integration meant that one of the most significant chapters of its history had drawn to a close, namely that concerning its definition and international position. It was the affirmation of a new dimension of its foreign policy, and meant that its traditional international isolation had been overcome for once and for all. With its entry into the EEC, Spain not only defined its own foreign policy but, thanks to European political co-operation and the foreign dimension of Community policies, also made use of the Community's high standing to improve its own international relations.⁴¹

Negotiation, Membership, Integration

From the Community's point of view, Spain's entry into the EEC formed part of what came to be known as the 'southward expansion'. During the 1970s, transitions to democracy had taken place in three Southern European countries: Greece, Portugal and Spain. Greece had applied for membership in 1975, and in January 1981 it became the 10th Community member state. However, the two Iberian countries had to wait until 1986 to join, despite having made their applications in 1977.

⁴¹ Aldecoa, F. 'La política exterior en perspectiva histórica 1945-1984. De la Autocracia al Estado de Derecho.' *Sistema*, 63, 1984, pp. 123-43; Arenal, C. del, 'La posición exterior de España.' In Cotarelo, R., *Transición política y consolidación democrática. España (1975-1986)*. Madrid: CIS, 1992, p. 189-90, and; 'Democracia y política exterior: el largo camino hacia el cambio.' In Vidal Beneyto, J., (ed.), *España a debate, Vol 1 'La política.'* Madrid: Tecnos, 1991, p. 45-65; Menendez del Valle, E., 'Política exterior y transición democrática.' In *La transición democrática en España*. Madrid: Ed. Sistema, 1989, pp. 715-55; Mesa, R., 'La política exterior en la España democrática.' *Revista de Estudios Internacionales*, 1, 1982, pp. 7-67, and; Moreno, A., 'La administración exterior en la transición de la política exterior española (1975-1986).' In Various Authors, *Historia de la transición y consolidación democrática en España*, Vol. II. Madrid: UAM-UNED, 1995, p. 235-51.

Spain's membership negotiations with the European Community did not run smoothly: the fact that the negotiating process went on so long (1978-1985) gives some idea of the complexities and difficulties of all kinds that Spain's membership entailed. Moreover, Spain's membership application took place within a difficult context for the EEC, and brought with it a fresh set of problems:

- reluctance on the part of several member states to accept Spain's application, in particular France, which had misgivings about Spain's agricultural potential;
- the foreseeable increase in Community spending resulting from the membership of Spain and Portugal;
- intergovernmental negotiations, which would end with the signing of the Single European Act of 1986.

With regard to the last point, it has been demonstrated that Spain's and Portugal's membership had no small influence on the institutional reform linked to the Single European Act. Both the Commission and most member states were convinced of the dangers of a permanent blockade of decision-making mechanisms with an expanded Community comprising 12 member States.

*Membership application and the commencement of negotiations
1977-1979*

In 1977, democratic Spain officially presented its membership application to the European Community. The Spanish government hoped to kill several birds with one stone: to confirm the political respectability of the new system; to participate in the process of European integration; to redefine Spain's position in the world and, lastly; to open up the Spanish economy. With these

aims in mind, on 28 July 1977 the government, presided over by Adolfo Suárez, presented its official application. Two months later, the Council of Community Ministers, held on 20–21 September 1977, pronounced itself in favour of Spain's membership, and asked the Commission to draw up a *dictamen*, as outlined in the Treaty of Rome. On 10 April 1978, the Commission sent a document to the Council, outlining the possible problems involved in extending Community membership from 10 to 12 states. Some months later, on 29 November 1978, the Commission approved and forwarded to the Council the *dictamen* on Spain's candidacy, favouring membership.⁴² On 5 February 1979, the official opening session of Spain's membership negotiations was held in Brussels. This date marked the start of two parallel processes entitled 'The examination of community patrimony' and 'Joint analysis'. The first process involved a review of Community legislation in its totality, and the second constituted the first phase of real negotiation, in which each party gave its written opinion on the way it proposed to adopt Community legislation, either immediately or at a future date.

Initial difficulties: the French blockade 1979-1982

The first problems resulting from Spain's negotiations came to light in early 1980, when the Community failed to present its joint analysis regarding agriculture. This problem became more

⁴² Ministerio de Asuntos Exteriores, *Las negociaciones para la Adhesión de España a las Comunidades Europeas Madrid*, Secretaria General Técnica, 1985; *La Documentation Française: L'Espagne et le Portugal dans la CEE. Interrogations et enjeux*. Paris, 1986 and Gillespie, R. Rodrigo, F. and Story, J. (eds), *Las relaciones exteriores de la España democrática*. Madrid: Alianza, 1996; Moran, F., *España en su sitio*. Barcelona: Plaza y Janes/Cambio 16, 1990; Muñoz Alemany, E., *El proceso de integración de España en el Consejo de Europa*. Granada: Universidad de Granada, 1989; Preston, P. and Smyth, D. *España ante la CEE y la OTAN*. Barcelona: Grijalbo, 1985, and *Documentación Administrativa*, nº 201–202 (1984).

acute as a consequence of France's position on Spain's admission with regard to agricultural matters, about which they voiced their concern on 3 June 1980. The French President, Giscard d'Estaing, succeeded in postponing the second phase of EEC expansion until the Community's internal problems (CAP reform, financial problems and matters concerning its own resources) had been resolved. Carrying out the necessary studies would take at least a year, and so negotiations were virtually put into cold storage. However, during February 1981, several Community institutions voiced their approval of an acceleration in Spain's negotiations following the attempted *coup d'état* of that month. This resulted in a small boost to the process, as a consequence of a visit to Brussels by the Spanish Prime Minister, Leopoldo Calvo Sotelo, in January 1982. Following this visit, the Community, under Belgian presidency for the first half of 1982, reached agreement on six of the 16 matters under negotiation: movement of capital; legislation co-ordination; transport; economic and financial questions; regional policy and; freedom of establishment. The French presidential elections of 1981, and President Mitterrand's visit to Spain in June 1982, served to specify different aspects of France's position, which were then clarified at the meeting of the European Council held in Brussels that same month. As a result of this clarification, an 'inventory' of the problems posed by EEC expansion was sent to the Commission.⁴³ Thus, in spite of the paralysis of agricultural negotiations resulting from France's unwillingness to co-operate, good progress was made in other areas during the second half of 1983, following the victory of the Socialist Party in the October 1982 elections.

⁴³ Rubio García, D., 'La política exterior española y la Comunidad Europea/ Unión Europea.' In Various Authors. *La política exterior ...*, op. cit., p. 201-23; Story, J., 'Redefinición de las relaciones exteriores de España: 1975-1989.' and Tovas, A., 'España en la Comunidad Europea.' In Gillespie, Rodrigo and Story, op. cit., pp. 53-76 and 129-50.

*The long, hard road to membership: towards a 12-member Europe
1982-1986*

The new Socialist government opened negotiations from a new angle. Along with technical negotiations, a line of political action was stimulated with the aim of speeding up the pace of negotiations on several fronts. Moreover, by keeping in sight its objective of membership based on the principles of balance, progress and reciprocity, the Spanish government — in the words its Foreign Minister, Fernando Morán — ‘waved the European flag’ with regard to questions deemed critical for the future of European integration. In addition, the new government tried to establish a timetable for negotiations following the Stuttgart summit of June 1983, which — as Prime Minister González outlined in a letter to the heads of state and prime ministers of the member states on 18 November 1983 — would enable Spain’s membership negotiations to be finalised before 1 January 1986.

In connection with the change in direction of Spanish politics, attention should be drawn to the efforts made to overcome some of the difficulties in Spain’s relationship with its neighbours, with particular reference to France and Portugal. At that time, there were two main obstacles lying between Spain and EEC membership. On the one hand, there was the link established between Community expansion and the increase in Community spending, which drew cries of protest from Britain and its Prime Minister, Margaret Thatcher. On the other hand, there was the less visible question of Spain’s participation in Western defence. The ‘calculated ambiguity’ of Spain’s position regarding NATO brought together the two issues of Spain’s membership of the EEC and of NATO, from the point of view of Europe and of Spanish public opinion.

Whatever the case, negotiations were proceeding on the right track. In January 1984, the Commission presented the Spanish

government with its position on the question of agriculture, which meant that the final phase of negotiations could begin. This phase was divided into 'packages' containing important issues, and it was this aspect of the transitory process that provoked most controversy. Between December 1984 and March 1985, agreement was reached over the various packages. March 1985 became a key date in the lengthy process of Spain's accession. From then on, the main issues raised by membership were resolved from a political and economic point of view. All that remained to be done was to agree on the points to be dealt with in the final stage — Spain's bilateral negotiation with Portugal over a special transitory regime, and the drawing up of the membership documents.

The Treaty of Accession determined an immediate incorporation procedure that would come into effect on 1 January 1986, but which would establish a dynamic of progressive stage-by-stage integration, by means of a long and complex period of transition, to reach its definitive culmination on 1 January 1996. When assessing the Treaty, Spanish political forces and trade unions agreed that, in the long term, membership of the EEC would be beneficial for Spain's economic and social development. However, discrepancies arose when it came to judging the effect of the transitory procedures (7 years for industry and ten for agriculture). The period set down for agricultural integration was felt to be excessively long when compared with that established for industry. Nevertheless, the peculiar dynamics of the process of European integration, together with the favourable economic situation during the second half of the 1980s, meant a reduction, not only in some aspects of these transitory procedures, but also in the traumatic effect of membership on some manufacturing sectors.

Taking stock

There can be no doubt that Spain's signing of the Treaty of Accession to the European Community on 12 June 1985 represents a point of inflection in relations between Spain and Europe. However, this change can only be understood within the context of a wider process that coincides more or less with the transition to and consolidation of democracy in Spain. EEC entry and the consolidation of Spain's fledgling democracy served only to confirm that the old demons of its political culture had been exorcised, and that the bid for modernisation had succeeded in the face of past attempts to perpetuate Spain's image as a 'different country'.

'Spain is different', the paradigm of a period of Spain's history, disappeared between 1970 and 1986. The modernisation of political, economic, social and educational structures from 1975 onwards was the result of a constant longing for acceptance into Europe, and progressively defined much of the ground covered by Spain since its return to democracy. It may be in this longing, as well as in its most characteristic representation — understanding Europe as the great challenge for Spanish society — that we should look for the origins of the peculiarities and contradictions arising from Spain's move towards Europe between 1975 and 1986, which were:

- general consensus of democratic political parties and the weakness of civil society that resulted in a lack of citizens' initiatives and a dependence on institutions;
- slowness in forming bodies of opinion and pressure groups sensitive to the process of European integration;
- failure to assimilate specific problems facing the process of European integration;

- Spanish society's lack of influence in debates concerning the definition of the national position with regard to major Community issues, particularly in evidence during the period of negotiations with the EEC;
- the Spanish political parties' behaviour and mode of speech when communicating those of their Community counterparts.

Conclusions

In general terms, the role of Europe in recent Spanish history has been one of great stimulus, one that has invariably provoked the same response: Europe has become synonymous with political, social and economic modernisation — in other words, with democracy and social and economic development.

This 'identification with everything European' is bound up with the image of a secular, humanist and democratic Europe that found its expression in the rejection of Franco's regime and the Spain that emerged victorious from the 1936-1939 Civil War. To this perception was later added another strong and seductive image of Europe in the eyes of the Spanish: that of the positive results of political and socio-economic change experienced in Western Europe following the Second World War. In a Spain cut off from Europe by Franco's dictatorship, the nature of these changes gradually awakened a longing for what the Spanish saw as the political, economic and social model that should be introduced for the modernisation of their country. Without doubt, Europe from the 1970s on represented a 'shared objective' for Spanish society as a whole. This situation stresses the frustration felt by the Spaniards over the question of Europe. The result was a collection of ideas that served as a foundation for a consensus on becoming part of Europe, an agreement about European integration that was more symbolic than real.

So there are two key images in the formation of a pro-European sentiment: the need for political modernisation — perceived as coming into line with Europe — and the choice of the European social-economic model; and together with this, the process of European integration — perceived as a synthesis of the above. Paradoxically, this elemental pro-Europeanism was one of the main components in the creation of a democratic political culture in Spain between 1975 and 1986.

In this context, intellectually and politically speaking, the model to be adopted — that of a social, democratic and constitutional state, participating in the process of European integration — was accepted by the main political powers, which in practice meant that the debate in the heart of Spanish society about European integration was relegated to second place. EEC membership and participation in the integration process were accepted as necessary if Spain's immediate past was to be buried once and for all. Spain's signing of the Treaty of Accession to the European Community engraved itself on the Spanish collective consciousness as the culmination of the struggle of the democratic powers since the dictatorship period, an objective directly connected with Spain's history of humanism and enlightenment.

As the Spanish Foreign Minister, Francisco Fernández Ordoñez, observed in January 1986:

By joining the European Community, Spain has acquired a new international position which will enable it to act more efficiently. Spanish democracy has been given new strength, so that it will now be possible to move in the progressive direction outlined in our Constitution. The economic freedom which the Community represents will serve to stimulate production and innovative capacity in this country. The social guarantees offered by the Community will help reinforce the sense of solidarity in Spanish society.⁴⁴

⁴⁴ Fernández Ordoñez, F., 'Una fecha histórica.' In *Diario 16*, 2 February 1986.

3 | Italy and European integration

Antonio Varsori

When Italy signed the peace treaty in February 1947 and, in theory at least, recovered its full sovereignty, its future from both the domestic and the international viewpoint, appeared bleak. The victorious nations had negotiated a peace treaty that was considered punitive by many Italians, as it marked the failure of Rome's ambitions to be recognised as a great power resulting in the peninsula being perceived as an object rather than an independent actor in the international context.¹ As for the internal aspects, Italy had suffered the worst consequences of the war and had to face serious economic and social crises. Last but not least, the anti-Fascist coalition that had ruled the country after liberation was quickly deteriorating, and the relationship between the moderate parties, led by De Gasperi's Christian Democracy, and the Left was becoming more and more strained — the mirror of the emerging cold war.²

In spite of this sombre picture, most Italian foreign policy-makers (the Palazzo Chigi diplomats and some leading officials,

¹ Poggiolini, I., *Diplomazia della transizione. Gli Alleati e il problema del trattato di pace italiano (1945-1947)*. Florence: Ponte alle Grazie, 1990.

² See for example Di Nolfo, E., *La Repubblica delle speranze e degli inganni. L'Italia dalla caduta del fascismo al crollo della Democrazia Cristiana*. Florence: Ponte alle Grazie, 1996, pp. 175–296.

etc.), as well as the Prime Minister, Alcide De Gasperi, and the newly-appointed Foreign Minister, Count Carlo Sforza, firmly believed that Italy had to recover a leading international role — at least as a middle-rank regional power — that would exert some influence in two traditional spheres of influence: Europe and the Mediterranean/Middle East area.³ This ambitious goal very soon became tied in with the broader developments in the post-war international arena, especially the Cold War and the leading role played by the United States.⁴

The growing contrast between the moderate parties and the alliance formed by the Italian Communist Party (PCI) and the Italian Socialist Party (PSI) led to a break in the government coalition, and in the spring of 1947 both the Communists and the Socialists were ousted from the government.⁵ This episode was an early result of De Gasperi's 'Western choice', which would be confirmed in April 1948 by the Christian Democrat victory at the general elections.⁶ As for international questions, the Italian government appeared to focus its attention on the revision of the peace treaty, in particular the clauses relating to the fate of Rome's former colonial empire (Libya, Eritrea, and Somaliland), as well as the future of Trieste.⁷ In fact, Rome's first significant internation-

³ Di Nolfo, E., Rainero, R.H. and Vigezzi, B., (eds), *L'Italia e la politica di potenza in Europa (1945-50)*. Milan: Marzorati, 1988.

⁴ See Di Nolfo's and Vigezzi's papers in Becker, J. and Knipping, F., (eds), *Power in Europe? Great Britain, France, Italy and Germany in a postwar world, 1945-1950*. Berlin and New York: de Gruyter, 1986. On the relations between Italy and the United States see Miller, J.E., *The United States and Italy, 1940-50: the politics and diplomacy of stabilization*. Chapel Hill and London: The University of North Carolina Press, 1986.

⁵ Galante, S., *La fine di un 'compromesso storico'. Pci e Dc nella crisi del 1947*. Milan: Angeli, 1980.

⁶ Di Nolfo, *La Repubblica...*, op. cit., pp. 297-394.

⁷ On the colonial question see Rossi, G., *L'Africa italiana verso l'indipendenza (1941-47)*. Milan: Giuffrè, 1980. On the Trieste question see De Castro, D., *La ques-*

al choice took place on the morrow of De Gasperi's decision to oust the Left parties from his government. In June 1947, the US Secretary of State, George C. Marshall, launched his plan for the economic recovery of the 'Old Continent'. As is well known, the Marshall Plan envisaged close forms of economic co-operation among the European nations and the US administration and strongly backed any scheme that would prompt the process of European integration. Almost immediately, the authorities in Rome enthusiastically joined the US project, stressing their interest in the Europeanist implications of the Marshall Plan.

In fact, Italian diplomats and politicians nurtured some doubts as to the feasibility of Washington's Europeanist plans, but US economic aid was desperately needed to kick-start the nation's economic reconstruction; furthermore, it would strengthen the position of the moderate parties *vis-à-vis* the Left on the eve of the general elections. So it was in the interest of the Italian authorities to please the Truman administration by showing their determined support of the Marshall Plan.⁸

Rome's early interest in the European integration process was further confirmed by Sforza's proposal in the autumn of 1947 that aimed at creating a French-Italian customs union. Such a project, however, had its roots in political rather than economic considerations. On the one hand, the Italian government would confirm, in the eyes of US authorities, Rome's steady commitment to European economic co-operation, while on the other, Italy could boast that it was negotiating on an equal footing with one of the leading Western European powers: an outstanding diplomatic

tione di Trieste. L'azione politica e diplomatica italiana dal 1943 al 1954. Trieste: LINT, 1981, and Valdevit, G., *La questione di Trieste 1941-1954. Politica internazionale e contesto locale.* Milan: Angeli, 1986.

⁸ See Di Nolfo's and Varsori's chapters in Girault, R. and Levy-Leboyer, M., (eds), *Le Plan Marshall et le relèvement économique de l'Europe.* Paris: Comité pour l'histoire économique et financière de la France, 1993.

achievement when compared with the peninsula's status as a defeated enemy country that had characterised her international status only a few months earlier.

From the economic viewpoint, most Italian decision-makers feared that a customs union with France would hamper Italian products, and it may be wondered whether the Italian government believed that the customs union would be a feasible goal, in spite of the interest they showed towards this project until the early 1950s. Despite signing a protocol in March 1948, the French-Italian customs union met so many serious obstacles in both Italy and France that it never materialised.⁹ Further efforts were made to revive these plans, as well to enlarge the union to include the Benelux countries, but to no avail.¹⁰

In fact, the attitude of most Italian decision-makers was largely shaped by national, if not nationalist, ideals that had their roots in both the *Risorgimento* tradition and the nationalist school of thought of the early 20th century. Europe was their main point of reference, although some of them had realised that the 'Old Continent' was no longer the centre of international relations. In spite of this, the US was perceived to be an actor *super partes*, while Britain, France, and Germany were the obvious partners, as well as competitors that could hamper Rome's attempt to recover its role as a middle-rank regional power. In this context, the Europeanist choice was a precious and effective instrument that could prompt economic recovery and favour the restoration of a relevant political status.¹¹ This attitude was confirmed during the

⁹ Bagnato, B., *Storia di un'illusione europea. Il progetto di Unione Doganale italo-francese*. London: Lothian Foundation Press, 1995.

¹⁰ Fauri, F., 'Italy in international economic co-operation: the Franco-Italian customs union and the Fritalux-Finebel negotiations,' *Journal of European Integration History*, 1 (2), pp. 27-46.

¹¹ Varsori, A., 'Le relazioni internazionali', in Sabbatucci, G. and Vidotto, *Storia d'Italia*, 5, *La Repubblica 1943-1963*. Rome: Laterza, 1997, pp. 253-312.

late 1940s. In early 1948, scant attention had been paid by Rome to the creation of the Brussels Treaty, as this alliance was signed on the eve of the general elections, and the moderate leaders feared that any interest they showed towards the five-power European military alliance could be exploited by the Left during the election campaign to prove that the anti-communist parties nurtured 'war-mongering' ambitions. Both De Gasperi and Sforza thought that the absence of the United States would mean that the Brussels Treaty would play a minor role.

Following the Christian Democrat electoral victory, the Italian authorities hoped that Italy's international stance had been definitively strengthened, not only through the outcome of the elections, but also as a consequence of Washington's attitude towards the Italian government on the occasion of the electoral campaign. On the basis of such an assumption, some Italian officials believed that Rome could negotiate joining the Brussels Pact, and the Italian government hoped they could extract some concession from the Western powers — especially as far as the colonial issue was concerned. However, Italy's 'advance' was rejected by Britain, which regarded Italy as a second-rate Mediterranean power — more a nuisance than an asset from both the military and political viewpoint.

In the summer of 1948, the Italian authorities realised that the nation's position *vis-à-vis* the major Western powers was very weak, and that the United States, Britain and France were going to create an alliance — the Atlantic Pact — that would become the core of the Western system. It appeared likely that Italy would be excluded from this alliance, yet Italy's moderate leadership feared that Rome's premature candidature to the new alliance would be rejected or that it may cause serious domestic troubles. Once again, Italian decision-makers resorted to European integration as the best way to avoid isolation, and Sforza launched a plan that envisaged strengthening the OEEC in both the political

and economic field. Rome's project raised no interest, however, and was quickly forgotten.

In late 1948, De Gasperi's government realised that if Italy wished to be a full member of the Western system, it would have to join the Atlantic Pact. Italy's candidature was strongly opposed by Britain and others who perceived the peninsula to be a weak and unreliable partner. Only France and a few influential US State Department officials backed Rome's claims, which were often voiced in an ambiguous way. It was Paris' support that enabled Italy to become a founding member of NATO, although the authorities in Rome were barred from contributing to the final stage of the Washington negotiations, having to content themselves with participation in the official signing ceremony in the United States' capital.¹²

In spite of the not too glorious manner in which Italy entered NATO, the Roman authorities could boast they had achieved a diplomatic success. The nation's involvement in the Western alliance also had some positive consequences in the European context. Largely in order to prevent Italy joining NATO, Britain thought it useful in late 1948 to have the Italian government involved in the Brussels Pact powers' negotiations to create some form of European political co-operation that could lead to the creation of the Council of Europe. Obviously, Italy joined the London talks, and was one of the founding members of the new European organisation whose treaty was signed in early May 1949.

Despite Rome's boasting about Italy's strong Europeanist commitment, the Italian delegation's attitude at the London

¹² See Varsori, A., 'La scelta occidentale dell'Italia (1948-49)', *Storia delle relazioni internazionali*, I, 1 and 2, 1995, pp. 95-159 and 303-68; Bariè, O., (ed.), *L'alleanza occidentale. Nascita e sviluppi di un sistema di sicurezza collettivo*. Bologna: il Mulino, 1988; Vigezzi, G., (ed.), *La dimensione atlantica e le relazioni internazionali nel secondo dopoguerra (1947-1949)*. Milan: Jaca Book, 1987, and; Di Nolfo, E., (ed.), *The Atlantic Pact forty years later*. Berlin and New York: de Gruyter, 1992.

negotiations was very cautious, appearing primarily interested in exploiting their accession to the Council of Europe as a way to confirm the recovery of Italy's international status in a manner similar to that of the major Western European powers, such as Britain and France.¹³ Furthermore, Italy's involvement at the London Treaty had some useful domestic consequences, as the moderate leadership claimed such a choice stressed Italy's peaceful goals. Involvement in the Council of Europe was used as a smoke-screen to conceal Rome's commitment to a military alliance.¹⁴

In fact, participation in both international organisations was perceived by most Italian decision-makers as a chance to further the country's nationalist goals. On the one hand, Rome aimed at obtaining further recognition of its international stance, while on the other, it hoped that the Western powers would not reject the claims of their Italian partner in connection with the revision of the peace treaty clauses — especially those dealing with the question of Trieste and the colonial problem. Nevertheless, Rome's ambitions were doomed to failure as Italy was perceived to be a minor actor by the Western powers. Italy appeared unable to exert any relevant role in other European organisations and, for example, in his memoirs the influential Secretary of the OEEC, Robert Marjolin, labelled the peninsula as a minor factor in the policies pursued by the European economic organisation.¹⁵

Nevertheless, in the early 1950s Italy's Europeanist choice reached an important turning point. In May 1950, Robert Schu-

¹³ Merlone, R., 'Faire de l'Europe "l'union européenne": le projet de Carlo Sforza.' in Bitch, M.T., (ed.), *Jalons pour une histoire du Conseil de l'Europe. Actes du Colloque de Strasbourg (8-10 juin 1995)*. Berne: Peter Lang, 1997, pp. 77-98.

¹⁴ On Rome's attitude towards the Atlantic alliance see Varsori, A., 'Italy and Western defence 1948-55.' in Heuser, B. and O'Neill, R., (eds), *Securing peace in Europe 1945-62: thoughts for the post-Cold War era*. London: Macmillan, 1992, pp. 196-221.

¹⁵ Marjolin, R., *Le travail d'une vie. Mémoires 1911-1986*. Paris: Laffont, 1986, pp. 192, 196.

man launched his plan for the creation of a supra-national coal and steel community along functionalist lines (the ECSC), as had been suggested by Jean Monnet. A few months later, in late October, René Pleven launched a new plan that proposed the creation of an integrated European army, which would lead to the setting up of a European Defence Community (EDC). Italy immediately endorsed both projects, albeit in different ways.

It is very likely that the early motives leading Rome to sign up to the Schuman Plan were of a mainly political character. Italy's participation in the ECSC negotiations were regarded by most Italian foreign-policy makers as a further opportunity to confirm the recovery of the nation's international prestige, and they could state that Italy had been involved in a project from its early stages on an equal footing with some of the most powerful Western European nations.

As for the economic aspects of the Schuman Plan, Italian economic interests nurtured some concerns regarding a steel industry that had played, and which continued to play, an important role in Italy's economic system, and which had usually enjoyed protectionist policies, yet which was much weaker than its European counterparts. It was feared that the Italian steel industry would suffer from competition with the Germans and French. In spite of this, some sectors of Italy's state steel industry realised that the Schuman Plan could be a golden opportunity for economic development and modernisation — if only the political authorities could obtain some safeguards for the nation's interests. In fact, the Italian steel industry was already bound to some form of modernisation, mainly through the implementation of the so-called Sinigaglia Plan. On the occasion of the ECSC negotiations, the Italian authorities showed remarkable diplomatic skills and achieved most of their goals: the Italian steel industry would enjoy a five-year period after the implementation of the Treaty during which it would be excluded from the most dangerous

clauses of the ECSC Treaty, so enabling the strengthening and modernisation of several steel plants: Italy would accede to the sources of raw material located in French North Africa, and the ECSC envisaged manpower mobility.¹⁶

As for this latter objective, it is not surprising that from the early stages of the European integration process, i.e., the Marshall Plan, the Italian government had advocated the implementation of such a goal as a vital factor in progression towards European union. Italy suffered from high unemployment, especially in the *Mezzogiorno*, and the opening of European labour markets to Italian workers would be both an easy solution to serious economic and social problems, and would provide a boost to economic development through emigrants' remittances.¹⁷ Furthermore, during the early 1950s, a few experts and politicians became convinced that the country's economic future would be closely bound to the dismantling of Italy's protectionist tradition. In connection with this, the Republican leader, Ugo La Malfa, who had been appointed Minister for External Trade, favoured a series of decisions aimed at destroying the nation's protectionist barriers, while the economic expert, Guido Carli, played an important role in both the creation and implementation of the European Payment Union (EPU).¹⁸

Last but not least, the anti-communist trade unions, particularly the Catholic CISL, which had already been influenced by the ERP ideals of modernisation and productivity, began to endorse the European integration process. Some CISL union leaders

¹⁶ Ranieri, R., 'L'Italia e i negoziati del Piano Schuman', in Di Nolfo, Rainero, Vigezzi, (eds), *L'Italia...*, op. cit., pp. 547-572, and Osti, G.L., *L'industria di stato dall'ascesa al degrado. Trent'anni del gruppo Finsider. Conversazioni con Ruggero Ranieri*. Bologna: il Mulino, 1993.

¹⁷ Romero, F., *Emigrazione e integrazione europea 1945-1973*. Rome: EL, 1991.

¹⁸ See Carli, G., *Cinquant'anni di vita italiana*. Rome: Laterza, 1996, and the special issue of the journal *Studi storici*, 1, 1996.

played an active part in the creation of the ECSC, as they hoped that a supra-national organisation would enhance economic and social policies that could improve the living standards and working conditions of European workers.¹⁹

While both political reasons and economic and social interests concur in explaining Italy's rapid adhesion to the Schuman Plan, Rome's early attitude towards the Pleven Plan was much more cautious.²⁰ The Italian authorities had little confidence in the feasibility of the French project for a European army, and they would stick to the US proposal for West Germany's involvement in the Atlantic alliance. In fact, De Gasperi's government felt itself unable to reject the Pleven Plan, given that the Italian authorities were already negotiating with their French counterparts about the ECSC project. However, during the early stages of the EDC negotiations, which started in Paris in February 1951, the Italian delegation showed such a detached attitude that it is very likely they hoped that the Pleven Plan would be doomed to failure. In the summer of 1951, however, Italy was compelled to dramatically reassess its policy towards the issue of German rearmament. The Truman administration changed its mind about the Pleven Plan, and in mid-1951 the implementation of the EDC became one of Washington's main European policy goals. From that moment until at least 1952, the Pleven Plan was considered feasible. In Italy, however, the likely implementation of the EDC was regarded as a serious danger that would jeopardise Italian interests. From a political viewpoint, Rome feared that the EDC would stress the leading role played by France and West Germany, while, from a strategic point of

¹⁹ See in particular Ciampani, A., (ed.), *L'altra via per l'Europa. Forze sociali e organizzazione degli interessi nell'integrazione europea (1947-1957)*. Milan: Franco Angeli, 1995.

²⁰ Varsori, A., 'L'Italia fra Alleanza atlantica e CED,' *Storia delle relazioni internazionali*, IV (1), 1988, pp. 125-65.

view, NATO's central front would appear the most important theatre of operations — to the detriment of the Mediterranean — and serious obstacles would threaten the bilateral relationship with the United States' military authorities that Rome had been able to create within NATO structures.²¹ As for the economic aspects, the Italian government feared that with the creation of a common EDC budget, Rome would lose its control over most of the nation's financial resources, which would then be devoted to the rearmament process. Such a choice would impede Italy's economic recovery, so fuelling social trouble. Furthermore, it was feared that the creation of a European army with 'European' wages (i.e., higher than the Italian average) would cause demands for higher salaries by state employees, leading to the creation of dangerous inflationary pressures. Last, but not least, the EDC would become a useful propaganda instrument in the hands of the Left, who would point out the 'aggressive', 'warmongering' nature of European integration — an aspect of Italy's foreign policy that had until then paid some dividends to the moderate leadership.²² On the other hand, Rome could not give up on its Europeanist commitment, for such an option could cause serious difficulties in the relations between Italy and its Western allies, in particular the United States.

A way out of this uneasy situation was offered to De Gasperi by the federalist leader, Altiero Spinelli. During the summer of 1951, Spinelli sent the Christian Democrat leader an important memorandum in which he stated that it did not make sense to create a European army without first setting up a European political body to control it. The advancement of European political integration was perceived by De Gasperi to be the best solution

²¹ On this issue see Sebesta, L., *L'Europa indifesa. Sistema di sicurezza atlantico e caso italiano 1948-1955*. Florence: Ponte alle Grazie, 1991.

²² On the Left parties' attitude see Brunori, L., 'I Partigiani della Pace e la CED: il caso italiano (1950-1954)', *Storia delle relazioni internazionali*, VII (2), 1991, pp. 333-64.

to Italy's difficulties. If Rome could seize the initiative, and transform the EDC into a step towards the creation of a European Political Community, Italy would soften the military and political implications of the EDC project, would please the US authorities, and would prevent a French-German leadership emerging in Western Europe. Furthermore, in the EPC context, Italy would enjoy a status similar to that of France and West Germany, so enabling Rome to negotiate economic issues from a position of relative strength. Finally, the moderate leadership would neutralise the propaganda weapon that the creation of a European army could provide to the parties of the Left.²³

From late 1951 onwards, the Italian delegation at the Paris negotiations on the EDC, led by the Europeanist Ivan Matteo Lombardo, played a more active part. If on the one hand, the Italian authorities did not forget to defend the country's interests in connection with the European army, then on the other, they did their utmost to have the EPC inserted in the EDC treaty. De Gasperi's efforts, which enjoyed the active support of the federalist movement, appeared to be successful, and article 38 of the EDC treaty, signed in May 1952, stated that the European Defence Community had to be regarded as a first step towards the creation of a European Political Community.²⁴ This marked the climax of De Gasperi's Europeanist policy. In the autumn of 1952, the Christian Democrat leader and Robert Schuman proposed the immediate creation of a body that would give a definite content to Article 38 by working out the various aspects of the EPC. As a consequence of this proposal, the 'Six' created the so-called '*ad hoc* assembly', which in 1953 would produce a detailed framework for the EPC.²⁵

²³ On Spinelli's role see Spinelli, A., *Diario europeo 1948/1969*. Bologna: il Mulino, 1989.

²⁴ Preda, D., *Storia di una speranza. La battaglia per la Ced e la federazione europea*. Milan: Jaca Book, 1990.

²⁵ Preda, D., *Sulla soglia dell'unione. La vicenda della Comunità Politica Europea (1952-1954)*. Milan: Jaca Book, 1993.

By late 1952, however, De Gasperi's European policy had lost momentum. The Christian Democrat statesman was facing growing internal difficulties, due to both the skilful 'peace' — that is the anti-EDC — campaign developed by the Left parties and the opposition to his leadership within Christian Democracy. Some sectors of Italian public opinion reproached De Gasperi on nationalist grounds for the lack of a positive solution to the Trieste question, despite Rome's faithfulness to both NATO and its Europeanist commitment. Developments in the international situation, in particular Stalin's death and the early signs of *détente*, did not ease De Gasperi's task since in this new atmosphere, West Germany's rearmament appeared a less compelling goal. Finally, the general elections, which were due to be held in June 1953, were approaching, and De Gasperi was trying to achieve a steady majority through a new electoral system that had been the target of a clever and effective campaign on the part of the Left. In such a context, the European integration process was no longer a major issue, and it did not pay high dividends to the Christian Democrat leader, who was compelled to play down the Italian commitment to the European ideal.

It was obvious that De Gasperi felt almost compelled to postpone ratification of the EDC Treaty by the Italian parliament and, in spring 1953, the Italian Prime Minister showed himself very cautious towards the plan for the European customs union that had been proposed by the Dutch leader, Beyen. It is very likely that De Gasperi and other Italian leaders nurtured some doubts about the Beyen Plan, as they feared a broad union would cause difficulties to the Italian economy. Rome appeared more interested in specialised communities, such as the ECSC, where they hoped it would be easier to safeguard the nation's interests.²⁶ In

²⁶ Griffiths, R. and Milward, A., 'The Beyen Plan and the European political community,' in Maihofer, W., (ed.), *Noi si mura*. Florence: EUI, 1986, pp. 596-622.

fact, mainly as a consequence of the ineffectiveness of the Italian civil service, Italy appeared unable to profit from the opportunities presented by the ECSC, in particular from the social policies (e.g., funds for unemployed workers and for housing projects, etc.) that the Coal and Steel Community was going to develop.²⁷

The June elections marked a clear-cut political defeat for De Gasperi, who, two months later, was forced to resign to be replaced by another Christian Democrat, Giuseppe Pella. Pella, who had shown little enthusiasm for European integration, headed a weak one-party government — yet he nurtured clear ambitions and hoped to enhance his political fortunes through the exploitation of the still unsettled Trieste question and what was left of nationalist feelings and ideals. To this end he adopted a firm nationalist and anti-Yugoslav stance and further stated that Rome's ratification of the EDC treaty would be tied to a more forthcoming attitude on the part of the Anglo-Saxon powers towards Italy's claim over Trieste. Pella hoped he could win the goodwill of both the extreme Right, on jingoist grounds, and the Left, on the basis of his critical remarks towards Italy's major Western allies. However, Pella's policy was doomed to failure as neither Washington nor London had any intention of bowing to Rome's barely concealed blackmail.²⁸ Within a few months, the confidence that De Gasperi had created through his Europeanist commitment had been all but dissipated, and Italy was unable to recover its leading role in the debate over the future of European integration — at least until the so-called 'relaunch of Europe'.

In January 1954 Pella resigned and Mario Scelba was appointed Prime Minister. Scelba and his Foreign Minister, Attilio Pic-

²⁷ Mechi, L., 'Una vocazione sociale? Le azioni dell'Alta Autorità della CECA a favore dei lavoratori sotto le presidenze di Jean Monnet e di René Mayer,' *Storia delle relazioni internazionali*, X-XI (2), 1994-95, pp. 147-83.

²⁸ De Leonardis, M., *La 'diplomazia atlantica' e la soluzione della questione di Trieste (1952-1954)*. Naples: ESI, 1992.

cioni, tried to mend the fences with the United States, and to return to De Gasperi's Europeanist tradition, but they felt unable to have the EDC treaty ratified by the Italian parliament. They were aware that such a decision would be welcomed by the Left, which could resort to its usual 'peace' campaign. Furthermore, some Italian diplomats and politicians doubted that the French *Assemblée Nationale* would pass the Paris Treaty. So the Italian government, whilst paying lip service to the European ideal, preferred to stick to a 'wait and see' attitude that would cause fewer domestic problems for the centre coalition.

It is not surprising that Italy played a minor role in the political and diplomatic processes that led at first to the rejection of the EDC and, later, to the London and Paris agreements (i.e. the creation of the Western European Union — WEU), and West Germany's adhesion to NATO.²⁹ Following Pierre Mendès France's appointment as France's Prime Minister, the Italian authorities appeared to appreciate the French leader's political skill, although they nurtured some suspicion about his *entourage*, which seemed to be influenced by neutralist ideals. At any rate, on the occasion of the Brussels' six-power conference that saw the open clash between Mendès France and his European partners, as well as with the United States, the Italian delegation tried to adopt a low profile attitude as the government in Rome realised that if Paris was regarded as the main culprit for the crisis of the EDC, then Italy was also not blameless, for in spite of her pledges, it had still to ratify the European army treaty.

When in late August the French parliament rejected the EDC treaty, so causing a serious setback to the whole Western system, the Italian authorities were almost afraid of the prospect that NATO could crumble and the United States would return to its

²⁹ Canavero, A., 'La politica estera di un ministro degli Interni. Scelba, Piccioni, Martino e la politica estera italiana 1954-1955,' *Storia delle relazioni internazionali*, VI (1), 1990, pp. 63-98.

isolationist tradition. In early September 1954, the Italian government showed only minor concern about the future of European integration and focused its attention on the attitude of the United States, as they were aware that the US's involvement in the European continent was a guarantee not only of Italy's security, but also of the nation's political stability.

The British Cabinet resolved to play a leading role in resolving the crisis that had been engendered by France's rejection of the EDC. The Foreign Secretary, Anthony Eden, proposed a plan that foresaw West Germany's accession to NATO and the revision of the Brussels Pact through its enlargement to include the Federal Republic of Germany and Italy. The former would strengthen the Western defence system through German rearmament, while the latter would give France some political guarantees *vis-à-vis* Bonn, which was going to recover its full sovereignty. In fact the Italian authorities realised that while the British plan would save the Atlantic Alliance, it would also destroy the functionalist approach to European integration, and that the western part of the 'Old Continent' would be characterised by traditional military alliances and by informal 'special' relationships (London-Paris, London-Washington, Washington-Bonn) that would stress the role played by the major Western powers to the detriment of nations such as Italy or the Benelux countries.

Although most Italian decision-makers disliked those aspects of the Eden plan, they felt unable to oppose such a development, since the United States' involvement in Europe and NATO were regarded as vital goals. Rome tried to content itself with the safeguard of some minor interests related to strategic and economic issues.³⁰ Britain was also playing a central role in the last stages of the negotiations leading to the solution of the Trieste question, an

³⁰Varsori, A., 'L'azione diplomatica italiana dal fallimento della CED all'istituzione della UEO (1954-1955)'. In CRHIPA, *La France et l'Italie dans les années Cinquante*. Grenoble: CRHIPA, 1988, pp. 63-94.

issue that held a deep appeal to an Italian public opinion that was experiencing the last expression of the peninsula's nationalist tradition.³¹

On the occasion of the London and Paris conferences, the Italian delegations — which were led by the newly appointed Foreign Minister, the Liberal Gaetano Martino — tried to play the role of mediator between France's fiercest opponents, but this attempt passed almost unnoticed.³² For some time Rome focused its attention on an aspect of the WEU — the armaments' pool — which in Italy's opinion could be exploited in order to revive the integration process. The Italian authorities very soon lost any hope as they began to fear that such a body could be transformed into a powerful cartel dominated by German and French big business.³³

If the Italian moderate leadership in early-1955 regretted the apparent failure of the functionalist approach, most Italian politicians and opinion leaders showed far more interest in the early signs of *détente*, from the Austrian State Treaty (May 1955) to the project for a four-power summit, which would shape the future of the 'Old Continent' and would influence domestic Italian politics. These factors help explain the reason why, during the first half of 1955, the Italian authorities nurtured vague and contrasting ideas about the future of European integration, and why public opinion paid scant attention to the so-called 'relaunch of Europe'.³⁴ In fact, up until the eve of the Messina Conference, Rome did not work

³¹ De Leonardis, *La 'diplomazia atlantica...'* op. cit.

³² On Martino see Pastorelli, P., (ed.), *Gaetano Martino e l'Europa dalla Conferenza di Messina al Parlamento Europeo*. Rome: Ministero Affari Esteri, 1995.

³³ Calandri, E., 'The Western European Union armaments pool: France's quest for security and European co-operation in transition,' *The Journal of European Integration History*, I (1), 1995, pp. 37-64.

³⁴ Varsori, A., 'Italy and the Messina Conference.' in Majocchi, L.V., (ed.), *Messina quarant'anni dopo*. Bari: Cacucci, 1996, pp. 91-106.

out any definite response to the Benelux project for the creation of a common market and a European atomic energy community: furthermore, some Italian economic interests feared that the setting up of a common market would create serious difficulties for the country's industrial system, a system that was still weak compared to those of its European partners. It was hoped that some form of fruitful co-operation with the United States could be developed in the field of nuclear technology.

Only a few days before the opening of the Messina conference — the venue of which had been selected in order to enhance the local political fortunes of Gaetano Martino's Liberal Party in the approaching Sicilian elections — the Italian authorities took a firm stand on the Benelux memorandum.³⁵ Rome decided to endorse both projects, but some Italian national interest had to be safeguarded. As for the atomic energy community, Italy lacked energy sources and any development in this field, especially easy access to cheap energy, would be considered a boost to the Italian economy.³⁶

Rome's position towards the common market was more complex. Obviously, the Italian authorities did not feel sure about Italian industry's chances when facing open competition with Germany, France and the Benelux countries. However, the common market could fit in with Rome's ambitious plans, particularly the so-called Vanoni Plan, which had been launched in an attempt to both enhance the nation's economic take-off, and to solve the *Mezzogiorno* problem. In this context, the common market had to fulfil some conditions: a) it had to expressly state the right to manpower mobility, so easing Italian emigration; b) it had to favour capital mobility, as the Italian authorities hoped that

³⁵ Serra, E., 'L'Italia e la conferenza di Messina.' In Serra, E., (ed.), *The re-launching of Europe and the Treaties of Rome*. Brussels: Bruylant, 1989, pp. 93-124.

³⁶ Curli, B., 'La tecnocrazia nucleare italiana e le origini dell'Euratom, 1952-1957.' in Majocchi (ed.), *Messina...* op. cit., pp. 261-80.

foreign capital would be invested in the *Mezzogiorno*; c) it had to favour the underdeveloped areas of the future community, and; d) it had to take into consideration the enhancement of social policies.

Such conditions became the cornerstone of Italy's position during the two rounds of the negotiations that began in 1955 and which ended with the Rome Treaties. Other delegations played more influential roles in the diplomatic process leading to the creation of the Common Market (EEC) and EURATOM, and both France's and West Germany's attitudes were vital to the success of the negotiations.

Nevertheless, Italy was able to defend its interests, and most of its goals were included in the final versions of the Rome treaties. Furthermore, Italy, which was the venue of the three main conferences (from Messina to Rome via Venice), recovered its identity as a country fully committed to the European ideal. Finally, it is of some interest to note how, on the occasion of the ratification of the Rome Treaties, the Italian Socialist Party gave up its traditional hostility towards European integration, and voted in favour of EURATOM, while it abstained on the EEC. This was further evidence of the development of the Socialist Party's policy, and of the *rapprochement* between the PSI and Christian Democracy's left-wing.³⁷

Between 1958 and 1960, Italy played a minor role in the process of European integration as the political class focused their attention on the uneasy transition marking the end of the centre coalition governments and the beginning of the so-called 'turn to the left' that would lead to the creation of 'centre-left' coalition cabinets. Despite this, the Italian economic system took much profit from the creation of the EEC, and between the late 1950s and early 1960s Italy experienced the early stages of its 'econom-

³⁷ See Maggiorani's and Rognoni Vercelli's chapters in Majocchi (ed.), *Messina...* op. cit.

ic miracle'. With sharply increased productivity rates, Italy's exports boomed, particularly to countries such as West Germany and France, and Italian society dramatically changed.³⁸

Also as a consequence of the fall of the Tambroni government — a last attempt at creating a conservative cabinet, — between 1960 and 1963 the political scene was dominated by Amintore Fanfani, a strong-willed Christian Democrat leader whose main goal was to create a 'centre-left' coalition under his leadership. Fanfani was very interested in foreign policy, and he focused his attention on the developing relationship between the East and the West, as he believed that Italy could play a major role in the enhancement of *détente*. Fanfani, like most Italian politicians and diplomats, did not forget that the European integration process was, during the early 1960s, largely influenced by important episodes — such as the projects for closer forms of political union; the first attempt on the part of Britain to join the EEC; De Gaulle's European policy; the attempt at creating a French-German axis, and; the uneasy relationship between the United States and some Western European states.

Rome initially showed a great deal of interest in the Fouchet Plan negotiations for a European union, and it supported the idea of close political co-operation, although on more than one occasion it tried to favour some compromise between France's position, which advocated inter-governmental solutions, and those of some of the Benelux countries, which stressed a federalist approach as well as the maintenance of close ties with the United States. Later on, Rome's attention focused on the issue of Britain's accession to the EEC. Despite harbouring some doubts over London's economic requests, Fanfani and other centre-left leaders strongly supported Britain's candidature, as they hoped that the United Kingdom's involvement in the European integra-

³⁸ See Petri, R., 'Dalla ricostruzione al miracolo economico', in Sabbatucci and Vidotto, *Storia d'Italia*, op. cit., pp. 313-440.

tion process would be a useful counterbalance to De Gaulle's hegemonic ambitions, as well as a way to strengthen the fruitful relationship with the Kennedy administration, which *inter alia*, had to sanction the birth of the 'centre-left' experiment. Some leading Italian politicians, especially the Socialist Pietro Nenni, the Social Democrat Giuseppe Saragat, and the Republican Ugo La Malfa, appeared to be frightened by the prospect of a French-German axis, which they perceived to be a threat to Europe's democratic traditions and to the Italian 'centre-left' itself.

On the eve of the *Elysée* Treaty's signing ceremony, La Malfa proposed a project for a bilateral Anglo-Italian agreement that would act as a counterbalance to the French-German Treaty.³⁹ In fact, the Italian government appeared to be more cautious. The Italian authorities had deep fears about any *rapprochement* between De Gaulle and Adenauer and they continued advocating Britain's entry into the EEC. However, it was not their intention to destroy the economic achievements of the EEC, achievements from which Italy had profited greatly. So, in Rome's opinion, the EEC had to survive, despite the difficulties engendered by De Gaulle's European policy.⁴⁰

From 1963 on, the EEC experienced further serious crises — such as the 'empty chair' in 1965, and De Gaulle's second rejection of Britain's candidature in 1967. During this period, however, Italy's European policy lost its momentum as most Italian politicians focused their attention on domestic politics as the

³⁸ See Petri, R., 'Dalla ricostruzione al miracolo economico', in Sabbatucci and Vidotto, *Storia d'Italia*, op. cit., pp. 313–440.

³⁹ On La Malfa's interesting position see La Malfa, U., *Contro l'Europa di de Gaulle*. Milan: Comunità, 1964.

⁴⁰ Varsori, A., 'La classe politique italienne et le couple franco-allemand,' *Revue d'Allemagne*, XXIX (2), 1997, pp. 243–57. See also Nuti, L., 'Italy, the British application to the EEC and the January debacle.' in Griffiths, R. and Ward, S., (eds), *Courting the Common Market: the first attempt to enlarge the EC, 1961–63*. London: Lothian Foundation Press, 1996, pp. 101–20.

'centre left' coalition, which had been created in late 1963, had to face strong opposition to their policy of economic and social reforms, at a time when the 'economic miracle' was beginning to slow down and Italian society was having to cope with the negative consequences of this sudden development. As far as European integration was concerned, the Italian authorities contented themselves with some attempt at playing the role of go-between between the United Kingdom and the 'Six', and with almost obvious statements about the need for some progress in political integration.⁴¹

On the other hand, the early 1960s witnessed radical changes in Italy's foreign policy-making process. Until then, the values of most Italian decision-makers (from diplomats to top civil servants, leading politicians, and influential opinion-makers) had been largely shaped by the national and patriotic ideals of the *Risorgimento* tradition, or of the last decades of Liberal Italy that stressed the role of the nation state. In the early 1960s, this generation was disappearing, and the values expressed by mass political parties began to shape the attitude of most politicians and opinion-makers. In this context, Christian Democracy and the Catholic world in general — influenced by the Vatican Council — began to advocate ecumenical values and world peace. Given this, it is not surprising that most Christian Democrat leaders focused their attention on enhancing international *détente* and showed a growing interest in the Mediterranean/Middle East area.

As for the Socialists, although they had been members of the various 'centre-left' coalition governments, they appeared unable to give up some aspects of their previous policies, which meant some emphasis on closer links between Italy and the Third World.

⁴¹ On the 'centre left' governments see, for example, Lepre, A., *Storia della prima Repubblica. L'Italia dal 1942 al 1992*. Bologna: il Mulino, 1996, pp. 195–221; Lanaro, S., *Storia dell'Italia repubblicana. Dalla fine della guerra agli anni novanta*. Venice: Marsilio, 1992.

In spite of their being in opposition, the Communists strengthened their roots in Italian society, and if the Soviet Union was no longer their only point of reference from an international viewpoint, the patriotic and nationalist feelings that had been nurtured during the immediate post-war period faded as the PCI emphasised its support of 'liberation movements'.

Europe was too narrow an arena in the ideological frameworks of the three mass parties, and it is not surprising that the European integration process was a principal goal mainly in the programmes of the minor parties, such as the Republican Party, which became the standard-bearers of both the 'Atlantic' and 'European' choices.⁴² The fulfilment of national interest lost any appeal among the cultivated sectors of Italian society, especially the most popular opinion-makers who, from the late-1960s and early-1970s onwards, emerged as the fiercest critics of Western values.

In 1968, Italy entered a serious political, social and economic crisis that affected the entire peninsula, weakening its international role until the late 1970s. In that same period, the process of European integration experienced further progress, especially between 1969 and 1973. The EEC was enlarged to include the United Kingdom, Ireland and Denmark, and early attempts were made at developing effective monetary policies. The Arab-Israeli War, and the ensuing economic crisis, slowed the integration process until the end of the decade, when there were some indications of a re-launch of the European ideal through the creation of the European Monetary System (EMS), the European Currency Unit (ECU) and the first European parliamentary elections.

It would be difficult to argue that Italy played a major role in the events that shaped the European scene between the end of the

⁴² On Italy's foreign policy in those years see, for example, Romano, S., *Guida alla politica estera italiana. Dal crollo del fascismo al crollo del comunismo*. Milan: Rizzoli, 1993, pp. 101-25, and Gaja, R., *L'Italia nel mondo bipolare. Per una storia della politica estera italiana (1943-1991)*. Bologna: il Mulino, 1995, pp. 163-72.

De Gaulle era and the birth of 'Thatcherism'.⁴³ The country was ruled by a series of weak governments that appeared unable to cope with the growing social unrest, inflation, economic crises, political corruption, and terrorism. This process climaxed in 1978 with the kidnapping and murder of the Christian Democrat leader, Aldo Moro, by the 'Red Brigades', and the ineffective response of the Italian state to the terrorist threat. In those years, most of the ruling elite focused their attention on domestic matters, and little energy was devoted to foreign policy issues.

Italy appeared, on more than one occasion, to be an object of international relations, rather than an independent actor. In the mid-1970s, for example, the country was a source of concern for most Western leaders, who feared the sudden collapse of the Italian political system, while in some Western 'liberal' circles, Italy was thought of as a laboratory for new political experiments (i.e., the PCI's accession to power through peaceful means). Italy was obviously a part of the process that led the European Community to the achievements of the late 1960s and early 1970s, but it played a minor role that was often limited to safeguarding sectoral interests, particularly those relating to the Common Agricultural Policy (CAP)⁴⁴.

From the early 1970s, the Italian lira suffered greatly as a result both of domestic economic problems and international monetary uncertainties. The Italian currency was often regarded by Rome's major European partners as the weakest link in the chain of the EEC currencies. In spite of this gloomy picture, however, a few Italian leaders, such as La Malfa and the Governor of the Bank of Italy, Guido Carli, did their best to have Italy linked to the Euro-

⁴³ At any rate see Ferraris, L.V., (ed.), *Manuale della politica estera italiana (1947-1993)*. Rome: Laterza, 1993, pp. 215-316.

⁴⁴ See Telò, M., 'L'Italia nel processo di costruzione europea.' in Barbagallo, F., (ed.), *Storia dell'Italia repubblicana*, 3.1, *L'Italia nella crisi mondiale dell'ultimo ventennio*. Turin: Einaudi, 1996, pp. 212-217.

pean Community, as they regarded Rome's European choice as the only way out of the country's plight.⁴⁵ Some Italian politicians continued to advocate further progress in the field of political integration as the only European context in which Italy could gain some diplomatic initiative. Thus, Rome stressed its commitment to the European Parliamentary elections to such an extent that the 1979 contest may be regarded as the result of Italy's determination.

During the late 1970s and early 1980s, Italy began to overcome the serious crises that had plagued it during the previous decade. Italy's foreign policy choices, especially its renewed interest in European integration, played some role in shaping its recovery from the economic, social, and political turmoil of the 1970s. Moreover, we should not forget that from the late 1970s, the construction of Europe moved from the creation of the EMS and ECU to Spinelli's project for a European Union; from the enlargement of the Community, at first with the accession of Greece, then with the inclusion of Spain and Portugal; and the Single European Act.⁴⁶

One factor that can explain Italy's renewed interest in European integration were the developments within the Italian Communist Party. As early as the mid-1970s, the PCI began to declare its autonomy from Moscow and its compliance, albeit unenthusiastic, with Italy's 'Atlantic' choice. Of course, such a development led the Communist leadership to look for some new international point of reference. The PCI remained sympathetic towards 'liberation movements' and Third World countries, but it had to find a new model nearer to home, and Euro-communism was its early response. As a result of this development, it was not so difficult for

⁴⁵ Carli, *Cinquant'anni...*, op. cit., *passim*.

⁴⁶ See in particular Neri Gualdesi, M., *L'Italia e la CE. La partecipazione italiana alla politica d'integrazione europea, 1980-1991*. Pisa: ETS, 1992.

the party to experience a further shift, and if during the initial period its most obvious partners were the Western European Communists — especially the French and the Spanish, — the PCI increasingly regarded itself as being outside the international Communist movement, and instead considered itself as a member of the Western European Left, and of the left-wing of the Western European socialist parties. The European ‘identity’ was an important factor, and the commitment to European integration became part of the PCI’s ideological framework for a peoples’ Europe.⁴⁷ It is not surprising, therefore, that in 1979 Altiero Spinelli, who had left the Communist movement in the 1930s, could be elected to the European Parliament as an ‘independent’ on the PCI list. Dating from the late 1970s, with the exception of the extreme Right and extreme Left, the European ideal could, in theory, enjoy the consensus of the majority of Italy’s political spectrum.

Another factor that may explain Rome’s renewed commitment to Europe was the role that some leading personalities played during those years. Italy’s domestic and foreign policies were shaped by figures such as the President of the Republic, Sandro Pertini, the Socialist leader, Bettino Craxi, the Republican leader, Giovanni Spadolini, and the Christian Democrats, Giulio Andreotti and Emilio Colombo. While Spadolini and Colombo were well-known Europeanists, it is difficult to consider Craxi, Andreotti and Pertini thus. They were convinced, however, that Italy had to play a definite role in the process of European integration, as such a role would be a means to enhance both Rome’s international position and their own political fortunes.⁴⁸

Italy’s international position quickly changed as a result of renewed tensions between East and West. Rome’s decision, taken

⁴⁷ See, for example, Colarizi, S., *Storia dei partiti nell’Italia repubblicana*. Rome: Laterza, 1996.

⁴⁸ Neri Gualdesi, M., *L’Italia e la Ce...*, op. cit., *passim*.

in the face of strong domestic opposition, to comply with NATO policy on the so-called 'Euro-missiles', and its involvement in Middle-Eastern affairs that were epitomised by its participation in several military missions, strengthened its position in the eyes of the United States. During the Reagan administrations, Italy was regarded as the cornerstone of the Western system's southern flank. This development was also influential on the country's European policy.⁴⁹ Finally, both the defeat of the terrorist threat and the economic recovery that led to a renewed economic 'miracle' during the mid-1980s, even if it was tempered by a burgeoning deficit, helped present Italy in a positive light in the eyes of its European allies, who once more began to regard Italy as a reliable partner.⁵⁰

In December 1978, and despite the serious crisis that was still affecting the country, the Italian authorities resolved to participate in the agreements that led to the creation of the EMS. This decision, which was mainly the result of pressure from La Malfa, may be regarded as the starting point in Italy's renewed commitment to Europe. In 1981, the Foreign Minister, Emilio Colombo, and his German colleague, Hans-Dietrich Genscher, worked out a proposal for the reform of the European Community. During the early 1980s, Spinelli played a vital role in the attempt to create a European Union.⁵¹ The authorities in Rome were also deeply interested in the enlargement issue, and if during the initial stages they may have nurtured some concerns about the economic consequences of both Spain's and Portugal's application to join the European Community, their later attitude was more forthcoming, as they hoped the political balance in the Community could be

⁴⁹ Santoro, C.M., *L'elmo di Scipio. Studi sul modello di difesa italiano*. Bologna: il Mulino, 1992.

⁵⁰ Graziani, S., 'L'economia italiana e il suo inserimento internazionale.' in Barbagallo (ed.), *Storia dell'Italia repubblicana...*, op. cit., pp. 349-402.

⁵¹ Spinelli, A., *Diario europeo 1976-1986*. Bologna: il Mulino, 1992.

shifted towards Southern Europe. Craxi in particular dreamt of the emergence of a 'Euro-Socialist' Latin 'bloc'. It would be difficult to neglect the role that Italy played on the occasion of the Milan European Council in 1985 that would lead to the construction of the Single European Act.⁵²

From the second half of the 1980s onwards, while Italy's international and European image had been at least partially restored, Rome's European policy lost momentum once again. Italy was about to face another serious crisis, one that would erupt in the early 1990s when the latent problems (corruption, growing deficit, lack of confidence in the party system) that had been concealed during the previous decades, would surface so dramatically to threaten Italy's position in the process of European integration. Italy's uncertainties and shortcomings became evident during the late 1980s and the early 1990s, and particularly in the aftermath of German reunification and the negotiations leading to the Maastricht Treaty. The *tangentopoli* crisis that erupted during 1992 not only wiped out most of Italy's ruling elite, but this was compounded by the monetary crisis that almost compelled Italian public opinion and the political world to focus their attention on domestic questions. It is only very recently that European integration has returned to the top of the Italian political agenda.

The European choice, which has almost always been a central concern of Italian foreign policy, has become a heavy burden and a difficult challenge. Only the future will tell us whether Italy will be able to meet the demanding tasks being set by Europe.

⁵² Neri Gualdesi, M., 1992, *L'Italia e la Ce...*, op. cit.

The Greek Association with the European Community: a strategy of state*

Susannah Verney

The first suitor

Greece occupies a special place in the early history of European integration. On 8 June 1959, Greece became the first state to submit an application under Article 238 of the Treaty of Rome for an Association with the newly launched European Economic Community (EEC). At first glance, this might appear somewhat surprising. With a per capita GDP well below the EEC average and a low level of export orientation, Greece seemed an unlikely candidate for early participation in European economic integration. Nor could this choice be explained by geographical proximity. In fact, Greece was somewhat isolated from the EEC, sharing no land borders with any of the Six original member states and a sea border only with Italy.

Meanwhile, when the Greek application was submitted, the EEC had only been functioning for 18 months. Hence, this was not a request to join a tried and tested organisation, already noted for its economic success. In retrospect, the Greek application seems like a bold vote of confidence in a process still in its early

*This chapter is dedicated, with many thanks, to António Costa Pinto for his faith in me during the writing process and to Fotis Provatas, for moral support beyond the call of conjugal duty.

stages. Given that the Treaty of Rome offered only a vague definition of Association¹ and that Greece itself was to act as the 'guinea pig' for the elaboration of this concept, the application might almost be classified as a daring step into the unknown.

Why then did Greece become the earliest applicant for Association with the EEC? This is the puzzle to be investigated in this chapter. The puzzle becomes even more intriguing, given that — as will be shown below — the Association application seemed to indicate a shift in Greek policy preferences. In examining the Greek case, the aim is not only to illuminate the national history of this particular state, but also to contribute to the debate on the dynamics of the early integration process. It might be argued that Greece is not particularly relevant to this story. After all, it was neither one of the EEC's founders nor even a full member. As Greece was not given the right to representation in the Community's institutions and decision-making processes, Association did not entail the same process of pooling sovereignty in which the EEC's six founder states were engaged.

However, the Athens Agreement included explicit references to the prospect of eventual Greek accession.² As a result, in Greece the Association appears to have been viewed essentially as a transitional regime, to last only until an improvement in the eco-

¹ The first paragraph of Article 238 of the Treaty of Rome reads as follows: 'The Community may conclude with a third State, a union of States or an international organisation agreements establishing an association involving reciprocal rights and obligations, common action and special procedures'. The rest of the article is concerned with the procedures for drawing up such an agreement. The treaty includes nothing about the purpose, content, scope or duration of an Association.

² 'When the operation of the Agreement of Association has made it possible to envisage the acceptance by Greece of all obligations arising out of the Treaty setting up the European Economic Community, the Contracting Parties shall consider the possibility of Greek accession to the Community' (Article 72). See also the preamble's reference to EEC financial support as a means of facilitating future Greek accession.

conomic development level would permit full participation in the Community.³ This was reflected in the domestic debate, in which both opponents and supporters of the EEC link tended to use the terms 'association' and 'accession' interchangeably.⁴ To some extent, this perception reflected reality. For while in practice, the Association involved integrating at a 'second speed', the decision to associate entailed acceptance — on both sides — of the principle of Greek participation in European integration.

Moreover, association has important implications for national sovereignty. In prescribing the abolition of tariffs according to a predetermined timetable, association does not simply eliminate a major tool of government economic policy. It also determines the basic direction of national economic development, which henceforth can only be based on a strategy of export-led growth and not on import substitution. A major difference between association and accession, however, concerns the ability to influence decision making. Both the Greek and Community sides participated in the joint institutions — the Association Council and the Mixed Greece-EEC Parliamentary Committee — established to oversee the Association. But not being an insider in the EEC bargaining process, the Greek government was unable to operate through the processes of coalition building and package deals that are the essence of European Community negotiation. Hence, it had much less influence than a full member on Community decisions that affected the Greek economy and were binding on Greece.⁵ Thus, despite differences of degree between an associate

³ See, for example, the intervention by governing party MP, Dertilis, in the Proceedings of the Greek Parliament: *Praktika tis Voulis*. 24 January 1962, p. 274.

⁴ Pateras, M., *From Association to accession: changing attitudes of Greek political parties towards Greek relations with the European Community, 1957-1975*. Unpublished Ph.D. thesis for the University of London, 1984, p. 28.

⁵ The classic example concerned the commitment to harmonisation of agricultural policy — rapidly to prove the Association's most controversial aspect. The Greek government assumed harmonisation meant full incorporation into

and a full member, the question still arises in the Greek case — as it does for the EEC founder members — why a national government was prepared to surrender sovereignty in order to participate in integration.

Was the Greek government moved by the power of pro-European ideas, as federalists might hope? Or swept along by the dynamism of technocratic processes, as neo-functionalists might suggest? This chapter will not attempt the gargantuan task of reviewing the Greek case in relation to the whole range of European integration theories propounded over the last few decades. Instead, it will limit itself to considering the Greek Association in the light of the most influential theory of recent years.

Choosing Europe

In his seminal book, *The choice for Europe*, Andrew Moravcsik attempts to answer three questions, the first of which — how to explain national preferences for and against integration — is central to the theme of this chapter. Moravcsik presents European integration as a process driven by rational choices made by national leaders. In terms of motivation, he sees the fundamental factor as the pursuit of economic interest: ‘primarily the commercial interests of powerful producer groups and secondarily the macro-economic preferences of ruling governmental coalitions’. National policy preferences are explained in terms of political economy, not economics, as emerging from ‘a process of domestic political conflict in which specific sectoral interests, adjustment costs and, sometimes, geopolitical concerns played an important

the Common Agricultural Policy, including access to Agricultural Fund financing; the EEC’s more limited interpretation simply meant trade liberalisation. Several years of frustrating negotiations revealed that the Greek side was powerless to influence the EEC viewpoint. For a detailed account, see Haritos, S.I., *Ellada-EOK, 1959-1979: Apo ti Syndesi stin Entaxi*, Vol.I. Athens: Papazissis, 1981, pp. 95-121.

role'. In his view, pressures originating from structural changes in the global economy, especially the increased opportunities for cross-border trade and capital movement in the post-war era, encouraged a convergence of national preferences in favour of integration. However, these pressures were not experienced equally in all states. Thus, 'the specific conditions under which governments were willing to liberalise trade reflected their economic competitiveness'.⁶ In Moravcsik's schema, security considerations are relegated to a rather marginal position. Examining 15 case studies of member state preferences at crucial junctures in integration, he concludes that geopolitical concerns 'may have played a secondary or parallel role' in some cases, whereas in others they essentially served as '*ex post* public justification for national positions'.⁷

Moravcsik's second question is how to explain the outcomes of interstate bargaining within the EEC. The answer, in his view, lies in the relative power of states and more particularly in patterns of asymmetrical interdependence. 'Those who gained the most economically from integration compromised the most on the margin to realise it, whereas those who gained the least or for whom the costs of adaptation were highest imposed conditions'.⁸ The third question he poses — how to explain state choices to construct European institutions and transfer sovereignty to them — is not relevant to the Association, given that Greece was not a participant in EEC supranational institutions.

In terms of empirical evidence, Moravcsik confines his scope to the cases of the big three member states. This reflects a more general bias in European integration studies and is not unrea-

⁶ Moravcsik, A., *The choice for Europe: social purpose and state power from Messina to Maastricht*. London: UCL Press, 1988, pp. 3-7, 26.

⁷ *Ibid.* p. 474.

⁸ *Ibid.* p. 3.

sonable, given the comparative weight of Germany, France and the UK — which even in the EU-15 account for around 55 per cent of the population and the lion's share of GDP. However, it does raise the question of the more general applicability of Moravcsik's theory to the smaller, less powerful states that have always constituted the majority within the EC/EU. In this respect, this chapter hopes to make a modest contribution to the debate, by offering a case study of a member with a very different power profile.

This chapter seeks to explain the Greek decision to seek Association with the EEC in 1959. But prior to investigating motivation, the first step is to identify the major actors. Thus, before examining the reason *why* this choice was made, the chapter will first address the question *who* made it. The first issue, however, is the extent to which the Association represented a policy change. Hence, the chapter will begin by examining the Greek government stance towards European co-operation, both political and economic, prior to the late 1950s.

Changing Priorities

Greece had of course been an early participant in the overlapping network of Euro/Atlantic organisations that began to develop after the end of the Second World War. A Marshall Plan beneficiary, it joined the OEEC in 1948, the Council of Europe in 1949 and NATO in 1952. But this participation did not imply that Greece was an early Euro-enthusiast. In fact, when the movement for political unification began to gain ground in Western Europe after the Second World War, Greece was present. For example, Greek delegations took part in both the founding congress of the European Parliamentary Union at Gstaad in 1947 and in the 1948 Hague Congress, which decided to found the Council of Europe. But in terms of government policy priorities, this participation was hardly central.

In the context of a Europe divided between two Cold War blocs, it was an object of faith for post-war Greek governments that their country belonged to the Western bloc. But for them, Greece's relationship with its Western allies revolved more or less exclusively around the umbilical link to the United States. Initially, Greek participation in West European organisations often seems to have been seen as a way to tighten transatlantic links, rather than as of intrinsic value in its own right. Greece apparently joined the Council of Europe in 1949 because this was regarded as an essential first step to joining NATO.⁹ In contrast, the latter was deemed a primary national goal: 'considered such a good thing that even prolonged debate on the subject was discouraged for fear of insulting the Western allies'.¹⁰

The focus on the Greek-US relationship also seems to have influenced the Greek lack of interest in West European economic co-operation. This might initially seem surprising, given that Western Europe was the country's main trade partner. However, Alan Milward has calculated that Greece in the late 1940s was receiving more dollar aid on a per capita basis than the United Kingdom. In this context, Greek governments were unenthusiastic about proposals for broader-based co-operation that might distract the US from the bilateral relationship or reduce the sums available to Greece. According to Milward, both Greece and its fellow Truman Doctrine beneficiary, Turkey, took a suspicious attitude towards the Marshall Plan. Both states 'strongly resented' being incorporated into a more general aid programme and did 'strikingly little' to help in its formulation.¹¹

⁹ Veremis, T. and D. Conostas, 'The beginning of the discussion on European Union in Greece', in W. Lippens and W. Loth (eds), *Documents on the history of European integration*, Vol. 3. Berlin and New York: Walter de Gruyter, 1988, pp. 801-25.

¹⁰ Couloumbis, T.A., *Greek political reaction to American and NATO influences*. New Haven and London: Yale University Press, 1966, p. 47.

¹¹ 'Their delegations were a constant source of complaint from the other delegations, because they could scarcely be bothered to provide the statistical information

Subsequently, Greece remained outside the early stages of the European integration process. As a non-producer of coal and steel, the country took no part in the discussions leading to the formation of the ECSC in 1952. Nor was it a participant in the abortive European Defence Community project or the 1955 Messina conference that led to the establishment of the EEC. So why, after at least a decade of Euro-indifference, did Greece suddenly become interested in European integration?

The Association and the Greek democratic deficit

In submitting its application for Association, the Greek government was not responding to a broader societal impulse. Instead, the approach to the EEC was a policy shaped from the top down rather than the bottom up. In this respect, it typified the development of European integration through a process of elite consensus largely excluding the European public. But it was also characteristic of policymaking in late 1950s Greece. On the one hand, this reflected the paternalistic stance of the rightwing governing party, ERE and Prime Minister, Konstantinos Karamanlis.¹² On the other hand, it was indicative of endemic traits of the Greek political system. Despite the introduction of universal male suffrage as early as 1866, Greek parliamentarism, subverted by clientelism, had never really provided the necessary channels for democratic participation. In the climate of intense political demobilisation following the 1940s Civil War, the possibilities for effective popular participation were particularly limited. More-

required by the ERP [European Recovery Programme] with any more than a flimsy pretence of subscribing to its operations. Their governments persisted in making direct representations about aid to Washington'. See Milward, A.S., *The reconstruction of Western Europe, 1945-1951*. London: Methuen, 1984 pp. 68-9.

¹² As *The Economist* was to comment of Karamanlis in 1974, 'he believes he knows what is best for Greece and is furious if anyone sees things differently'. See *The Economist*, 23 November 1974.

over, there was no effective means of measuring public attitudes at this time. Professional opinion polling was not really established in Greece before the 1980s.¹³ As a result, public opinion was largely an unknown quantity, which did not have a definitive impact on policy debates.

Meanwhile, post-war political parties were not democratically organised. Indeed, at this period, it was hardly possible to talk of organised party machines in Greece. The sole exception was the United Democratic Left (EDA), a broad Left front formed after the banning of the Communist Party. However, the latter's democratic centralist structures and the siege mentality of a semi-legal party resulted in the monopolisation of policymaking by a narrow group in the higher party echelons. Indeed, it was generally believed that party policy was largely shaped by the Communist Party leadership in exile in Eastern Europe. Meanwhile, the other parties essentially operated as loose groupings of clientele networks gathered around leading notables.¹⁴ The relationship of voters to parties thus tended to be based on personal links with a particular Member of Parliament, rather than on support for particular policies. There was no real organised party base and no mechanisms for policymaking input from party members. Hence, instead of acting as a two-way communication channel between society and the state, Greek parties functioned more as a downward transmission belt, imposing policies from above, rather than reflecting and expressing popular views.

Nor did interests cover this democratic deficit. Civil society was traditionally weak, as the prevalence of clientelism inhibited the emergence of autonomous interest representation. This was aggravated by the post-Civil War climate, when the countryside

¹³ In relation to the EEC, the Community itself conducted the first serious survey in 1980, when it extended its bi-annual *Eurobarometer* surveys to Greece on the eve of Greek accession.

¹⁴ Meynaud, J., *Oi Politikes Dynameis stin Ellada*, 2nd edition. Athens: Byron, 1974.

in particular lived in fear of the village policeman. The government take-over of the trade union movement was characteristic of the attempt to stifle autonomous societal organisation.¹⁵ An effective deterrent was the authorities' automatic identification of any such attempt with communism or fellow travelling. Under the terms of *ethnikofrosyni*, the official anti-communist ideology that provided the regime's moral base until 1974, this identification immediately placed the individuals concerned outside the body of the nation. It thus rendered them liable to police harassment, discrimination, exclusion from state employment — and even prosecution under the emergency legislation still in force from the Civil War period.¹⁶ As a result, usually the only alternative to government ciphers were associations representing the equally dogmatic voice of the official Left. Almost the only exception to the absence of autonomous representation was provided by SEV, the Confederation of Greek Industrialists. But SEV can be considered the exception that proves the rule. Overall, organised interests failed to substitute for political parties as a source of societal input into the decision-making process.

The will of the people

In any case, the issue of European integration seems to have left Greek society largely indifferent. It is true that in most West European countries, the pro-European movement failed to have a broader societal impact. But in Greece, this tendency was aggra-

¹⁵ Pollis, A., 'US intervention in Greek trade unions, 1947-1950', in J.O. Iatrides (ed.), *Greece in the 1940s: a nation in crisis*. Hanover and London: University Press of New England, 1981, pp. 259-274; Jecchinis, C., *Trade unionism in Greece: a study in political paternalism*. Chicago: Roosevelt University, 1967.

¹⁶ Tsoucalas, C., *The Greek tragedy*, Harmondsworth: Penguin, 1967, chapter 10; Tsoucalas, C., 'The ideological impact of the Civil War', in J.O. Iatrides (ed.), *Greece in the 1940s...*, op. cit., 1981, pp. 319-341; Koundouros, R.S., *He Asphaleia tou Kathestotos: Politikoi Kratoumenoi, Ektopiseis kai Taxeis stin Ellada, 1924-1974*. Athens:

vated by local conditions. Both during and after the Civil War, Greek society, preoccupied with its internal problems, became rather isolated from the intellectual currents of the European mainstream. It has been remarked that 'the major problems and issues debated in Western Europe after the end of World War II did not even reach Greece'. This stood in marked contrast to the past when 'the country's cultural life had never ceased to be directly exposed to current European thought'.¹⁷ Geographical peripherality and the language barrier also played a role at a time when few Greeks travelled abroad or had foreign contacts. Consequently, ideas being discussed elsewhere in Western Europe in the 1940s and 1950s tended to pass Greece by.

Thus, despite the country's immense suffering during the Second World War, the federalist vision of permanent peace through political unification failed to inspire a grassroots pro-European movement. Research into the pro-European groups in post-war Greece suggests that European integration was 'a subject of marginal importance',¹⁸ which 'never seriously affected wide sections of the Greek public'.¹⁹ The pro-European movement was characterised by its elite and primarily academic membership (the pro-European youth movement was essentially limited to students, for example), its fragmentation,²⁰ its domination by politically conservative forces; and its apparent ineffectiveness. According to one

Kastaniotis, 1978, chapter VII; Alivizatos, N.C., 'The "emergency regime" and civil liberties, 1946-1949', in J.O. Iatrides (ed.), *Greece in the 1940s...*, op. cit., 1981, pp. 220-228; Alivizatos, N.C., *He Politikoi Thesmoi se Krisi, 1922-1974: Opseis tis Ellinikis Embeirias*. Athens: Themelio, 1983, part 2, chapters 1-2.

¹⁷ Tsoucalas, C., 'The ideological impact of the Civil War', in J.O. Iatrides (ed.), *Greece in the 1940s...*, op. cit. 1981, p. 331.

¹⁸ Veremis, T. and D. Conostas, 'The beginning of the discussion on European Union in Greece', op. cit., 1988, p. 804.

¹⁹ Stephanides, Ioannis D., 'The Greek Pro-European Movement, 1947-1969', *Hellenic Review of International Relations*, Vol. 5-6. 1985-6: 243-270. See page 263.

²⁰ On the rival groups in the early 1950s, see Stephanides, *ibid.* pp. 247-8; there were even two separate Greek delegations at the Hague Congress.

study, the movement's members tended to forget their pro-Europeanism when engaged in political activity.²¹ Perhaps the most telling comment on the movement's lack of impact, however, is that 'the Greek pro-European movement seemed to have lost momentum at the very time when the government inaugurated a policy aiming at a more active participation in the efforts for European integration'.²²

Organised interests and the Association

While public opinion was clearly not the motivating force, there is also no evidence that specific organised interests drove the Association. Despite the fact that the bloc of six original EEC members was already Greece's main trading partner, accounting for around one-third of both exports and imports in 1960,²³ the prospect of integration seems to have inspired little enthusiasm in business circles. This is hardly surprising given the structure of Greek exports and the low level of internationalisation of the Greek economy.

Triantis, author of a 1960s study commissioned by the government-run Centre for Economic Planning and Research, classified the Greek ratio of foreign trade to net national income as 'extremely low' in comparison with 12 other states of roughly comparable geographical size and population. According to his

²¹ Papademetriou, A. and K. Stavropoulos, 'To evropaiko kinima stin Ellada: Oi evropaikes kiniseis sti chora mas apo to Synedrio tis Hagis to 1948 eos simera', in P. Papadopoulos (ed), *Ellada-Enomeni Evropi: Mia Schesi Peninta Chronon, Epta Meres* (distributed with *Kathimerini*). 10 May 1988, p. 8

²² Stephanides, Ioannis D., 'The Greek Pro-European Movement, 1947-1969', op. cit., 1985-6, p. 165.

²³ All trade statistics cited in this chapter are the author's own calculations based on National Statistical Service of Greece figures, unless otherwise stated. The NSSG provides trade figures in terms of (a) tonnage and (b) monetary value. The author's calculations refer to the latter, whereas the Greek government, in some of its official documents, appears to be referring to the former.

calculations, in 1959, the year of the Association application, foreign trade represented 13.3 percent of national income, as opposed to 21.5 percent in the case of Portugal.²⁴ The difference was particularly pronounced in relation to exports, equivalent to 8.0 percent of Greek national income compared to 16.2 percent for Portugal.²⁵ Tsoukalis, calculating exports as a percentage of GDP at current prices for the year 1960, shows a similar picture, i.e., a Greek export-to-GDP ratio less than half that of Portugal.²⁶ Also striking is Triantis' finding that the ratio of exports to net national income in the 1950s was actually lower than in the inter-war period — and indeed fell over the course of the decade.²⁷ Thus, while the 1950s saw a rapid rise in Greek GDP, which grew on average by 6.3 percent per year in the period 1951-58, this growth was not in practice export-led.

The low level of export orientation was particularly pronounced in the manufacturing sector. Writing in the 1960s, Triantis commented that Greece exported less than 1.5 percent of its industrial output 'and there is hardly any branch of manufacturing in which exports absorb more than 4 percent of the produce'.²⁸ The reason for this can be found in the structure of Greek industry at this time. The industrial census conducted in 1958 found that 84.9 percent of industrial establishments employed less than five persons, with a further 9.8 percent employing between five and ten, while only 0.7 percent had more than 50 employees.²⁹ According to Tsoukalis, in 1960 tra-

²⁴ The Portuguese figures were for 1958.

²⁵ Triantis, S. G., *Common Market and economic development: the EEC and Greece*. Athens: Centre of Planning and Economic Research, 1965, pp. 117-8.

²⁶ The export to GDP ratio was 5.8 percent for Greece and 13.2 percent for Portugal. See Tsoukalis, L., *The European Community and its Mediterranean enlargement*. London: George Allen & Unwin, 1981, p. 27.

²⁷ Triantis, S. G., *Common Market and economic development...*, op. cit., 1965, p. 119.

²⁸ *Ibid.* p. 140.

²⁹ Kazakos, P., *Anamesa se Kratos kai Agora: Oikonomia kai Oikonomiki Politiki sti Metapolemiki Ellada, 1944-2000*. Athens: Ekdoseis Pataki, 2000, p. 193.

ditional sectors made up approximately 70 percent of total manufacturing output, with food, beverages and tobacco representing 24.2 percent, textiles 16.4 percent, clothing and footwear 14.2 percent and wood and furniture 5.9 percent.³⁰ Thus, the typical Greek industrial enterprise in the late 1950s was a small low technology family-run firm in a traditional industry producing for the domestic market. The overwhelming majority of these businesses were not only uninterested in European export markets; they were also unlikely to be able to compete with foreign products at home.

Under these conditions, it seems that Greek manufacturers, with few exceptions, regarded the prospect of European integration with foreboding. Michael Pateras, author of a detailed study of the domestic debate on Association based on extensive newspaper archive research, describes industry's stance towards the Association in terms such as 'marked hesitation' and 'guarded acceptance'. According to him, 'generally the attitude of Greek businessmen to the Association never went beyond a hesitant 'yes', under certain conditions'. 'With few exceptions,³¹ most of the public statements by representatives of industry expressed pessimism and anxiety about the ability of Greek enterprises to withstand the competitive presence of their European counterparts'. While this stance was particularly pronounced on the part of small business, whose views on the Association apparently ranged from reserved to hostile, even the President of the Federation of Greek Industrialists (SEV), representing larger firms, described the Association as 'a trial for industry and the coun-

³⁰ Tsoukalis, L., *The European Community and its Mediterranean enlargement*, op. cit., 1981, p. 23.

³¹ Pateras mentions Mr Katsampas, the textile magnate and Mr Kanellopoulos, the cement producer, as two industrialists favouring the EEC option. See Pateras, M., *From Association to accession: changing attitudes of Greek political parties towards Greek relations with the European Community, 1957-1975*. Unpublished Ph. D. thesis for the University of London, 1984, p. 279.

try'.³² Thus, according to Pateras, contrary to other European countries entering the EEC, in Greece 'on the question of Europe the relationship between the government... and local industrial and commercial interests was strained and contradictory'.³³

If industry apparently felt threatened, for another important section of Greek capital — shipping interests — European integration seemed quite simply irrelevant. Although the Treaty of Rome establishing the European Economic Community included a title on transport (Title IV), its scope was initially limited to rail, road and inland waterways. While Article 84 left open the possibility for the later inclusion of air and sea transport, the EEC members did not agree to do this until 1974. Hence, for the Greek shipping world in the 1950s, the Association offered no particular benefits.

In contrast, agriculture seemed to have most to gain. In the late 1950s, agricultural products constituted 90 percent of total exports and the EEC-6 was the main market. But the farmers were not pressing for Association because they were not politically organised. The agricultural sector, based on small-scale peasant farming, was still essentially pre-capitalist. In the 1950s, farmers

³² While two other researchers, Kostas Lavdas and Andreas Moschonas, have focused specifically on the attitude of SEV towards the EEC, unfortunately both essentially begin their studies with the coming into effect of the Association. Thus, neither provides hard evidence concerning either SEV's official line or the views of its members during the crucial period leading up to the Association application. Lavdas, noting 'the absence of any public statements or other published or unpublished material prior to 1957 clearly indicating the views of the SEV Administrative Committee', is particularly careful to stress that any conclusions about the Confederation's attitude towards the Association 'will have to remain tentative'. See Lavdas, K., *The Europeanisation of Greece: interest politics and the crises of integration*. Basingstoke: Macmillan, 1997, pp. 112-4 and Moschonas, A., *Taxiki Pali stin Ellada kai EOK: Tómos A', Entaxi kai Koinonika Symferonta*. Athens: Idryma Mesogeiakon Meleton, 1990, pp. 58-62.

³³ Pateras, M., *From Association to accession*, op. cit., 1984, pp. 278, 283, 280, 278, 288.

still made up over 50 percent of the workforce, with the majority underemployed, inefficient and living not far from subsistence levels. Usually, they were also heavily indebted to the state Agricultural Bank, dependent on marketing co-operatives controlled by the governing party for the sale of their products and under the sway of the village policeman. Thus, while the countryside formed the electoral backbone of the governing Right,³⁴ its condition was one of dependence on the state. The peasants were passive recipients of government policies and did not contribute to shaping them. A characteristic case was the Panhellenic Confederation of Unions of Agricultural Co-operatives (PASEGES), examined by Pateras. He found that on the EEC issue, PASEGES, controlled by conservative forces, simply followed the line of the governing party.³⁵

Hence, the Greek preference for integration poses a puzzle in terms of its domestic political dynamics. While Association would benefit the farmers, the government did not need to court their support, which was assured anyway. In contrast, integration appeared antithetical to the interests of another, more independently minded section of the government's support base. As a democratic political choice, integration does not seem to make sense. How then can it be explained?

Greece, c'est moi³⁶

In opting for integration, the government was neither following the tide of public opinion nor acting as the representative of specific organised interests. The choice of Association was made

³⁴ Nikolakopoulos, I., *Kommata kai Vouleftikes Ekloges stin Ellada, 1946-1964: He Eklogiki Symperifora ton Politikon Dynameon*. Athens: Ethniko Kentro Koinonikon Erevnon, 1985.

³⁵ Pateras, M., *From Association to accession*, op. cit., 1984, p. 289.

³⁶ Title of an article about Karamanlis in *The Economist*, 14 September 1974.

in spite of, not because of, the wishes of Greek society. But if this was not a societal policy, in the sense of reflecting either popular or particular aspirations, then where did the impetus come from? What seems to be indicated is the role of political leadership.

All accounts of Greece's rapprochement with the EEC stress the role of one man — Prime Minister Karamanlis — in a way analogous to the emphasis usually placed on the roles of De Gaulle and Adenauer in accounts of French and German European policy. The centrality of national heads of government reflects the evolution of European integration as a process of consensus among member-state governing elites. In Greece, the absence of civil society made the role of political leadership especially evident. Thus, in Greece Karamanlis is widely regarded — even revered — as the absolute architect of the country's European policy, both at the time of Association and of accession.³⁷ This view is shared abroad, as indicated by French President, Valéry Giscard d'Estaing's famous remark that 'it was not Greece that went into Europe, but Karamanlis'.³⁸

The rather exclusive emphasis on Karamanlis tends to overlook the role played by some of his colleagues, such as J. Pasmazoglou, chief negotiator of the Association agreement, in actually carrying out the policy. However, it does seem — in line with Greek public policymaking procedures at the time — that the choice of Association was made and implemented by a small group of individuals around the Prime Minister. According to Michael Pateras, 'the motivation for Greece's participation in European integration came from a small circle in the political leadership of the conser-

³⁷ See, for example, the book by Georgios Kontogeorgis, (*I Ellada stin Evropi: I Por-eia pros tin Enosi kai i Politiki Karamanli*. Athens: Christos Yiovanis, 1985), from 1977 Minister without Portfolio responsible for relations with the EEC and subsequently first Greek member of the European Commission. The role of Karamanlis is stressed throughout the book, which is sub-titled 'The road to Europe and the policy of Karamanlis'.

³⁸ Quoted in Kontogeorgis, G., *I Ellada stin Evropi...*, op. cit., 1985, p. 68.

vative forces, who had to overcome hesitations or opposition in their own party in order to impose it'. Not a response to the immediate interests of the domestic coalition supporting the government, the Association was inspired by broader criteria.³⁹ In this respect, the decision to participate in European integration may be regarded as a strategy of state. But why should Karamanlis and his close associates have believed that linking Greece with the EEC would be in the national interest? This is the question to be addressed in the remainder of this chapter.

A Macedonian question?

It seems unlikely that the changed policy preference expressed by Association can be explained by the power of pro-European ideas. In particular, there is no evidence that Karamanlis himself — despite being awarded the Charlemagne Prize in 1978 — was especially influenced by federalism or ideological Europeanism. Of course, like other European statesmen involved in the early stages of integration, Karamanlis could make stirring speeches referring to his European vision. But his whole career suggests he was actually an eminently pragmatic politician, influenced primarily by considerations of *realpolitik*. Given his apparently central role in the decision to seek Association, how did Karamanlis himself explain his EEC policy?

In public pronouncements, Karamanlis systematically presented the Greek preference for integration as primarily a political choice. Central to his discourse in the 1970s, after the traumatic experience of the seven-year dictatorship, was the significance of EEC membership as the framework for domestic democratic consolidation.⁴⁰ In the case of the Association, however, he

³⁹ Pateras, M., *From Association to accession*, op. cit., 1984, pp. 67, 288-9.

⁴⁰ Verney, S., 'To be or not to be within the European Community: the party debate and democratic consolidation in Greece', in G. Pridham (ed.), *Securing*

emphasised strategic considerations. The most detailed exposition of this viewpoint can be found in an interview given during Karamanlis' exile from the Junta.⁴¹ The interview is particularly interesting for the link made by the former Prime Minister between his political perceptions and his personal experience.

Karamanlis was born in 1907 as an Ottoman citizen in a territory claimed not only by Greece but also by its Balkan neighbours. His native area, incorporated into the Greek state in 1913, was occupied by the Bulgarians in 1916-18, restored to Greece after the First World War, under Bulgarian occupation again in 1941-44 and reincorporated into Greece once more after the Second World War. In the post-war period, it became the object of Yugoslav irredentist propaganda, aggravating an already intense sense of territorial insecurity. A full three decades after the events described in this chapter, the potency of the Macedonian issue in Greece was underlined once again by the mass public outpouring of emotion following the declaration of independence by the Former Yugoslav Republic of Macedonia in 1991. Perhaps it is not surprising, then, that Karamanlis should have explained his EEC policy as that of 'a Greek who is a native of Macedonia'. In his own words:⁴²

It is across our territory, *on* our national territory that the road from Eastern Europe to the Mediterranean passes. And that is why, since the time of Peter the Great, Greece has scarcely ever ceased to be subject to pressure from the Slav-Communist mass. There is Russia but there are also the [Balkan] neighbours. Their covetousness has scarcely ever ceased to cast an eye towards Greek Macedonia and

democracy: political parties and democratic consolidation in Southern Europe. London and New York: Routledge, 1990, pp. 206-9; Verney, S., *Panacea or plague: Greek political parties and accession to the European Community, 1974-1979.* Unpublished Ph.D. thesis for the University of London, 1994, pp. 104-7.

⁴¹ Genevoix, M., *The Greece of Karamanlis.* London: Doric Publications, 1973, p. 72.

⁴² It is worth quoting this interview at some length to give the flavour of his thinking, especially as the English language edition of this book has long been out of print and is not very widely available even in academic libraries.

Thrace. It grieves me to say that this threat is all the more formidable because there exists among us a communist party that is powerful, organised and entirely subject to Moscow. The Soviets have always pressed it to support from within Greece the designs of Slav Communism, to create a Macedonian state, which naturally and from the beginning would be a satellite at the expense of Greece. These are the principal reasons that have directed my initiatives. In my opinion, Greece, in order to preserve her independence, cannot be without faithful allies. Such allies can only be found in the West... Economics and politics have always been bound together but are more closely than ever connected in the modern world. To associate Greece, as I have done, with the Common Market is a matter of the economy; but the political reasons that would have urged me towards it would of themselves have prevailed. Integrated in this way into Europe, disentangled from her 'privileged protectors', Greece could have faced her future with a feeling of security the lack of which paralyses her.⁴³

In this statement, Karamanlis explicitly subordinated economic explanations to strategic concerns. Moreover, he presented the Greek preference for integration as essentially a Balkan affair. Located in a region of unstable borders and competing territorial claims, Greece's territorial integrity had been challenged during the first half of the 20th century by all the neighbours with whom it shares land borders. This challenge had been compounded by the Greek Communist Party's sporadic support for the creation of an independent Macedonia.⁴⁴ The Cold War sim-

⁴³ See also Karamanlis' open letter of April 1973 (published in *Vradyni* and *Thessaloniki*, 23 April), in which he claimed that accession to the EEC 'would free Greece from the danger of local war which has been and remains Greece's nightmare and which forces it to seek strong protectors at the expense of national independence'.

⁴⁴ In 1924, both the Greek and Yugoslav communist parties adopted the Comintern line supporting the creation of an independent Macedonian state. This would have entailed significant territorial losses for both states, but especially for Greece which gained more than half of Ottoman Macedonia after the Balkan wars. The Greek party dropped this policy in the mid-1930s, but readopted it in 1949, in the last phase of the Civil War. The Macedonian policy allowed the communists' oppo-

ply gave a new twist to this story, with the external and internal threats to Greek territory now identified with a common communist ideology.

Thus, Greece in the 1950s found itself in the Cold War front-line, surrounded by Balkan communist states and geographically isolated from its Western allies. The only non-communist neighbour with which it shared a land border — Turkey — was a major source of insecurity, due to tension over Cyprus. The Association application was submitted only 15 years after the end of the Axis occupation. It was only 12 years after the last frontier change, when the restoration of territory lost during the Second World War was followed by the acquisition of the Dodecanese in 1947. And it was only 10 years since the Communist Party had declared an end to the civil war of 1946–49, in which the left-wing insurgents had been supported by the neighbouring communist regimes of Yugoslavia, Albania and Bulgaria. Even after the war, defence expenditures were crippling. From 47 percent of the state budget and 9.4 percent of GNP in 1948–52,⁴⁵ defence was still costing a high 5.1 percent of national income in 1962.⁴⁶

Given this context, it seems unlikely that Greek policymakers would ever take an important step — as Association undoubtedly was — without weighing up the security implications. But while they clearly cannot be disregarded, do Balkan security considerations provide a sufficient rationale for Greek participation in European economic integration? Even in the early 21st century, with the development of a Common Security and Defence Policy on the

nents to present them not as class enemies, but as national traitors. The classic account of the Macedonian question from the Greek viewpoint remains Kofos, E., *Nationalism and communism in Macedonia*. Thessaloniki: Institute for Balkan Studies, 1964.

⁴⁵ Freris, A. F., *The Greek economy in the twentieth century*. London and Sydney: Croom Helm, 1986, p. 135.

⁴⁶ Couloumbis, T.A., *Greek political reaction to American and NATO influences*, op. cit., 1966, p. 187.

agenda, the EU has studiously avoided a commitment to the common military defence of its borders. In the late 1950s, the EEC was a purely civilian entity. Despite the preamble about 'ever closer union', what the Treaty of Rome actually established was the European *Economic* Community, whose central functions were free trade and the development of a common agricultural policy. As already mentioned, Association had far-reaching political economic consequences, including ruling out economic development based on import substitution. Given the economic basis of integration, it seems improbable that economic considerations can easily be relegated to an auxiliary role as Karamanlis seemed to suggest. The following sections will examine the context in which the application was submitted, in order to determine the relative weight of economic and strategic factors in the decision for Association.

The ties that bind

Given the significance of the US relationship in Greece's post-war history and early Euro-indifference, it seems reasonable to assume that changes in Greek-US relations might stimulate new policy preferences. To understand why Greece's weaning from US dependence should have been so traumatic, it is necessary to establish the nature of Greek dependence. While Greece — as a small weak state in a sensitive geo-strategic position — had a tradition of reliance on foreign patrons,⁴⁷ the relationship that developed with the US immediately after the Second World War was qualitatively different. The Axis occupation (1941–44) had left Greece economically devastated and politically divided. The domestic threat from the insurgent Left was compounded when Greece's northern neighbours — Albania, Bulgaria and Yugoslavia — all established

⁴⁷ For a historical account, see Couloumbis, T. A., J. A. Petropoulos, and H. J. Psomiades, *Foreign interference in Greek politics: an historical perspective*. New York: Pella, 1976.

communist regimes. It was in these circumstances that Prime Minister George Papandreou initially described post-war Greece as breathing 'with one British and one American lung'. Intervention by Britain and, subsequently, the US was crucial in averting a communist take-over after the end of the war and determining Greece's Cold War orientation. With the end of British aid and the change in US foreign policy signalled by the March 1947 Truman Doctrine speech, the bilateral link with the US became the lifeline for the embattled Greek government. The relationship soon became one of structural dependence — political, military and economic.

Politically, Greece in the late 1940s has been classified as a 'penetrated polity',⁴⁸ in which the American Mission for Aid to Greece became, in the words of one of its former members, 'a super-government'.⁴⁹ This was the era when 'the American supervising the Ministry of National Economy not only signed all outgoing documents, but personally checked all carbon copies as well'.⁵⁰ US officials were involved in most aspects of national administration, often holding key decision-making posts within the state machine.⁵¹ Following the election of a strong right-wing

⁴⁸ Following Rosenau's definition of a political system 'in which non-members of a political society participate directly and authoritatively, through actions taken jointly with the society's members, in either the allocation of its values or the mobilisation of support on behalf of its goals'. Rosenau, J.N., 'Pretheories and theories of foreign policy', in R. B. Farrell (ed.), *Approaches to comparative and international politics*. Illinois: Northwestern University Press, 1966 p. 65; Amen, M.M., 'American institutional penetration into Greek military and political policymaking structures: June 1947-October 1949', *Journal of the Hellenic Diaspora*, Vol.3. 1978, pp. 89-113.

⁴⁹ Quoted in Wittner, L.S., *American intervention in Greece, 1943-1949*. New York: Columbia University Press, 1982, p. 117.

⁵⁰ Iatrides, J.O., 'Greece and the United States: a strained partnership', in R. Clogg (ed.), *Greece in the 1980s*. London: Macmillan, 1983, p. 151.

⁵¹ For example, in the Currency Commission, which determined the monetary supply, and the Foreign Trade Association, which regulated all foreign trade, including the licensing of exports and imports. For details, see Fatouros, A. A., 'Building formal structures of penetration: The United States in Greece, 1947-1948' in Iatrides, J.O. (ed.), *Greece in the 1940s*, op. cit., 1981, pp. 239-258.

government in 1952, the US withdrew from this hands-on role in the day-to-day running of the country, but retained a highly visible presence in Greek political life until 1974.

Militarily, US Ambassador Grady described the Greek armed forces in 1948 as an 'organisation of 263,000 men, which is fed with American purchased daily rations... clothed in American purchased uniforms, equipped with American arms, transported by vehicles and pack animals supplied by America, and trained and advised in operations by American and British officials'.⁵² After the end of the Civil War, US military aid remained vital for defence against the neighbours. Both NATO entry in 1952 and the bilateral US bases agreement of 1953 aimed to ensure the US military umbrella would be available for Greece.

Economically, Greece ended the Second World War on its knees. An ILO report suggested Greece had suffered more heavily than any other allied country except the Soviet Union.⁵³ In addition to a population loss of 8 percent, the country had lost one-third of its national wealth, entailing the devastation of industry, infrastructure, forests and farming.⁵⁴ By the war's end, the population — whose average daily diet never exceeded 1,400 calories throughout the occupation⁵⁵ — was severely malnourished and dependent on foreign food aid for sheer survival. War time destruction was compounded by the Civil War that delayed recovery. In the immediate post-Civil War period, the US quite simply saved the country from insolvency. The proportion of the current balance-of-payments deficit covered by US aid was 100

⁵² Ambassador Grady, Secret/Urgent telegram 868.20/11-2248 (22 Nov 1948) to the Secretary of State, reprinted in *Foreign Relations of the US*, 1948, Vol IV, pp. 188-9. Thanks to John Iatrides for tracking down this reference.

⁵³ Quoted in Sweet-Escott, B., *Greece: a political and economic survey, 1939-1953*. London and New York: Royal Institute of International Affairs, 1954, p. 93.

⁵⁴ Tsoucalas, C., *The Greek tragedy*, op. cit., 1969, pp. 91-2.

⁵⁵ Sweet-Escott, B., *Greece: a political and economic survey...*, op. cit., 1954, p. 93.

percent in 1949; 95 percent in 1950; 91 percent in 1951; and 89 percent in 1952.⁵⁶ The GDP share represented by US aid was 10.8 percent in 1949; 14.9 percent in 1950; 11.5 percent in 1951; and 7.0 percent in 1952.⁵⁷ This was a higher proportion of GDP than the net transfers from the EU budget during the fat years of the 1990s. This period created a dependency on inflows of external economic aid, subsequently to become salient in Greek-EEC relations.

After 1954, as the Greek economy began to recover, US aid began to fall. It was to end completely in 1963 under the Kennedy administration. The latter regarded aid as an outdated concept and believed Greece no longer needed it, in comparison to its new Latin American and African priorities. The Association application, of course, preceded President Kennedy's election in November 1960. But a new outlook was already apparent in the last years of the Eisenhower administration, signalled by the dramatic drop in aid to Greece — by approximately 50 percent⁵⁸ — in 1958. The Greek government did not share the view that Greece no longer needed aid. Hence, an important preoccupation in the late 1950s was the quest for alternative sources of finance.

Meanwhile, lower aid receipts were not simply an economic problem, but also caused concern as an indication of reduced US interest in Greece. By the end of the 1950s, it seemed that Greece, once a major focus of US policy in Europe, was no longer such a high priority for Washington. Of course, Greece was not losing the US/NATO security umbrella. But the US government seemed to be abdicating responsibility for Greece's economic well-being. The changing Greek-US relationship was naturally

⁵⁶ Freris, A. F., *The Greek economy...*, op. cit., 1986, p. 150; see also Sweet-Escott, B., *Greece: a political and economic survey...*, op. cit., 1954, pp. 107-8.

⁵⁷ Freris, A. F., *The Greek economy...*, op. cit., 1986, p. 150.

⁵⁸ *Ibid.*

disorientating for Greek policymakers, who were losing the compass that had guided Greek governments for the previous decade.

Loosening the links

By the late 1950s, Greek policymakers were responding to a changing international and domestic agenda, the net result of which seemed to be destabilising the country's Cold War orientation to the Western capitalist camp. The first factor was the shifting balance on the international scene. The reduced US interest in Greece coincided with the emergence of the non-aligned movement, now beginning to offer an alternative pole of attraction to the superpower blocs. The second factor was the national liberation struggle against British rule in Cyprus, where the majority Greek Cypriot population was demanding union with Greece against the wishes of the Turkish Cypriot minority. The Cyprus crisis caused tension with three NATO partners.

British insistence that Cyprus, because of its strategic significance, could not be allowed to exercise the right of self-determination initially aroused strong anti-British sentiment. Then it stimulated a resurgence of Greek-Turkish tension. In September 1955, politically inspired Turkish mob riots directed against the Greek community of Istanbul resulted in 15 dead and material damage variously estimated at \$150-\$300 million.⁵⁹ This led

⁵⁹ To understand the Greek sense of outrage, it is worth considering the damage catalogued by a World Council of Churches mission a few days after the event: 4,000 shops sacked and plundered, 38 churches burned down, another 35 churches, two monasteries and the main Greek Orthodox cemeteries vandalised, more than 2,000 houses vandalised and robbed and 52 schools stripped of furniture, books and equipment [Cf., Helsinki Watch, *Denying human rights and ethnic identity: the Greeks of Turkey*. New York: Helsinki Watch, 1992, pp. 7-8]. The Greeks of 'the City' had a special emotional significance as the only remnant of the once flourishing community in the Byzantine and Ottoman capital. Along with the small island populations of Imvros and Tenedos, they were also the only Greek population left in Turkey after the 1923 compulsory exchange of populations.

rapidly to the deterioration of Greek-US relations. The US response was to treat both sides as equally responsible, urging them to compromise their differences in the interests of allied solidarity.⁶⁰ When the UN voted against including Cyprus on the General Assembly agenda, with five of the seven negative votes cast by NATO members including the US and Britain, the result was a generalised anti-Western reaction. The dramatic effect on Greek opinion was indicated when even the reputable pro-Western daily, *Kathimerini*, ran an editorial headlined 'SHAME' and concluding with a call for NATO withdrawal.⁶¹

Coming only a few years after the Civil War, the Cyprus crisis seemed to show just how easily Greece's Western allegiance could be discredited in popular opinion. Meanwhile, domestic developments indicated that the Civil War defeat and subsequent repression had by no means eliminated the attractions of the Soviet-oriented Left. In the seven pre-dictatorship elections from 1951 to 1964, the Left front, EDA, never received less than 9.5 percent of the vote. In 1952, following direct intervention by the US Ambassador, the electoral law was changed to favour the formation of strong one-party governments and rule out coalition participation by the Left. But the aim of permanent exclusion of the Left from power seemed under threat when, in 1958, a coalition headed by EDA gained 24.5 percent of the vote and emerged as the official opposition. Subsequently, EDA, whose official policy was in favour of non-alignment, joined its voice to those of the Soviet bloc countries who were calling for Greek participation in a Balkan missile-free zone and disengagement from NATO. Meanwhile, the political challenges to Greece's Western orientation were reinforced by economic developments.

⁶⁰ Couloumbis, T.A., *Greek Political Reaction...*, op. cit., 1966, pp. 95-6.

⁶¹ *Kathimerini*, 22 September 1955.

Crisis of capitalism?

The 1950s saw a rapid growth in trade with the Eastern Bloc, encouraging press speculation about a Soviet plot in which growing economic dependence would open the way for eventual political domination.⁶² By the early 1960s, the Eastern Bloc was Greece's second most important trading partner after the EEC-6. In 1961, the year the Greek Association was signed, the Eastern Bloc countries took 22.3 percent of Greek exports. This put the communist states well ahead of the third trade partner, the US, at 16.3 percent. Trade dependence on the Soviet bloc was particularly high in certain products, including citrus fruit (91 percent), cotton (70 percent), sultanas (43 percent), olives (43 percent) and tobacco (20 percent).⁶³ This list is particularly significant because these products were Greece's most important export commodities: in 1957-59, tobacco alone accounted for 37 percent of Greek exports, sultanas for 14 percent and cotton for 10 percent.⁶⁴

Trade dependence on the Eastern Bloc developed on the basis of barter agreements for the disposal of agricultural surpluses. It was thus only one aspect of the broader export crisis afflicting Greece by the end of the 1950s. Exports were stagnating from 1956 and actually fell in 1959, for the first time since the end of the war.⁶⁵ The export crisis had particularly serious implications for a government whose economic performance was always liable

⁶² See, in particular, *Naftemboriki*, 3 April 1961. Pateras (*From Association to accession*, op. cit., 1984, pp. 31-2, 77-79) provides a sampling of comments in this vein from *Akropolis*, *Vradyni*, and *Ethnikos Kyrix*. On the issue of Greek trade with the Eastern Bloc, see the detailed and authoritative study by Wallden 1991.

⁶³ Triantis, S. G., *Common Market and economic development: the EEC and Greece*. Athens: Centre of Planning and Economic Research, 1965, p. 84.

⁶⁴ OEEC, *Economic conditions in member and associated countries of the OEEC: Greece*. Paris: Organisation for European Economic Cooperation, 1960, p. 2.

⁶⁵ Pateras, M., *From Association to accession*, op. cit., 1984, p. 11.

to comparison with the command economies on the other side of the border.

In post-civil war Greece, economic success or failure was assessed against the background of the Cold War clash between capitalism and communism. As the Minister of Commerce, Panayotis Papaligouras, put it in a 1962 interview to the *Financial Times*: ‘if we failed, the Eastern bloc would exploit the theory that it is impossible for the poor peoples to prosper in the framework of a democracy and a free economy’.⁶⁶ A key issue at this point — and one on which the Balkan states were perceived as a laboratory — concerned which of the two systems offered the optimal framework for successful industrialisation. For Greece, the 1950s was a period of dynamic growth, with the doubling of industrial production in 1952–63 and a rise in per capita income from US \$112 to US \$270 in 1951–56.⁶⁷ But while this decade laid the foundations of future industrial development, the picture at the end of the decade was not particularly satisfactory.

With a series of economic measures passed in 1953, the Greek government appeared to have rejected a development strategy based on import substitution. The Markezinis reforms⁶⁸ aimed to open up the economy by devaluing the drachma, ending import controls and offering incentives to foreign investors. This made sense, given the small size of the domestic market: the 1951 census registered a total population of 7.6 million, which had risen to 8.4 million by 1961. Subsequently, a strategy of ‘developmental *étatisme*’ was pursued,⁶⁹ with the state attempting to stimulate development and provide employment. Particularly after 1955,

⁶⁶ Cf., Pateras, *ibid.* p. 65.

⁶⁷ Svoronos, N.S., *Episkopisi tis Neoellinikis Istorias*. Athens: Theemlio, 1986, p. 146.

⁶⁸ So called because they were associated with Co-ordination Minister, Spyros Markezinis.

⁶⁹ Kazakos, P., *Anamesa se Kratos kai Agora: Oikonomia kai Oikonomiki Politiki sti Metapolemiki Ellada, 1944-2000*. Athens: Ekdoseis Pataki, 2001, p. 179.

under the premiership of Karamanlis — a former Minister for Public Works — there was a major expansion of public investment spending, including infrastructure projects and entrepreneurial initiatives such as the establishment of state sugar and fertiliser industries.

However, this policy took time to bring results, especially in a country only recently recovered from civil war. Domestic investors showed a marked reluctance to put their money into industry — even when receiving state loans to do so.⁷⁰ Meanwhile, the first year with a significant foreign investment inflow was 1958.⁷¹ While Greece was soon to experience an ‘investment explosion’ in a series of new large-scale enterprises, both private and public,⁷² very few of these had been established when the Association application was submitted.⁷³ The limited rise in industrial employment — from 414,000 persons or 13.5 percent of total employment in 1951 to 447,000 persons or 13.1 percent of total employment in 1961⁷⁴ — meant industry was unable to absorb the population inflow into the towns.

⁷⁰ As Xenophon Zolotas, the Governor of the Bank of Greece, explained, ‘the expansion of credit to industry in 1957 and 1958 by over four times the rate of increase of industrial production’ indicated an ‘excessive leakage of credit towards purposes wholly unrelated to industrial activity’. See Tsoucalas, C., *The Greek tragedy*, op. cit., 1969, p. 132.

⁷¹ See Kazakos, P., *Anamesa se Kratos kai Agora...*, op. cit., 2001, pp. 189–91.

⁷² *Ibid.* p. 197.

⁷³ Of the new enterprises listed by Kazakos (*Ibid.* 2001, pp. 196–7), the majority — the state fertiliser factory in Ptolemaida (foundation stone laid in 1960), the Dow Chemicals plant in Lavrio (1961), the Philips plant (licence granted in 1961), the state sugar factories in Larissa and Serres (inaugurated in 1961 and 1962 respectively), the phosphate plant in New Kavalla (1962), the Esso-Pappas oil refinery in Thessaloniki (contract signed 1962) and the Pechiney aluminium plant (1966) — postdate the Association application. Only the state oil refinery at Aspropyrgos (1958), the Viamax coach plant (1959) and the Pirelli tyre factory in Patras (1959) predated it.

⁷⁴ Vgenopoulos, C., *Growth and unemployment: the case of Greek post-war international emigration*. Athens: Exantas, 1985, p. 88.

During the 1950s, Greek society was on the move. The rural exodus began in the 1940s, under the impact of occupation and the forcible resettlement of the inhabitants of guerrilla territory during the Civil War. During the following decade, rising popular aspirations combined with the failure to modernise the agricultural sector to transform the settlement pattern. The 1951 census recorded a little over one third of the population (37.7 per cent) living in towns of over 10,000 inhabitants. By 1961, the urban population, at 52.4 per cent, was already more than half the national total. In particular, this decade saw the massive and unplanned growth of Athens, which by 1961 was already home to 22 per cent of the country's population. The speed and extent of this social change was soon to threaten the balance of the post-war political system — as indicated by the role of the newly urbanised population of Athens in the 1960s democratisation movement. The shaky basis of Greek parliamentarism was confirmed just eight years after the Association application, when a small group of junior officers conducted an unopposed coup.

A major safety valve for post-war Greece was provided by external migration, with 12.2 per cent of the population emigrating in 1951–81.⁷⁵ The trend was already clear by the late 1950s, with net emigration in 1956–60 amounting to 1.9 per cent of the total population.⁷⁶ The 161,570 persons who emigrated during this five-year period was almost double the number who had left during the previous decade, although the latter had been an era of civil war and reconstruction. While migrants' remittances were soon to become an important source of invisible earnings, it was a telling comment on the economic situation in the late 1950s that one of the country's main exports was its people. Voting with their feet, the emigrants left because they could not make an adequate living at home.

⁷⁵ Freris, A. E., *The Greek economy...*, op. cit., 1986, p. 163.

⁷⁶ Author's calculation on the basis of National Statistical Service of Greece figures.

Thus, despite high growth rates — due in large part to extensive public investment and the post-war building boom — the picture presented by the Greek economy at the end of the 1950s was not exactly the model of a capitalist success story. It was in this context — with its apparent potential to de-legitimize both Greek capitalism and the country's post-Civil War international orientation — that Greece, as an OEEC member, was invited in 1957 to participate in discussions on the creation of a West European free trade area.

No alternative?

With historical hindsight, it might appear as if a close Greek link with the European Community was almost predestined. After all, the Markezinis reforms of 1953 indicated the rejection of import substitution. Meanwhile, the EEC-6 was already Greece's main export destination. Pursuing export-led development based on trade with the country's next most important outlet, the East European market — the option supported by the Greek Left — was not a viable alternative. Politically, no Western bloc country during the Cold War desired economic dependence on communist governments. Economically, an East European orientation was not an option either. This was, firstly, because trade with the Eastern bloc, based on the barter of Greek agricultural products for Soviet and East European manufactured goods, did not offer an outlet for exports of Greek manufactures. Hence, it could not provide a basis for the development of Greek industry. Secondly, the Eastern Bloc states did not offer stable prospects. As command economies, which did not respond to the demands of the market, they could simply cut off or reduce trade with Greece by a simple government decision. Nor did an extra-European orientation appear feasible, given that Europe as a whole (East and West) provided 63 percent of Greek imports and

took 77 percent of the country's exports in 1960. In the same year, the US share of Greek exports was around 13 percent, while exports to the developing countries were hardly significant.⁷⁷

But if in retrospect, the EEC orientation might appear an obvious choice, in the late 1950s the picture did not necessarily appear so simple. Partly, this was because of the variety of projects on the table, with the imminent launch of the EEC-6 motivating both the opening of talks on a broader European Free Trade Area embracing the whole OEEC and the British fallback plan for a rival EFTA of seven members. But the problem the Greek government faced was not simply a choice between competing schemes. There was also the more fundamental question of whether Greece should participate at all. Greece was of course facing an export crisis. But the answer to this could have been either a drive to find new export markets or a turn away from export-led development to embrace import substitution.

That a decision had been taken in Greece six years earlier favouring export-led development did not necessarily make this the last word on the subject. The Markezinis reforms had been conceived in a different context. The free trade area plans were a new factor, implying major changes to the environment within which export-led development could occur. Just a few years after the Association application, import substitution was to be advocated by Andreas Papandreou, the former Berkeley economics professor who became Minister of Co-ordination (i. e., National Economy Minister). In the early 1960s when he was director of the Centre for Economic Planning and Development, a government think tank, Papandreou wrote a study entitled *Strategy for the economic development of Greece*. In this, he opposed export-led development for Greece on the grounds that it was impossible to

⁷⁷ Exports to Asia amounted to approximately 5 percent of the total and to Africa less than 2 percent.

‘graft a modern and competitive exports sector on to the body of a low-productivity economy’.⁷⁸ As he was to explain in a book written a few years later, he saw import substitution as ‘a learning ground for industrialists’ that would permit them later to compete in the international arena.⁷⁹ Consistent with this view, in 1965 Papandreou called for ‘a responsible re-examination’ of the terms of the Association Agreement⁸⁰ — a harbinger of the much more dynamic anti-EEC stance that he was to adopt during the 1967–74 military dictatorship.⁸¹

From the vantage point of the early 21st century, the march of globalisation over the past 40 years appears inexorable. During the same period, deepening and enlargement have taken European integration from the Common Market to Economic and Monetary Union and from the EEC-6 to the current EU-15, currently contemplating a ‘big-bang’ enlargement to an EU-25. But Greek policymakers in the late 1950s did not share the benefit of hindsight. For them, participation in the free trade schemes was a voyage on uncharted waters.

Euro-dilemmas

In the late 1950s, for a country whose industrial development was so far behind that of its potential partners, trade liberalisation appeared an enormous gamble. The previous performance of the

⁷⁸ See Pateras, M., *From Association to accession*, op. cit., 1984, p. 253.

⁷⁹ Papandreou, A., *Democracy at gunpoint: the Greek front*. London: Andre Deutsch, 1971, p. 95.

⁸⁰ Papandreou, A.G., ‘Exoteriki politiki kai ethniki anayennisi’, *To Vima*, 23–24 August, reprinted in A. Papandreou, *Dimokratia kai Ethniki Anayennisi*. Athens: Fexis, 1966, pp. 71–79.

⁸¹ On the evolution of Papandreou’s thinking on the EEC in the 1960s and 1970s, see Verney, S., *Panacea or plague...*, op. cit., 1994, chapter 8. Other academics associated with the Centre for Economic Planning and Development also regarded the Association and the export-led strategy as inappropriate for Greece. See the study

manufacturing sector did not encourage optimism about its prospects of dynamic development in a competitive environment. It seemed unlikely that Greek manufacturers would be able sufficiently to exploit the increased export opportunities offered by free trade to offset the expected rise in imports. Greece already had a serious trade deficit with the OEEC, with exports covering less than 30 percent of imports in 1960. The biggest danger from a sudden inflow of imports was not the short-term balance-of-payments impact but the long-term threat of stifling domestic industrial development. This would leave Greece as a hewer of wood and a drawer of water in the international division of labour, while aggravating the socially destabilising problem of unemployment. A more particular consideration was that, given 90 percent of Greek exports were agricultural products, a free trade area limited to industrial goods would exclude Greece's main export sector. But while taking part in one of the projected free trade areas seemed likely to have a high economic cost, so did non-participation. If other OEEC members formed a free trade area of which Greece was not a part, then Greek producers would be excluded from some of their most important markets. Thus, the move towards free trade in Western Europe raised the prospect that Greece, whether as an insider or outsider, would be competing on more unfavourable terms than in the past.

If this were not dilemma enough, the dangers were enhanced by the existence of the rival plans. The OEEC area as a whole was Greece's major trading partner, taking almost 49 percent of exports and providing almost 47 percent of imports in 1960. Within the OEEC, the EEC-6 was the most important component, accounting for 33 percent of Greek imports in 1960. But the rest of the OEEC took 16 percent of Greek exports — more

by University of Toronto economics professor, S. G. Triantis, which concludes by calling for the abrogation of the Association. Triantis, S. G., *Common Market and economic development...*, op. cit., 1965, p. 228.

than the US — with the UK share alone accounting for approximately 10 percent of the total. The prospect of the OEEC splitting into rival trade formations was clearly prejudicial to Greek economic interests. Under the best-case scenario, the Greek government would be forced to make hard choices between some of its most significant trade partners. In the worst case, Greece would be marginalised, excluded from Western Europe's new economic core.

In the Cold War context, both scenarios had dangerous political implications. In its initial position statements to the OEEC, the Greek government emphasised the threats to West European unity inherent in trade liberalisation. On the one hand, 'non participation [by the poorer countries] in the European Free Trade schemes would inevitably force them into a very harmful isolation and ultimately to the search of [*sic*] other associations against their own commercial and political traditions and inclinations'.⁸² On the other hand, their inclusion without special provision for the less developed areas — which 'incidentally happen to be in the periphery of Europe' — would widen the development gap and 'in the final analysis would lead to the disintegration of Europe'.⁸³

Further heavy hints were dropped as to where this might lead. Reference was made to the difficulties of developing 'poor overpopulated countries... under democratic institutions'. A setback to Greek economic development, resulting in rising unemployment, would lead to social unrest, 'the more general consequences of which would be dangerous not to Greece alone'. The eco-

⁸² 'Statement by the Greek delegation in support of the Greek government memorandum on the formation of a European free trade area', 4 July 1957, reprinted in *White Book: Greece, the European Community and a European Free Trade Area*. Athens: Ministries of Co-ordination and Foreign Affairs, 1959, pp. 8-14.

⁸³ 'Memorandum of the Greek government on the formation of a European free trade area', June 1957, reprinted in *White Book...*, op. cit., 1959, p. 9.

conomic development of the periphery was ‘the only possible method of ensuring the political and cultural unity of Europe’. Thus, according to the Greek government, at issue was not only economic growth, but also ‘the defence of the European and more specifically of the democratic way of life in the whole area’.⁸⁴

Testing the waters

Initially, the Greek government stated that it could not declare itself for or against a free trade area until it knew the type of provisions on which trade liberalisation would be based.⁸⁵ But at the same time, the Greek delegation protested vigorously at the possibility of potential Greek exclusion.⁸⁶ In reality, it seems clear that from the beginning, the Greek preference was for participation on special terms.

The Greek memorandum of June 1957 called for the Free Trade Area to adopt the aim of reducing the economic gap among its members as a ‘basic guiding principle’ and to provide ‘special treatment’ for specified developing countries.⁸⁷ The memorandum proposals were further elaborated over the next 18 months, mainly in the context of the OEEC’s Working Group 23 that was examining the cases of four countries — Greece, Turkey, Ireland and Iceland — which had asked for special consideration.

⁸⁴ *Ibid.* pp. 31, 11, 14, 8.

⁸⁵ *Ibid.* p. 8.

⁸⁶ The idea that Greece could be left out was deemed ‘contrary to the fundamentals of OEEC’, indicating ‘an altogether negative attitude’ and a ‘lack of will in facing a problem which is vital to a few member countries’ and revealing ‘the absence of the necessary spirit of solidarity’. Any plan essentially making it impossible for Greece to participate ‘would be considered as an unfriendly proposal by the Greek Government, putting it in a position of defence and inevitably provoking its strongest opposition’. *Ibid.* pp. 17–18.

⁸⁷ ‘Statement by the Greek delegation in support of the Greek government memorandum on the formation of a European free trade area’, in *White Book...*, op. cit., 1959, p. 11.

The Greek proposals, like those of Turkey and Ireland — with whom it submitted two Joint Notes to Working Party 23 in January and March 1958⁸⁸ — revolved around three basic axes. These were exemption from tariff disarmament, the inclusion of agriculture in the free trade area, and the provision of external finance for developing economies. Parallel Greek requests included free movement of labour — a potential solution to the domestic unemployment problem — and ‘European Monetary Co-operation’, meaning special arrangements through the European Payments Union to finance the trade deficit.

The inclusion of agriculture was obviously a *sine qua non* for Greece, given the overwhelming domination of its exports by agricultural products. The Greek government proposed that agricultural exports from less developed member-states should be given preferential treatment within the free trade area over third country imports.⁸⁹ But it also referred to the Treaty of Rome as a model,⁹⁰ implying it hoped for a common organisation of agricultural markets and perhaps a common price policy.

⁸⁸ In addition, in January 1958 the three countries and Iceland submitted a joint proposal concerning financing mechanisms for the less developed countries [‘Working Party No. 23 of the Council: Proposals of Greece, Ireland, Iceland and Turkey for the establishment of a European Development and Re-adaptation Authority and an Investment Bank within the proposed free trade area’, OEEC, 20 January 1958, FTC/W(58)4, in *White Book...*, op. cit., 1959, pp. 116-120]. In November 1958, Greece and Turkey submitted a Joint Note on special treatment for their agricultural exports [‘Working Party No. 23 of the Council: Joint note from the Greek and Turkish delegations on the special treatment to be applied to their main agricultural exports in the free trade area’, OEEC, 15 November 1958, FTC/W(58)19, in *White Book...*, op. cit., 1959, pp. 171-182]. See also ‘Working Party No. 23 of the Council: Joint note by the Greek, Turkish and Irish delegations’, OEEC, 9 January 1958, FTC/W(58)2, and ‘Working Party No. 23 of the Council: Joint note by the Greek, Irish and Turkish delegations’, OEEC, 17 March 1958, FTC/W(58)8, in *White Book...*, op. cit., 1959, pp. 93-95 and 99-102.

⁸⁹ ‘Working Party No. 23 of the Council: Report by the Chairman to the Chairman of the Council’, OEEC, 15 October 1957, FTC(57)2, in *White Book...*, op. cit., 1959, pp. 85.

⁹⁰ ‘Memorandum of the Greek government on the formation of a European free trade area’, June 1957, and ‘Statement by the Greek delegation in support of the Greek

With regard to tariff dismantling and external finance, it is obvious that the official documents express a maximalist negotiating position, from which the government was prepared to make concessions in the course of the talks. However, it is striking that in the context of the free trade area negotiations, the initial Greek proposal was for a long-term policy of Greek protectionism coupled with a commitment by its OEEC partners to the large-scale subsidy of Greek economic development. In the June 1957 memorandum, the Greek government requested tariff exemption for the developing countries 'for a period sufficiently long for the necessary structural adjustment to take place'.⁹¹ It subsequently emerged that it hoped for no less than a 20-year waiver period with the possibility of a further five-year extension. During the waiver period, tariffs would not be dismantled automatically 'but some reductions might be possible'; while Greece should also have the possibility of introducing new tariffs to protect infant industries.⁹²

The memorandum also called for the creation of new financial institutions to support the development of the weaker economies. Specifically, it proposed the establishment of a European Readjustment and Development Fund to provide finance for infrastructure projects at especially low interest rates over long periods, and a European Investment Bank to operate on commercial banking criteria but with a special emphasis on providing loans to less developed countries. The suggested sum for the first five-year Greek ERDF allocation was US \$300 million, apparently representing one-third of the cost of the planned infrastructure projects. For the whole waiver period, it was estimated that

government memorandum on the formation of a European free trade area', 4 July 1957, in *White Book...*, op. cit., 1959, p. 12, 33.

⁹¹ *Ibid.* p. 12.

⁹² 'Working Party No. 23 of the Council: Report by the Chairman to the Chairman of the Council', OEEC, 15 October 1957, FTC(57)2, in *White Book...*, op. cit., 1959, pp. 84-7.

the infrastructure programme would cost US \$3 billion⁹³ — presumably implying the Greek government hoped for US \$1 billion in subsidies over a 20-year period. How much Greece hoped to receive from the European Investment Bank was not specified. While the focus was on aid provision, measures to encourage direct foreign investment were also suggested. Thus, it was proposed that the richer member countries should legislate tax and other incentives to encourage private capital investment in the less developed states.

The implication would seem to be that the initial Greek aim was to replace the US golden calf with a new West European donor, preferably without running the risks of trade liberalisation. However, the Chairman of Working Party 23 reported to the OEEC Council, in July 1957, that ‘the other countries cannot be expected to sign blank cheques’. Apparently, other national delegations had ‘expressed the view that general and unlimited derogations from the obligation to remove quantitative restrictions and tariffs would not be appropriate. In the opinion of these Delegations, no country should enter the Free Trade Area without accepting certain prior commitments’. In addition, ‘a number of representatives stated that, while a Free Trade Area should contain provisions designed to offset any damage that might be caused to individual countries in the process, its main purpose should be to expand the volume of trade and increase the international division of labour, and not to constitute a short cut to a solution of structural problems’.⁹⁴

The Greek government was not slow to take the point. Over the course of the OEEC talks, there was a growing acceptance of at least some degree of trade liberalisation. In the Greek, Irish and

⁹³ *Ibid.*, p. 85.

⁹⁴ ‘Report by the chairman of working party No. 23 of the Council to the Chairman of the Council’, OEEC, 19 July 1957, FTC(57)1, *White Book...*, op. cit., 1959, pp. 56, 53, 66.

Turkish Joint Note of March 1958, the three delegations proposed a tariff exemption period of ten years, while offering to dismantle tariffs completely within a further 20 years.⁹⁵ In July 1958, the Chairman of Working Party 23 was able to report that on the tariffs issue, 'the gap between the differing viewpoints has narrowed considerably'.⁹⁶ The idea of special treatment for the less developed members had been accepted in principle: the final proposal of Working Group 23 in October 1958 was for these states to be allowed a transitional period twice as long as that of the developed members.⁹⁷ Discussions had also proceeded, in a generally sympathetic climate, on the provision of financial assistance to the less developed free trade partners, although the group of financial experts examining this question had been 'unable to put a figure' to the amount of aid required.⁹⁸ But then, at the end of 1958, the OEEC talks broke down and Greece faced new choices.

Euro-strategies

Once the issue of trade liberalisation was firmly on the table, the initial Greek preference was for a broader free trade area embracing the whole OEEC. Indeed, it seems that the Greek

⁹⁵ 'Working Party No. 23 of the Council: Joint note by the Greek, Irish and Turkish delegations', OEEC, 17 March 1958, FTC/W(58)8, *White Book...*, op. cit., 1959, p. 100.

⁹⁶ 'Working Party No. 23 of the Council: Proposals by the Chairman concerning rules for tariff reductions for the less developed countries', OEEC, 15 July 1958, FTC(58)2, *White Book...*, op. cit., 1959, p. 103.

⁹⁷ 'Intergovernmental Committee on the establishment of a free trade area: Rules for tariff reductions for the less developed countries (Note by the Chairman of working party no 23 of the Council)', OEEC, 16 October 1958, CIG(58)58, *White Book...*, op. cit., 1959, pp. 189-92.

⁹⁸ *White book...*, op. cit., 1959, pp. 109-161; 'Report by the Group of Financial Experts to Working Party No. 23 of the Council on financial assistance for less-developed countries within the free trade area', OEEC, 7 June 1958, FTC(58)1, in *White book...*, op. cit., p. 134.

government continued to prefer a wider grouping even after applying to the EEC. Thus, in August 1959, Co-ordination Minister A. Protopadakis expressed the hope the Greek Association might contribute to the formation of 'a broader European Economic Association including all members of OEEC'.⁹⁹ This preference made sense on both economic and political grounds. Economically, it meant Greece would not be required to choose between its major West European trade partners, while politically, it would be better for West European unity. But when the OEEC talks broke down, the Greek government faced its worst case scenario — the prospect of the OEEC area splitting into two rival trade blocs, the EEC-6 and the EFTA-7, both excluding Greece.

Given this choice, economic logic dictated an orientation towards the former rather than the latter. The EEC offered far more important trade prospects. With the exception of the UK, the other EFTA members (Austria, Denmark, Norway, Portugal, Sweden and Switzerland) were not significant Greek trade partners. Above all, unlike EFTA, the EEC covered agricultural products as well as industrial goods. The four freedoms at the heart of the Common Market included labour movement. Additionally, the preamble to the Treaty of Rome included an interesting commitment 'to ensure... harmonious development by reducing the differences existing between the various regions and the backwardness of the less favoured regions'. Well aware that the country's economic level would not permit it to undertake the obligations of a full member, the Greek government opted to seek an Association under Article 238.

In the Association negotiations, the EEC went a considerable way to meeting the demands made by the Greek government in the OEEC talks. Firstly, with regard to trade liberalisation, Greece was given preferential treatment, with 22 years to complete the

⁹⁹ *White book...*, op. cit., 1959, p. VI.

customs union (compared to the 30 years for the completion of free trade that the Greek government had proposed to the OEEC). Meanwhile, the EEC market was to be almost completely opened to Greek exports by 1968.¹⁰⁰ Secondly, the EEC undertook to take Greek interests into account when drawing up the Common Agricultural Policy and to move towards harmonisation of agricultural policy with Greece once the CAP was established. Thirdly, a supplementary Financial Protocol allocated Greece US \$125 million in loan capital to be used for development projects (in contrast to the US \$300 million Greece had requested from the OEEC). As the cherry on the cake, the EEC undertook to introduce free movement of labour 12 years after the Association went into effect, i.e., in 1974.¹⁰¹ All things considered, this was an attractive deal. In fact, the outcome of the Association negotiations would seem to confirm Moravcsik's theory regarding the outcome of interstate bargaining within the EEC. It was the Greek side, for whom the costs of adaptation were far higher, that was to a considerable extent able to impose conditions.

Although economic considerations provide a more than sufficient explanation, political factors reinforced the choice of the EEC-6 over the EFTA-7. Relations with the UK — which from the 1850s to the 1940s had been the predominant foreign power in Greece — were under considerable strain as a result of Cyprus. In contrast, a new climate in Greek-German relations was indi-

¹⁰⁰ For a more detailed account of the Association's economic provisions, see Yannopoulos, G.N., *Greece and the European Communities: the first decade of a troubled association*. Beverley Hills and London: Sage Research Papers in the Social Sciences, 1975, pp. 6-13 and Haritos, S.I., *Ellada-EOK, 1959-1979...*, op. cit., 1981, pp. 21-4, 59-75.

¹⁰¹ As part of the EEC response to the dictatorship, free movement was not introduced in 1974. After the Junta fell, the EEC proved unwilling to implement this provision. Free movement also proved a thorny point during the accession negotiations and was finally achieved in 1988, seven years after EEC entry. Again as part of the EEC's response to the dictatorship, Greece never received all the finance promised under the Financial Protocol.

cated by the granting of a DM 200 million German state loan to Greece following Karamanlis' meeting with Adenauer in November 1958. Geographically too, the choice made sense as the EEC formed a contiguous entity at the heart of Western Europe, while EFTA was fragmented and most of its member states — four of them situated on Europe's northern periphery — were remote from Greece. However, these were parallel or secondary considerations compared to the central balance of economic interest.

Solving the puzzle

Association with the European Community marked a new direction in post-war Greek policy. Until the signature of the Treaty of Rome, Greece, cocooned in its relationship with the US, had been little more than a bystander in the post-war quest for West European unity. The change in policy preference was a reaction to initiatives taken by others. It was only after the EEC project began to take shape that Greece entered the picture as an active participant: when as an OEEC member it was invited to take part in the discussions on a broader West European free trade area. In this respect, Greece was a policy-taker and not a policy-maker. Subsequently, however, Greece played an agenda-setting role concerning the conditions under which less developed economies would be integrated into the EEC.

In line with Moravcsik's theory, political leadership played a key role in the emergence of the Greek preference for integration. The decision for participation reflected, in particular, the political will of Prime Minister Karamanlis, who pressed ahead despite the disquiet this policy seems to have caused in a significant section of his support base. Apparently deviating from Moravcsik's theory, the Association was not driven by the demands of powerful producer groups. In this respect, it cannot be considered the direct outcome of a process of domestic conflict. Instead, the Association

was a 'strategy of state': the choice of a small ruling group, which was not motivated by the demands of specific domestic groups but by its own perception of the national interest, based on a broader conception of how Greece should develop.

In contrast to earlier Euro-projects, the trade liberalisation plans of the late 1950s touched on a vital economic interest: access to Greece's major export markets. At the end of the 1950s, Greece was experiencing a serious export crisis, a problem of export orientation due to growing trade with Eastern Europe, and an urgent need for external finance resulting from the phasing-out of US aid. From one viewpoint, it would almost appear that if projects for West European economic co-operation had not already existed, then Greece would have had to invent them. Participation in one of the free trade projects offered prospective solutions to the country's problems — but with a high price tag. Trade liberalisation, eliminating the possibility of nurturing enterprises behind protective tariff walls, threatened to stifle Greek industrial development. This made the terms of participation a crucial consideration.

The course pursued by the Greek government with regard to the different free trade area plans was defined by the rational pursuit of economic interest. Central to the Greek assessment of the various projects were the extent of trade interests that each involved and the triptych of demands put forward in the 1957 memorandum: exemption from early tariff disarmament; the inclusion of agriculture; and the provision of external finance. If the only project on the table had been an industrial free trade area with no compensatory financial mechanisms, it seems unlikely Greece would have participated. The initial Greek preference was for the broader OEEC free trade area, which on appropriate terms was the option most beneficial for Greek interests. The second best choice was Association with the EEC. Even if the EEC had not existed, it seems improbable that Greece would have

joined EFTA, where the economic dangers outweighed the economic opportunities.

But while an economic cost-and-benefit analysis clearly impelled the Greek government to make specific choices among the free trade area plans, one basic question remains unanswered. Why take the leap into the unknown and embark on the risky course of trade liberalisation at all? Why was the alternative policy option of import substitution not seriously considered? Leaving aside the potential socialising effects of participation in the OEEC talks, which encouraged a growing acceptance of trade liberalisation, the first factor was clearly the size of the domestic market. Production orientated primarily to Greek consumers set distinct limits to industrial development prospects. Secondly, trade liberalisation can be seen as the price of ensuring external finance. Participation in one of the free trade areas was expected to make Greece more attractive to foreign direct investment. Moreover, rather than begging for foreign aid, the Greek government could claim direct financial compensation from its partners for losses suffered through freeing trade. In contrast, import substitution was not calculated to induce generosity from states whose products would be excluded from the Greek market.

But do economic factors provide a complete explanation? Given the central role of the political leader in the emergence of the new policy preference, Karamanlis' own perception of the Association as a Macedonian question might seem to be salient. For post-Civil War Greek policymakers, preoccupation with the communist danger — internal and external — was always a paramount consideration. This does not mean the Greek government expected to resolve its security problems through European integration. The Association does not appear to have been envisaged as an alternative to the shaken relationship with the US except perhaps in the sphere of economic aid. How then did geopolitical considerations influence the new policy preference?

In the late 1950s, Greek policymakers faced a new situation. Most crucial were the new uncertainties in Greek-US relations, forcing Greek policymakers to consider new choices. Other defining factors included the emergence of the non-aligned movement, the fallout from the Cyprus crisis, the rising popularity of the domestic Left, growing trade dependence on the Soviet bloc and Greek capitalism's failure to generate employment. The overall effect was to arouse fears of creeping detachment from the Western bloc. These fears lay behind the prediction in the 1957 memorandum that free trade could lead either 'to the integration or disintegration of Europe'.¹⁰²

Of course, dire warnings about the danger of Greece moving out of the Western orbit were also an effective negotiating tactic. Persuading the West Europeans they could enhance their own security by meeting Greek demands was a good way to gain concessions. Equally, on the domestic front, presenting the Association in a strategic light — as a 'structural link with the West' or an economic equivalent of the Atlantic Alliance — distracted attention from the potential costs of trade liberalisation. Geopolitical arguments shaped the parameters of the subsequent domestic debate in such a way that the only dissenting voice on Association came from the Left and hence could be dismissed as 'anti-national'.¹⁰³ However, the utility of these fears in the international and domestic political arenas does not mean they were not real to Greek policymakers and influential in their decision-making.

Thus, the perceived danger of gradual Greek separation from the Western military alliance/capitalist bloc combined with eco-

¹⁰² 'Memorandum of the Greek government on the formation of a European free trade area', June 1957, in *White book...*, op. cit., 1959, p. 8.

¹⁰³ On the way in which Europe was presented in the domestic debate, see Pateras, M., *From Association to Accession...*, op. cit., 1984 and Verney, S., 'Dual vision: divided perceptions of Europe in the political party debate on European integration' in H. Heppner and O. Katsiardi-Hering (eds), *Die Griechen und Europa*. Vienna, Cologne and Weimar: Böhlau Verlag, 1998, pp. 193-226.

nomic factors to rule out a policy of import substitution. In a Western Europe moving towards closer economic co-operation, the implications of self-exclusion were similar to those the 1957 memorandum had warned would result from barring Greece by unsuitable terms. In other words, the political consequence of this economic choice would be growing Greek isolation. And if Greece was not firmly anchored in the West, then the long-term outcome could be a drift towards growing dependence on the Soviet bloc. This perception of Greece as potentially teetering on the brink between the communist and capitalist worlds made the particular dangers of trade liberalisation for Greek industry a secondary concern. In the Cold War context, sacrificing the short-term interests of Greek industrialists could seem essential to a long-term strategy for stabilising Greek capitalism. Thus, the Cold War factor — together with the paternalistic nature of Greek guided democracy — explains both how and why Karamanlis and his associates were able to ignore the domestic political dynamics in opting for European integration.

To conclude: in the Greek case, the rational pursuit of economic interest was indeed — as Moravcsik has proposed — a driving force behind the new policy preference in favour of European economic integration. But as he has also suggested, it is political economy that provides the key. For Greek policymakers, positioned on the Cold War frontline, the long-term preservation of capitalism was more salient than the particular interests of producer groups. Thus, a complete picture of how the national economic interest was defined requires an understanding of its geopolitical setting. Or to put it another way: European integration was a rational political economic choice in the context of Greece's post-war geopolitical orientation.

PART II

The Europeanisation
of Southern Europe:
Comparative Perspectives

The Southern European economies and European integration

Alfred Tovas

Economic liberalisation and political liberalisation

In this chapter we are dealing with a particular aspect of what the historian Javier Tusell calls ‘history of the present time’, namely, the linkages between the economic and political transformation of backward agrarian societies in the southern periphery of Europe and the role played by the centre in this transformation.¹

To begin with, one feature of the southern European case is that economic liberalisation (i.e., economic transition away from bureaucratic corporatism and import-substituting policies to export-led strategies) led to fast economic development, preceding and, most likely, contributing to political liberalisation (i.e., democratic transition). Spain, for example, was transformed economically in the 1960s into a Newly Industrialising Country (NIC). After all, it must be remembered that it not until 1954 that its per capita GNP reach pre-Civil War levels. For all purposes,

¹This chapter has benefited from comments made by Carlos Alonso Zaldivar, former Head of the Policy Planning Staff at the Prime Minister’s Office in Spain; Javier Tusell of the UNED in Madrid; Constantin Stephanou, of Panteion University of Political and Social Sciences in Athens; and Jonathan Story of INSEAD. I wish to thank them all. Of course the responsibility for what is written here is entirely mine.

1950s Spain could be described as having a Latin American-type economy. From then on, thanks to a fantastic shift in economic policy towards liberalisation: foreign capital, huge tourism receipts and migrant remittances would help finance enormous trade deficits, allowing accelerated economic development. However, economic liberalisation was neither the direct nor the indirect cause of political transformation: thus refuting one widely held contention defended by many, particularly North American, scholars. A non-economic catalyst was still needed to jump from the one stage to the other: a bomb under Carrero Blanco; a colonial war ending in disaster; a military adventure in Cyprus.

In the case of Spain, economic liberalisation starts, according to all experts, in 1957 with the adoption of the *Plano de Estabilización* (Stabilisation Plan), which was conceived by a group of non-democratic technocrats of the Franco regime (among them Alberto Ullastres) who were closely associated with the *Opus Dei*. The transition to democracy started much later, in 1976, after King Juan Carlos I invited an unknown young politician, Adolfo Suarez, to replace Franco's final Prime Minister, Carlos Arias Navarro.

Greece made an early start in its economic liberalisation. In 1953 the Greek government opted for an export-led strategy coupled with a currency devaluation. After the Civil War, and until 1967, Greek democracy was 'under surveillance' that was only brought to an end by the Colonels' coup. Democracy did not return until July 1974 after the fall of the Colonels — more than two decades after economic liberalisation had begun.

In Portugal the record is less clear. Whilst the starting date of its democratic transition can be ascertained with precision (April 1974), it is more difficult to pinpoint a specific date when economic liberalisation starts. What is certain is that it takes place well before the democratic transition, while Portugal was ruled by Oliveira Salazar and Marcelo Caetano. Portugal made a shift towards a moderately outward-looking trade and financial strate-

gy in the late 1950s that gained momentum during the early 1960s. This economic liberalisation continued under Caetano (1968–74), whose government abolished industrial licensing requirements for firms in most sectors. The composition of GDP changed markedly from 1961 to 1973, with the share of agriculture shrinking from 23 to 16 percent, while the corresponding share for the industrial sector rose from 37 to 44 percent.

It cannot be said that the informal economic integration of the 1950s and 1960s that opened these countries' economies to IMF conditionality, and introduced the influence of the international markets, was enough to convert them into modern Western-type economies with parliamentary democratic governments. All this was necessary, but it was the perspective of *formal integration* into the European Union (EU) — that is, 'the West,' — that would become the sufficient condition for this to occur. This was 'the vision thing' that would influence not only foreign, but also local businessmen. Let it not be forgotten that the latter were increasingly prosperous under the dictatorship, a factor that contributed to the lack of large-scale social unrest. They had to be enticed to 'live dangerously' under democracy (for example, enduring workers' strikes and tough negotiations with the trade unions, wild-cat strikes in public services, a rise in petty crime). Thus some reward was needed, and entry into the EU would do the trick.

After underlining the importance that entry in different economic clubs had for the three countries in initiating trade liberalisation, our attention will turn to the favourable international context of the 1960s and early 1970s as a factor facilitating domestic change. The main implications of the creation of the EU (then known as the European Community) and its first enlargement for policy-makers in the three southern European economies will also be examined, as they could not ignore the calls from the business community in favour of a *rapprochement* towards Europe, *even* if that meant a democratising economy and

society. The margin of manoeuvre remaining to economic policy-makers in order to succeed was narrow, particularly given the existing internal and external constraints.

The link-up to Europe, however, was decided on the basis of political, rather than economic arguments, as we shall demonstrate below. This is due, in part, to the fact that the economic efforts required to adjust to the limited Community *acquis* of the late 1970s appeared, at least to the key actors in the three southern European economies, to be manageable prior to accession (Karamanlis in Greece; Suarez, Calvo Sotelo and Gonzalez in Spain; Soares in Portugal). Some pre-accession preparations were, however, objectively required, something that was accepted willingly — although with some impatience — in Spain and Portugal; but not in Greece, which for political reasons, completely opposed the EU Commission's views on the matter.

In the end, the political leaders of the three southern European countries slowly understood that integration into the EU could be more helpful in their attempts to restructure their economies than it would be in consolidating their democracies, mainly by attracting foreign investment and multinational corporations, by forcing economic modernisation and by requiring changes in economic legislation. Of course, the short-term success (in the case of Spain and Portugal) or failure (in the case of Greece) of 'Operation Enlargement' had as much to do with domestic policies in Madrid, Lisbon and Athens as it did with the economic situation of the Nine and the international political context at the time of accession. One must contend that this is a rule that applies to all past, present and future EU enlargements.

Patterns of trade liberalisation in the Three

Spain could practice import substitution longer than either Portugal or Greece because of its economic size. For two decades

after the Civil War, it seemed to Spanish economic leaders that with a market of more than 30 million people, any existing economies of scale could actually be reaped. But in the end, economic transition in Spain between 1957 and 1959 was forced on the government for lack of alternatives. In any event, the country had run out of foreign exchange.

Trade liberalisation in the three countries was marked by their joining different multilateral economic institutions or by them concluding bilateral integration agreements with the EU. In particular, this meant a switch from non-transparent protection based on non-tariff barriers (such as the all-pervading quantitative restrictions) to tariffs, which are much more transparent for economic agents. Unlike quota restrictions, tariffs could not isolate the local economies from economic shocks originating elsewhere, given that import substitution is much more difficult under these circumstances.

Spain entered the Bretton Woods institutions in 1958, then, the following year joined the OEEC, and then GATT in 1963. To cap it all, it concluded a partial preferential trade agreement with the EC-6 in 1970. Portugal first joined EFTA in 1959, then acceded to the IMF and GATT in 1960 and finally concluded a free trade agreement with the EC-9 in June 1972. Finally, Greece joined the IMF in 1944 and the OEEC in 1948, in both cases as founding members, and joined GATT in 1949. The real trade liberalising step, however, was meant to be the conclusion of an Association Agreement with the EC-6 in 1962, which was based on reciprocity (since it had to lead to the creation of a Customs Union between the two parties).

We observe that not all these sequential steps had equal importance for the three countries. For Spain, formal entry into the IMF and the OEEC in 1958-9 signalled economic transition to economic agents; for Portugal it was entry into EFTA in 1959; for Greece the 1962 Association Agreement. Incidentally,

entry in international economic institutions did not work in the case of Turkey, but here again the sheer size of Turkey led the government to think that import substitution strategies would work — an erroneous assumption. Turkey would not realise its error until the 1980s, when it proceeded with trade liberalisation on a unilateral basis that was quite unconnected with any package deal that included entry in any particular trade or financial clubs.

The 1970 Preferential Trade Agreement (PTA) between the EU and Spain meant the opening of European markets to the latter. Together with the expected effects of the implementation of the Kennedy Round GATT Agreement of 1967, it meant that industrialisation would be based from now on exports, and no longer on the local market. The 1970 PTA was of much help to the Spanish balance of payments, since it was based only on partial reciprocity. Spain turned a trade deficit in that year into a surplus in 1984. The success was such that some prominent economists specialised in trade matters sustained — in private if not openly — that entry into Europe on the basis of full reciprocity, was not an urgent priority.

Greece and Portugal followed the same kind of opening policies until 1974. But then Portugal backtracked, with reverberations until the end of the 1970s. Afterwards, it reversed its earlier stance, but the stabilisation of the Portuguese economy between 1980 and 1986 was to prove difficult. Portugal had to obtain two stand-by credits from the IMF, the first in 1978-79 and then again in 1983-84. The EU also had to contribute with different types of aid.

The international context

Another distinctive feature of economic come political liberalisation in southern Europe (1959-1979) was that it took place

during a permissive, if not favourable international context.² The worst aspects of the Cold War were over by the 1960s, when the bulk of economic transition took place. Luckily enough, economic transition *per se* did not signal a shift in the East-West balance of power, and in the 1970s the political transition took place at the time of *détente*. Nobody, after giving some thought to the matter, could reasonably argue that Spain could become a left-wing dictatorship during those years, and the 'soft' Spanish transition to democracy also had a moderating effect on Portugal from mid-1976.

Formal integration among the EC-6 (1958) had the following consequences for non-Italian southern Europe:

- it generated envy among the local political class who were annoyed at not being part of an exclusive club of democracies;
- the emergence of tourism, partly diverted away from Italy (the poorest among the Six) which suffered from rising labour costs; the latter was an outcome of Italy's joining the EU from the beginning;
- trade diversion against Spanish, Greek and Portuguese agricultural exports to the Six (in favour of France, Italy and the Netherlands). This contributed in turn to increase emigration in the former countries from the countryside to the town;
- the introduction of the Value Added Tax (VAT) at the end of the 1960s in all the Six led to a further increase in consumer prices in the EU, contributing to new comparative advantages of non-EU southern European economies in cheap, non-qualified labour-intensive manufactured products.

² Tovias, A., 'The international context of democratic transition,' *West European Politics*, 7, (2), pp. 30-49.

Among the key changes introduced by the 1973 enlargement that were to have significant consequences for Spain and Greece (although less so for Portugal), we should particularly consider:

- the sheer increase of the EU market from six to nine;
- the trade diversion potential against the Three's agricultural products, among them Spain, could be gravely affected;
- the trade diversion potential as an outcome of preference erosion deriving from the conclusion of seven EU-EFTA countries' agreement as well as the Lome Convention (the latter affecting Portugal as well).

All this put a lot of pressure on the three countries to look for new formulas that could guide their relations with the EU.

Business attitudes towards entry into Europe in the 1970s

New comparative advantages derived from integration with the EC-6, plus the impact of early agreements with Europe would be short-lived. By the mid-1970s and early-1980s, the advantage was lost to South Eastern Asia. This increased even further, in the eyes of businesses, the potential advantages of being an EU member. Southern Europe's comparative advantage in central and northern European markets had to be based increasingly on proximity and interaction with these rich and prosperous areas. The *leitmotif* was that Spain, Portugal and Greece had to be part of Europe's industrial networks through joint ventures, direct foreign investment, sub-contracting and so on. In the economists' jargon, it was stressed that intra-industry trade should dominate inter-industry trade, and this could only happen through membership of Europe. The three southern European economies had to be part of the internal periphery; it

was not enough to be part of the external periphery, as by remaining there they would always be considered outsiders. Stability, certainty and irreversibility of relations with key trade partners were essential in order to be part and parcel of any industrial network in the making.

Constraints over economic policy: internal and external

The 1973 oil crisis played as important a role as an economic variable affecting democratic transition as the on-going integration in the system. It should not be forgotten that the kind of industrialisation chosen in the three southern European countries prior to 1973 was extremely energy-intensive. However, thanks to the recycling of petrodollars, the international financial community helped to overcome part of the problem created immediately after the shock. The latter would not impede political transition when it occurred, and nor did it constitute a serious economic setback for the three economies, as the economic transition to market economies had already taken place by 1973.

As a matter of fact, it can even be sustained that the oil shock contributed to the political transition. As stressed by different economic historians, the three authoritarian regimes of southern Europe were caught unawares, as was every other OECD country, and had no easy solutions on hand with which to overcome the crisis. Not only that, contrary to what happened in other OECD economies, they were incapable of implementing an economic adjustment in the wake of the oil shock: their early industrialisation strategies, based on cheap energy, were condemned after 1973. This was the real, durable effect of the first oil crisis.

Economic policy was also constrained during the period of democratic transition and consolidation by another important factor. Politicians had to take into account both locally repressed

pressures that dated from the past, and the political objective of joining Europe. The prospect of formal membership obliged the three prospective members to put in place the economic legislation necessary to maintain fully-fledged market economies. This implied a move towards privatisation and compensating those who had been hurt by nationalisations. In Greece, for instance, the liberal-conservative government of Karamanlis nationalised large parts of the all-important service sector, the owners of which had received favours from the Colonels' Junta.³

Getting accepted into the club: politics versus economics

It is important to note the negative *Avis* (opinion) that the European Commission gave on Greece's suitability to become a full member,⁴ but it was the political reasons that prevailed in the end, and Greece's 1975 application was approved by the Council of Ministers on 9 February 1976. The primacy of politics over economics is a principle that would be adopted later in the cases of Spain and Portugal, both of which applied for membership in 1977.

Turkey, on the other hand, was not lucky. When it was ready economically to be considered for membership, after import substitution had finally been abandoned (by the mid-1980s), the international context had become less favourable than it had been when the three southern European countries had applied in the 1970s.⁵ As is well known, the end of the Cold War in 1989-90 reduced Turkey's strategic value for the West; and other countries on the

³ C. Stephanou was instrumental in attracting my attention to this point.

⁴ As will be explained later, this author thinks the diagnosis of the EC Commission was right.

⁵ For a thorough review of economic transition in Turkey, see the excellent survey done by Aktan and Krueger, *Swimming against the tide: Turkish trade reform in the 1980s*, San Francisco: International Centre for Economic Growth, 1992.

EU's periphery were able to attract attention after becoming neighbours of unified Germany. Most importantly, Turkey's foremost rival, Greece, had been in the European cockpit since 1981.

Acceding to what?

The Treaties providing for the accession of Portugal and Spain were signed on 12 June 1985, after protracted negotiations that had begun in 1978 and 1979 respectively. In fact, what had to be negotiated was not the need to reach common positions between the parties, but rather how, and over what period, the two candidates would adjust to the *acquis communautaire* and participate in Europe's budget and institutions. By the mid-1980s this *acquis communautaire* included: i) the customs union; ii) the Common Agricultural Policy; iii) a unique system for purchase taxes (i.e. VAT); iv) external trade agreements, and; v) the Common Fisheries Policy (Blue Europe).⁶

At that time neither European political co-operation nor any enabling legislation relating to the 1985 Programme for the completion of the European Single Market were part of the *acquis*. All this would be incorporated later on in the Single European Act agreed upon in 1986 by the enlarged EU, which by then included Spain and Portugal, and which was ratified in July 1987. Nor was the European Monetary System part of the *acquis*, so that neither Spain nor Portugal were obliged to adhere to the ERM (Exchange Rate Mechanism) upon entry. This is not to speak of what would be added later through the 1992 Maastricht Treaty — namely the creation of an Economic and Monetary Union by 1999 at the latest — and the institution of inter-governmental mechanisms to deal with common foreign and security policies and Home and Justice Affairs. In other words, economically speaking, accession was then

⁶ In the case of Greece it was even less, since the Common Fisheries Policy was only adopted after its entry, in 1983.

something quite straightforward: acceding to an uncompleted Common Market, that functioned mainly in the realm of goods.

Preparing for accession

Notice must be taken of the fact that the actual accession in 1986 did not take place in a vacuum. In the case of Spain, for example, the Socialist government took some advance unilateral measures to prepare the country for entry. It developed policies to increase economic flexibility, proceeded with the UCD's policies of *reconversion industrial* (industrial restructuring), initially launched in 1979–80 and designed to restructure ailing industries and to favour temporary and part-time contracts.⁷

Secondly, Spain adopted the VAT system of taxation upon entry, which was not a negligible step, especially given that the old system of Internal Compensatory Taxes and Fiscal Tax Reduction for Exports (*Impuesto de compensación de gravámenes interiores* and *Desgravación fiscal de exportaciones*) was indirectly protecting import-competing goods and subsidising exports.

Thirdly, from 1981 Spain received European aid (through the European Investment Bank) that was aimed specifically at helping the country adjust through, for example, restructuring the nation's fishing fleet.

Fourthly, there were already important institutional links between Spain and Europe (first and foremost the 1970 PTA), meaning that the two sides had got into the habit of working together.

Much the same can be said of Portugal, which — as we have seen above — also received two stand-by credits from the IMF in 1978–79 and 1983–84.⁸

⁷ UCD was the party of Prime Minister Suarez (*Union del Centro Democratico*).

⁸ Dinan, D., (ed.), *Encyclopedia of the European Union*. Boulder: Lynne Rienner, 1998, p. 389.

The existence of the 1962 Association Agreement between Greece and Europe notwithstanding, Greece's entry was not as thoroughly prepared as that of Spain or Portugal. One point that should not be ignored is the fact that much of the scheduled preparation outlined in the Association Agreement (e.g., in the realm of agriculture) was frozen by the EU following the Colonels' take-over in April 1967 until their overthrow in 1974. Then, as we have seen above, Karamanlis' government nationalised large parts of the service sector, a step that could not *per se* facilitate Greece's integration into a club of market economies. Undoubtedly, the Karamanlis government did take some steps following the restoration of Greek democracy that were intended 'to make up for lost time' (paraphrasing Proust), and force Greece's membership — a clear demonstration of the primacy of politics over economics.⁹

On one hand, membership negotiations between Greece and Europe lasted 'only' three years (1976-79), compared to the six to seven years in the cases of Spain and Portugal (1978-1985). On the other hand, the transition period in Greece's Accession Treaty was shorter than either Spain's or Portugal's: five to seven years for the former as opposed to seven to ten years for the latter. This may be part of the explanation behind Greece's poor economic record following the nation's accession, which was a cause of great frustration on both sides.

It should be observed that Greece joined the EU five years before Spain and Portugal, although democracy had been restored in all the three countries at around the same time (1974-75). As is known, Greece then badly bungled its accession for several years, something that did not happen in the case of Spain and Portugal. To be sure, Greece's predicament was aggravated by the

⁹ See, e.g., Kazakos, P., 'Greece and the EC: historical review' in Kazakos, P. and Ioakimidis, P., (eds), *Greece and EC membership evaluated*. London: Pinter, 1994, pp. 3-4.

fact that its accession coincided with the advent of the first PASOK government, led by Andreous Papandreu, who implemented demand-driven macro-economic policies, and who was committed to creating a modern welfare state in Greece. There was also an element of bad luck, as Greece's accession coincided with a tremendous recession within the OECD, following the second oil shock, that led all of Western Europe to 'stagflation'. All these factors would suggest that it would probably have been better had all three southern European countries entered together in 1986. Could it be that Greece precipitated its entry not only to consolidate democracy and to make up for 'lost time', but also increase its own security with respect to Turkey? Did not Turkey's invasion of Cyprus loom large in the design of Karamanlis' strategies towards Europe?

The multi-nationalisation of the three southern European countries and the process of economic integration

Clearly it was the prospect of integration that brought huge amounts of direct foreign investment into Spain and Portugal in the early 1980s, investment that continued to grow after their accession. This investment was not to produce and sell in local markets, but to make Spain and Portugal the multinational corporations' production base for a particular product to be sold throughout Europe. In other words, it was export-oriented foreign direct investment.

The establishment of democracy alone, without the prospect of European membership, would not have been enough to attract these multinationals into Spain. A counter-factual example will demonstrate this point: Turkey and Israel are not part of what this author calls the European system of intra-industry

trade, probably because they are *not* prospective members of the EU. This is in sharp contrast with Poland and Hungary, for example.

Changing views of political elites in the Three on the role of EU membership

PSOE, the Spanish Socialist Party, came to power in 1982 supporting membership of Europe for mainly political reasons, specifically in order to consolidate democracy. Much the same can be said of the Socialist Party in Portugal and New Democracy in Greece. As it happens, by 1986 when Spain and Portugal actually entered Europe, the political goal was replaced by the economic one of using membership to modernise the economy through further trade and financial liberalisation and by massive infusion of European aid. Moreover the governments of both countries tried, with mixed results, to 'import' macro-economic orthodoxy from abroad. This strategy worked whilst the economic situation in the US, Japan and Europe was buoyant, but was seriously put to test during the early 1990s.

What is not yet clear is if modernisation has taken place where it counts most, that is to say where it can lead to sustained economic growth — in industry and agriculture, for example.

The new equipment is in place, thanks in part to the massive foreign investment that flowed into Spain and Portugal as a result of their accession. It is much less clear whether trade and financial liberalisation has succeeded in shifting resources to more productive uses. There is some anecdotal evidence that the latter has taken place in Portugal, much less so in Spain. Why? Because success is only possible if labour markets are sufficiently flexible and if manpower can make optimal use of the equipment. The latter depends largely on the quality of human resources. The upgrading of human capital could not possibly be obtained through

European membership.¹⁰ In that respect, accession was an opportunity, rather than a panacea.

On the other hand, if firms face huge severance costs when they have to reduce their work-forces, the labour market cannot be said to be fluid. This situation is typical of Spain and Greece, although less so of Portugal. In the case of Spain, for example, public expenditure on social security increased enormously following democratisation. Social legislation had to be part and parcel of the democratisation process: in other words, the price to be paid by the economy to transform the corporatist state into a welfare state. Yet, as any political economist will confirm, the laws of minimum wage and social security provision, apart from increasing unemployment, are an obstacle to the use of any newly industrialising country as a platform for the export of labour-intensive products that are based on standard technology — exactly the kind of products for which Spain, Portugal and Greece yet have a comparative advantage.¹¹

The long-term problem is that these are mostly weak — and moderate — demand products. Shifting comparative advantage towards strong-demand products would probably require a complete overhaul of the education system (e.g., more emphasis on technical schools) and a system of incentives for the promotion of research and development activity. Modern industrial (and even agricultural) infrastructure, which has been largely put into place since accession, mostly by foreign multinational corporations, is a necessary, but not a sufficient condition.

It is also rather clear that, in joining the EU, Spain and Portugal briefly succeeded in selling an image of being serious and sta-

¹⁰ Although there is some evidence that Portugal has been greatly helped by the European Social Fund in up-grading its labour force.

¹¹ Quite interestingly, it was the need to join the EMU sooner rather than later that started convincing the Three only in the mid-1990s to begin introducing flexibility into their labour markets.

ble countries *after accession*, inspiring confidence in potential investors at a time of tremendous turmoil in the Mediterranean and Eastern Europe. However, this was helped by the fact that the elected governments in both these countries adopted foreign policies that were increasingly similar to those of other European member states.¹² Moreover, in the case of Spain, it received the key backing of other EU countries for the organisation of important projects, such as the Olympics and Expo-92, which were instrumental in maintaining aggregate demand at high levels from 1990 until mid-1992, at a time of recession elsewhere in the OECD.¹³

Greece is again an odd case in this respect. Papandreou's governments coupled inexperience and 'benign neglect' in economic policies with adventurism in foreign policy. This scared potential investors away, effectively neutralising the image benefits of becoming a member of a 'well-behaved' club of nations.

Timing accession

Both from an economic and a political viewpoint, there is no doubt that, greatly assisted by events that were beyond their con-

¹² On this point see, for example, Alonso Zaldivar, C. and Castells, M., *Spain beyond myths*. Madrid: Alianza Editorial, 1992; Armero, J., *Política exterior de España en democracia*. Madrid: Espasa Calpe, 1989; Barbe, E., 'Spain: the uses of foreign policy cooperation', in Hill, C., (ed.), *The actors in Europe's foreign policy*. London: Routledge, 1996, pp. 108-29; Fernandez Ordonez, F., 'Política Exterior de España, 1987-1990,' *Política Exterior*, 1 (1), 1987, pp. 4-27; Maxwell, K. and Spiegel, S., *The new Spain: from isolation to influence*. New York: Council of Foreign Relations Press, 1994; Moran, F., *Una política exterior para España*. Madrid: Planeta, 1980; Saba, K., 'Spain: evolving foreign policy structures — from EPC challenge to CFSP management.' in Algieri, F. and Regelsberger, E., (eds), *Synergy at work: Spain and Portugal in European foreign policy*. Bonn: European Union Verlag, 1996, pp. 181-205; Vasconcelos, A., 'Portugal: pressing for an open Europe' in Hill, C., (ed.), *The actors in Europe's foreign policy*. London: Routledge, 1996, pp. 268-87; Yanez-Barnuevo, J. A. and Vinas, A., 'Diez años de política exterior del gobierno socialista (1982-1992).' in A. Guerra, and J.F. Tezanos, *La década del cambio*. Madrid: Editorial Sistema, 1992, pp. 87-133.

¹³ Much the same effect had been taking place in the mid-1990s in Portugal due to the organisation of the World Expo in Lisbon in 1998.

trol, Spain and Portugal joined Europe at the right time. Not so Greece, though, which was in all likelihood economically unprepared when it became a member.

Economically speaking, Spain and Portugal were helped by the reduction in world energy prices and a cyclical expansion within the major OECD economies. Politically, it was important during the Cold War for the Western world to have Spain, Greece and Portugal within Europe — in Portugal's case as a 'second best' option in case its membership of NATO was jeopardised. As with the transitions to democracy in the mid-1970s, the international context was instrumental for the success of 'Operation Enlargement' in the Iberian case. In the much less favourable circumstances of the early 1990s, Spain, Portugal and Greece were already firmly anchored in the EU, which, in spite of the countless crises, continues to be the best possible guarantee that Spain, Portugal and Greece could have to consolidate their fledgling democracies and modernise their economies by choosing to join a technologically-advanced economic bloc.

Accession was a helping factor in modernisation, however it was a necessary condition that elected governments had themselves set about achieving economic (rather than social) modernisation as a priority. This distinction is important, because while both elements were present in the case of Spain and Portugal, this necessary condition was lacking, at least for a time, in Greece, where the PASOK governments had other priorities (achieving 'social modernisation' first). In Greece the public services were to be expanded rapidly and social policy was to become much more generous than under any previous Greek government.

The *de facto* significance of EU membership in economic terms

To begin with, membership ended — for once and for all — the economic and political isolation of the three countries being studied.

Their entry into Europe facilitated the modernisation of the Iberian economies without altering the employment situation, and without being instrumental in the reform of labour and human capital markets. The micro-economic reforms that were initiated in the mid-1990s cannot be attributed to the wish of the southern European nations to be part of the Europe of the 1980s, but rather to their wish to be part of a Economic and Monetary Union, a subject that is beyond the time frame covered by this chapter. It is, of course, a relevant distinction for any present or future candidate for membership, as it is a quite different endeavour for a country like Poland to prepare itself for accession to the EU's Single Market, than to do all that is necessary to adopt the Euro immediately upon entering the EU.

It is difficult to ascertain whether the good record of the Spanish and Portuguese economies during the five years following accession is due only to the latter, as the world recession that followed in the wake of the second oil crisis had by then been replaced by moderate European growth and a period of low inflation. The price of oil, upon which both countries are so dependent, dropped dramatically in 1986. In fact, one of the theses of this chapter is that Spain and Portugal benefited from the improved economic situation in OECD countries that coincided with their accession into Europe.

Greece was not so lucky in this respect. When it entered in 1981, the aftermath of the second oil crisis was being felt all over the OECD area. Of course, the policies of Papandreou's government contributed to the discomfiture of the Greek economy in

the early 1980s. Instead of adjusting to the new external environment, it expanded the public sector deficit, which came to represent nearly 15 percent of GDP as a combined result of the losses suffered by the nationalised enterprises, increased social security and a higher public wage as a result of the rapidly expanding public services.

In addition to this, it should not be forgotten that, compared to Spain and Portugal, Greece was in another ball game altogether when it came to military expenditure, which amounted to 7 percent of GDP during the late-1970s and early-1980s. This should be compared to Portugal's defence spending, which had declined to 2 percent of GDP after its withdrawal from Africa. Greece could certainly count on receiving huge structural fund transfers from the EU and price support payments for agricultural produce through the Common Agricultural Policy (CAP). However, these injections of funds proved insufficient when placed in the context of the serious loss of international financial credibility that affected many industrialising economies after the second oil shock (e.g., Latin American countries). This was in contrast to the situation after the first oil shock of 1973, when Greece's financial credibility remained intact, a real asset in the hands of Karamanlis, and one that enabled Greece to extend its good growth record of the 1960s right into the late 1970s.

Concluding remarks: democratic transition and Enlargement then and now

What can we learn from the experience of Europe's southern enlargement?

Firstly, joining Europe was much simpler during the 1970s and early-1980s than it is now. The Single European Act was signed in 1986 and entered into force in 1987, and the Maastricht Treaty that laid out proposals for monetary and political union was not

signed until 1992. Similarly, the Treaty of Amsterdam that incorporated some elements of a common immigration policy into the *acquis* (the so-called First Pillar since Maastricht, created by switching those elements from the Third Pillar on Home and Justice Affairs to the EMU Pillar). Consequently, neither the Single Market nor the Single European Currency and Political Union were part of the Community's *acquis* during the early-1980s.

Secondly, East-West *détente* facilitated enlargement. The three southern European countries were very lucky in this respect, for after the US-USSR Afghanistan crisis of 1979, it would have been much more difficult for these states to get the green light for entry.¹⁴

Thirdly, the economies of Greece and Spain had been liberalised well before 1986 and, despite residual traces of state corporatism, there were functioning market economies. The case of Portugal is an exception in this respect, as for a while it seemed to be evolving from a mildly regulated economy to one that was centrally planned. This places Portugal much closer to the current Central European candidates for EU membership, or to Malta for that matter. All these countries had to prove that they had taken sufficient steps to ensure their emergence as market-driven economies before they were actually permitted to begin negotiating for membership. Opening their economies to foreign capital has been a necessity for all of them, as they segregate insufficient local savings to finance rapid development and modernisation.

Fourthly, in stark contrast to the 1980s, finance was available to help overcome real shocks such as the first oil crisis; with support being available from the IMF and Europe (in the case of Portugal).

Fifthly, in southern Europe the period preceding entry was characterised by market integration in the realm of goods (for

¹⁴ Greece obtained the EC's Council of Ministers' approval in 1976, Spain and Portugal in 1977.

example, export diversification in the direction of manufacturing and increases in industry's share of GDP). Entry added integration in the realm of business, financial services, capital and led to an increased share of GDP for the service sector, generally to the detriment of industry. What entry brought about was the final phase in the opening of domestic industrial markets and the beginning of the opening of continental agricultural product markets to European competitors.

What then are the common features between the southern European path to enlargement and the central and Eastern European one?

First, in both cases there was a preceding economic transition to Western-type capitalist open economies (OECD). Second, before economic transition, the scarcity of foreign exchange and capital controls, as well as the non-convertibility of domestic currencies are typical features of both cases. Third, entry into the OEEC in the 1950s or its successor, the OECD, signalled economic transition to economic agents. Fourth, prospective entry into Europe signalled economic and political consolidation. Fifth, prospective entry into NATO signalled the end of democratic transitions. Poland, Hungary and the Czech Republic, each of which entered NATO on 14 March 1999, are considered to have concluded their transitions to democracy.

What, then, are the main differences between the two processes?

In southern Europe, economic transition preceded political transition. In central and Eastern Europe this was not the case. Portugal is an intermediary case in this respect, because of the short experiment with socialist-type economic management during 1975-6. In each of the countries, economic transition was initiated from different starting points, even if the end destination was the same. In southern Europe, the starting point for economic transition was state capitalism complemented by a smattering of family-based small and medium enterprises. Spain, Por-

tugal and Greece were agrarian-based economies dominated by private land ownership, while distribution activities remained in private hands. In the countries of central and Eastern Europe, the economies were centralised, land and banking were nationalised, and distribution was dominated by state trading. Both the international and the domestic European context of the 1970s and early 1980s was entirely different from that of the 1990s. The present international context is not conducive to smooth and successful early integration to the post-Amsterdam EU. Externally, the economic and political future of Russia and the 'new' former Soviet Republics are big unknowns. The evolution of Russia and the Euro currency are crucially important in determining the path to economic integration that will be adopted by the EU's candidate members (Poland, Hungary and the Czech Republic).

6 | European integration and democratic consolidation in southern Europe

Geoffrey Pridham

Theorising the link between democratisation and European integration

International influences were once an understated factor in studies of the democratisation process. This is no longer the case following the regime changes in Central and Eastern Europe where international causes and constraints have been widely acknowledged as being prominent. Such increased interest has spawned a range of concepts on the theme of how external influences may help to initiate and affect the course of democratisation in different ways. They include the following: diffusion, contagion, consent, penetration, demonstration effect, emulation, reaction, control, (or, externally monitored installation of democracies), incorporation, obviously interdependence and, finally, conditionality. Such concepts clearly indicate some variation between active and passive forms of influence and include autonomous transnational influences of a socio-economic or cultural form as well as the impacts of deliberate political choice.

Theorising about international influences in democratisation has not, however, advanced significantly despite being a theme of increasing empirical research. The aforementioned concepts pro-

vide an impressionistic flavour but not, in most cases, enough analytical mileage for exploring how external influences and developments interact with the essentially internally-based process of regime change. For the two alternative approaches usually adopted somewhat inhibit theoretical work. On the one hand, compartmentalising external influences may serve to highlight their role, but it also weakens attention to their impact on domestic change while probably reinforcing the traditional view of their secondary importance. On the other hand, looking at interactions between the international environment and domestic politics in the context of democratisation may seek to capture the rich complexity of its dynamics, but it risks losing sight of the intrinsic importance of external factors.

Focusing, however, on European integration goes some way towards reducing these problems and opening the way for theorizing this problem. This is because it provides an institutionalised regional framework which readily transmits the kinds of influences and pressures that may deliberately (as through conditionality) or incidentally promote democratisation. Furthermore, it seems to encompass many of the transnationally focused concepts listed above: demonstration effect — certainly; diffusion and contagion — quite possibly; penetration — gradually; conditionality — decidedly; and, eventually, incorporation. In other words, this framework allows us to explore a diversity of interactions with political system change more systematically than would otherwise be the case. In this way, it becomes possible to articulate external (specifically, European) influences as a component of regime change dynamics, with a focus and direction deriving from the prospect of membership of the European Union (EU).

The usual assumption in the democratisation literature has been that European integration has more bearing on the longer stage of regime consolidation than on the transition from authoritarianism. The reason for this is fairly obvious, since political

linkages (not to mention economic ones) are more intensive and pervasive once membership has occurred and continued than before EU entry. This accords with Almond's view that, generally, 'the penetration of domestic politics by the international environment is not only a matter of dramatic events but is a constant process at medium and lower levels of visibility, affecting political, economic and social stability in both positive and negative ways.'¹ In short, the impact of European integration on democratisation is likely to be gradual and conceivably linear, not forgetting that it may sometimes create pressures and difficulties less conducive to easy success in that process.

Nevertheless, this should not imply that influences from European integration prior to membership are negligible so far as democratisation or even transition is concerned. The possibilities for some formative political influences deriving from emerging European linkages are real, for official — but also informal contacts — begin to develop sometimes early in regime change. Evolving relations with the EU and its member states can affect mentalities in a prospective entrant, following its emergence from international isolation under authoritarian rule, as well as policy options and also economic interests. One may also trace such linkages — especially economic ones — back to the late authoritarian period in countries that 'opened up' to Europe or indeed sought to liberalise. In this sense, the effects of European integration may not be simply just long-term or possibly indirectly political as is commonly supposed in the democratisation literature.

It is useful here to identify broadly the types of influences that European integration may have on the democratisation process:

— symbolic: the identification of the EU with liberal democracy;

¹ Almond, G., 'The international-national connection,' *British Journal of Political Science*, April 1989, p. 254.

- the prospect of eventual EU entry, with energising effects on prospective member states and impacts on their policy direction;
- pressure exerted from the application of democratic conditionality by the EU, including through economic aid programmes;
- gradual involvement of political elites in the EU institutional framework, such as through membership negotiations and preparations for entry;
- the participation of political and economic elites and groups in transnational networks linked to the EU and other international organisations.

It follows that these influences may vary according to successive stages of democratisation. Therefore, this chapter considers in turn transition and consolidation in the context of the European framework with respect to the democratisations that commenced in southern Europe in the mid-1970s — in Spain, Greece and Portugal. Since the aim is to focus on a period of around a decade from that time — one in which the EU (then known as the European Community) elaborated its demands of democratic conditionality — Italy as the other southern European member state is excluded from this analysis since its democratisation occurred in very different international circumstances a generation earlier.

Democratic transition and moving towards EU entry

If influences from European integration on democratisation were predominantly gradual and long-term, then there would be rather limited scope for their impact on the transition stage, which in the three countries examined was relatively short. In the Greek case, the transition has sometimes been seen as over within a year (1974-75); while generous estimates of the Portuguese

transition take this up to the early 1980s, on the basis of major constitutional issues remaining undecided until then. On average, we are talking about half a decade (but in the Central and Eastern European cases surely longer) — which is not, in fact, an inconsiderable period, given the pace of events and change. Some key decisions relating to Europe may certainly be taken in this period, e.g., Karamanlis' strategic option to press for EU entry for Greece, linking this as he did to successful democratisation. Furthermore, certain pressures may be exerted at decisive moments in the transition just as new democratic elites may begin to make policy choices that involve or are influenced by a European perspective. Thus, transition influences cannot be entirely divorced from considerations that point to the future.

We are, in this context, talking about influence much more than power with respect to countries not yet member states. The EU does not really possess the kind of ultimate instruments that can have a direct systemic effect on the democratisation process. While standing for the rule of law and representative government, it does not dispose of the means of armed coercion, although it could employ sanctions; and then there is the ultimate weapon of terminating an official relationship if this exists. The last approach is very difficult to maintain, if the experience of the 'freezing' of the association status with Greece during the military dictatorship offers a lesson.² Although now much more influential, the EU is clearly not in a position to prevent the occurrence of immediate events that arise essentially from the domestic dynamics of the transition process, or are instigated by transition actors possessing particular power and who may show scant regard for European opinion. Democratic inversions that occur through military action or decisions by hostile political groups are simply outside the purview of Brussels. This does not, however, mean that Euro-

² Coufoudakis, V., 'The EEC and the "freezing" of the Greek association, 1967-74,' *Journal of Common Market Studies*, December 1977.

pean governments are subsequently powerless to seek ways of influencing developments. The obvious instance is the attempted coup in Spain in February 1981. Broadcast on television news right across the continent, this event made a dramatic impact abroad. The European Parliament (EP) passed a resolution expressing solidarity with Spanish democracy, coinciding with warnings from some European leaders against an authoritarian return.³ One can visualize the Eurocrats putting down their pens and taking a very deep breath. The event was over in a short space of time, but one can easily imagine that Spanish negotiations for membership would have been postponed or later shelved in the event of a successful coup. That would have created pressures on Spanish elites, including economic ones. In other words, the EU has some leverage over a prospective member state if it stages a democratic inversion during negotiations for entry. Whether such leverage has an important effect is here a matter of speculation, as we have no empirical case to exploit. Presumably, much would depend on the various circumstances in the country in question at that particular moment.

The Portuguese case occasioned some contingency planning, when during 1975 there was a serious possibility of the transition being reversed. That reaction in European circles involved NATO as much — if not more — than the EU. This situation fluctuated and persisted through much of that year, allowing the EU time to develop a position on Portugal. A threat from the right in the early months paralysed action, but then the hopeful results from the first free election in April 1975 (with the unexpected strength of the moderate parties) opened the way for EU states to make decisions. By the late summer Portugal was seen as qualifying for

³ Pridham, G., 'The politics of the European Community: transnational networks and democratic transition in southern Europe' in Pridham, G., (ed.), *Encouraging democracy: the international context of regime transition in southern Europe*. Leicester: Leicester University Press, 1991, p. 235.

economic aid as a 'pluralist democracy'; however, shortly afterwards the leftist coup of November 1975 occurred. The EU had followed developments in Portugal closely since the revolution of April 1974, but found it difficult to formulate a clear approach because of the volatile pace of events.⁴ It was NATO and European governments that drew up contingency plans in the event of the transition being overturned, while considerable diplomatic bilateral pressure was put on the Portuguese government to keep to the democratic path.⁵ Once matters began to settle down in 1976, however, and a constitution was proclaimed, the position for the EU became more straightforward, and in 1977 Portugal applied for membership.

The case of Turkey, which in part overlaps the period discussed, illustrates some of these general points, but also indicates differences. The reaction of the EU to the military coup of 1980 was clear-cut: the recently agreed EU aid package was blocked and Turkish intentions of applying for membership were thwarted.⁶ In later years, Turkey's relations with and interest in joining the EU have often been troubled by problems of human rights there, including at the time Ankara formally applied for membership in 1987. The EP has periodically passed resolutions criticising Turkey on these grounds. Ankara has usually responded defensively, while some Turkish leaders have openly acknowledged European pressures as significant in their moves to improve matters. But the Turkish case is complex, for the failure to proceed with entry negotiations has been influenced by a range of considerations (of which human rights is one), with the problem of accommodating a large country with socio-economic development distinctly behind that of the EU average to the fore. Thus,

⁴ *Ibid.* pp. 229 and 234.

⁵ *Ibid.* p. 236.

⁶ *Ibid.* p. 235.

while the 1980s may be seen as a period of transition in Turkey, the EU was one among several important factors influencing developments.

Altogether, these three cases show that the EU was far from a negligible influence, although it is equally clear that the scope for Brussels' impact on transition is more restricted when a country is undergoing a troubled moment or phase in its transition. It is, therefore, important to consider how the EU may affect developments in a more continuous way. In this respect, the identification of the EU with liberal democracy and political freedom (the symbolic influence listed above) counts, and may draw some strength from pre-transition developments. This identification was particularly marked in Spanish eyes, since the EU had, by and large, shown a lack of enthusiasm about closer links with Madrid during Franco's last decade of power — despite French encouragement. Support from bodies like the European Movement helped to maintain a keen interest among Spanish opposition groups in the question of Spain's prospective link with the EU.⁷ Similarly, opposition groups in Athens drew some moral support from official and non-official European circles during the Colonels' regime.⁸ By contrast, the absence of NATO criticism of these dictatorships, combined with the USA's support for Franco and the Colonels, brought the Atlantic alliance into discredit once democratisation commenced. Reactions against the USA and NATO in both Spain and Greece directly affected political perceptions and also, for a time, policy lines on defence matters.

The EU, hence, emerged in 1974-75 as an actor enjoying significant goodwill in the emerging democracies of the south. Hence, it is understandable that some political figures there placed great emphasis on linking eventual EU entry with guaranteeing democracy. Karamanlis notably pressed swiftly for Greek entry.

⁷ *Ibid.* pp. 218-19.

⁸ *Ibid.* p. 218.

Official statements from Athens in the years following underlined the importance of successful negotiations for ‘reasons related to the consolidation of democracy and the destiny of our nation.’⁹ An element of subtle blackmail was present in such arguments, just as political rhetoric could well act as a cover for economic advantage. But this is not to undervalue the convictional element on the part of such political leaders, as was also evident in several prominent instances on the EU side. Figures like Callaghan and Crosland, successive foreign ministers in the British government of the time, publicly advocated EU solidarity for the south’s fledgling democracies. It was, however, in Bonn that the link with democratisation was most appreciated. Willy Brandt, former Chancellor and president of the Socialist International as well as the Social Democratic Party (SPD) chairman, stated in public several times what he later wrote in his memoirs: ‘in view of Germany’s own [post-war] experiences, ...we could not remain indifferent to the fate of these nations; we had to show solidarity wherever possible.’¹⁰ There are, furthermore, indications that such political considerations influenced entry negotiations when economic arguments proved debatable.

It was, of course, the decision to proceed with such negotiations that gave particular encouragement to the democratisation process. This decision demonstrated a confidence in European circles that regime change was moving in the right direction and that sufficient progress was apparent. Such a decision followed a reorientation of external policy concerns following the end of authoritarianism. In Portugal, there was a need to define a post-imperial foreign policy with the sudden abandonment of colonies that had become such a controversial issue in the final years of the dictatorship. Such policy redirection and especially the decision

⁹ Constantine Karamanlis, quoted in *The Times*, 13 June 1975.

¹⁰ Brandt, W., *People and politics: the years 1960—75*. New York: Little, Brown, 1978, p. 164.

to apply for EU membership reflected on how the major policy debate was now being managed in a pluralistic setting. Basic divisions over such choice could help to increase tension in a new and fragile democracy, but more pertinent to our discussion is whether it had implications for system support.

Consensus over the European option could be viewed broadly as strongly favouring an opening to a community of established democracies. Differences, however, might indicate unsettledness over policy direction for reasons of party ideology, or it might even reveal or act as a cover for hostility to democratisation itself. The three cases demonstrate some variation, when looking at the transition years. At one end, Spain evolved towards a cross-party agreement on the importance of Spanish entry which paralleled the consensual process on formulating the constitution, e.g., the Communist Party (PCE) accepted European integration while arguing against 'the Europe of monopolies' and for a 'worker's Europe'.¹¹ The almost opposite situation arose in Portugal at this time with the Communist Party (PCP) opposing EU entry, seeing in this issue an 'ideological race' over Portugal's future and, conspiratorially, as 'a great political operation to justify the attempt to liquidate the changes made in the socio-economic structures' since the 1974 revolution.¹² As the PCP favoured a systemic outcome similar to the former Eastern European model of people's democracies, there was an evident link — negative as well as positive — between the European option and supporting liberal democracy. That link was certainly appreciated by the other parties, especially the Socialists (PS), which regarded the prospect of EU entry as an external dimension to their transition strategies. In Greece, a similar line was taken by the orthodox pro-Moscow

¹¹ Alvarez-Miranda, B., 'Depolarisation and convergence of southern European party systems on the issue of EC membership', paper for *European Consortium for Political Research* (ECPR), 1993 sessions, pp. 39–40.

¹² *The Times*, 28 June 1977.

Communist Party (KKE), which saw accession as a means for perpetuating imperialist control over the country.¹³ However, such a link was generally less clear-cut than in Portugal since the position of PASOK, the main opposition party, could not be described as essentially anti-democratic. Its hostility to the EU was motivated by the party's 'third-worldist' ideology, in contrast to the espousal of the EU on the part of New Democracy and the Centre Union.¹⁴

Finally, there was the application of the democratic precondition for EU entry. It was during this period of southern transitions that Brussels defined more specifically than before what it required in terms of systemic qualities if eventual membership could be taken seriously. These included the following: the inauguration of free elections; the predominance of parties supportive of liberal democracy; the existence of a constitution; and, evidence of a reasonably stable government led, if possible, by a political figure known and approved in European circles.¹⁵ Leaders and elites in these new democracies were made quite aware of these requirements, and at times during the transitions various pressures were placed on them to show that these were being met. For example, in early 1976 — when Spain was making the shift to democratisation — Madrid was warned by London and other European capitals that advances towards democracy would be watched carefully, while the EU foreign ministers agreed they would not entertain an application from Spain until that country was well down the road to democracy.¹⁶ The occurrence of free

¹³ Verney, S., 'To be or not to be in the European Community: the party debate and democratic consolidation in Greece', in Pridham, G., (ed.), *Securing democracy: political parties and democratic consolidation in southern Europe*. London: Routledge, 1990, p. 210.

¹⁴ *Ibid.* pp. 208-10.

¹⁵ Pridham, 'The politics of the European Community...', art. cit., pp. 234-5.

¹⁶ *The Times*, 21 January 1976 and 3 January 1976.

elections at last in June 1977 was met with relief among member states, and it was shortly afterwards that Madrid presented the expected application for EU entry.

While it was already clear what the game plan was in European terms, the effects of Brussels' conditions and pressures on the democratisations in southern Europe had to be measured in the longer term. This requires us to focus now on the consolidation stage.

Democratic consolidation in the European framework

The relationship between European integration and democratisation is suggested, in the southern European cases, by the virtual coincidence of entry negotiations with the consolidation stage. Definitions of the time span of this stage vary in the theoretical literature on democratisation. However, we are in effect talking about negotiations occurring in parallel to the completion of transition, the shift to consolidation and the first crucial years of the latter. If consolidation lasts rather longer in some cases, then that points to its subsequent coincidence with early membership of the EU. If there is such coincidence of two major developments, what then are their reciprocal effects?

It is, strictly speaking, difficult to isolate clearly the independent effects of European integration, probably all the more so on countries seeking EU membership compared with those already installed in the decision-making and representative structures following entry. Obviously, any criteria depend on the particular meaning of consolidation — on which, again, the literature diverges somewhat. Hence, a brief attempt will be made here to identify familiar themes of democratic consolidation in reference to the European framework. While it is not possible to be certain of any two-way effects, a common issue that links them is democratic conditionality. Its requirements provide Brussels and the

member states with some leverage over democratisation, depending on the extent of political motivation for entry in applicant countries. In the three southern countries, this motivation was generally very strong. We also consider some wider aspects of their system change which can have consequences within the European framework. We explore four themes: symbolic effects; the political process and system capacity; the economic dimension of change; and, political culture.

Firstly, symbolic effects may derive not merely from the EU's identification with liberal democracy. This counts as a form of moral influence, especially when solidarity is expressed with incipient democracies and their leaders. Symbolic effects may be evident too in a link between national identity and democratisation. Countries emerging from the relative isolation of authoritarianism are prone to some reassessment of national self-image linked to changing foreign policy direction and a rise in their international acceptance and reputation. Such enhanced national feeling, likely after the national discredit in European opinion associated with their vile dictatorships, produces a feel-good factor that is likely to resonate favourably for a new democracy. This pattern is, however, less present in cases of democratisation that commence in the aftermath of national defeat in war, although for post-war Italy and West Germany European integration eventually provided a means for restoring international acceptance.

The southern European cases were in the first category, for the shock of the Turkish invasion of Cyprus in 1974 rebounded in Greece mainly on the overthrown colonels. Karamanlis' careful handling of relations with Turkey during the later 1970s was driven by his overriding concern for democratisation, for any outbreak of conflict might have had destabilising effects at home. The link between this and the European option had a profound meaning for a country with a background of foreign intervention. Moving towards EU entry opened the way for disengaging from

the American embrace in Greek affairs already weakened by Washington's sympathy under Nixon and Agnew for the hated Junta. Thus, a bilateral and subordinate relationship was replaced by a multilateral one with the EU, the latter being more equal and enjoying international credibility. The contrast is marked with Italy's post-war democratisation in the shadow of American tutelage, with its deleterious effects on internal politics.

The potential for this symbolic effect linking enhanced national self-image with possible feelings for democracy will vary according to public sensitivity to foreign opinion. In Greece, this was traditionally strong and was mobilised after the fall of the colonels by anti-Western and particularly anti-American sentiments. Anti-Western feeling was particularly channelled by PASOK, which initially took a critical line towards the EU. This contained a strand of anti-German feeling, evident in some of Papandreou's public statements and interviews. But PASOK's eventual acceptance of the importance of EU membership, during its first term of office in the earlier 1980s, consolidated the European option — but also indirectly the democratisation process itself.¹⁷ In Spain, national self-esteem is generally perceptible and helped to motivate the desire for EU entry as a means for Madrid's ambitions to play an important international role after Franco. At the same time, the EU's prestige and association with democratic values were brought into play. Political leaders in Spain were aware of the symbolic effects of this linkage and utilised them.¹⁸ In Portugal, there was rather less public interest at this time in major international issues this being reflected in the lack of attention to them in media discussion.¹⁹ Differences

¹⁷ See Verney, 'To be or not to be...' art. cit.

¹⁸ Pridham, G., 'The international context of democratic consolidation: southern Europe in comparative perspective', in Gunther, R., Diamandouros, N. and Puhle, H.-J., (eds), *The politics of democratic consolidation: southern Europe in comparative perspective*, Baltimore: Johns Hopkins University Press, 1995, pp. 177-8.

between the Iberian states were again noticed at the time of final agreement on entry in 1985. Whereas in Spain this achievement was hailed as an historic moment in the nation's history, there was a more subdued reaction in Portugal. The sense of external validation of a country's internal change is a theme that reappears in the first period of EU membership, notably when these southern countries held their first EU presidencies.²⁰

Secondly, the political process during the period in question should be considered especially with regard to the performance capacity of new democratic systems and how this may be affected by EU links. There are, admittedly, different ways of measuring this. One of these, the constitutional settlement and institutional structures, is not particularly related to EU entry, this being essentially an outcome of the domestic transition process. That may also be true of cases where uncertainty over this settlement keeps constitutional issues on the agenda for a longer period. There is, for instance, no evidence that the 1982 revision of the Portuguese Constitution — involving the retraction of the military from a political-institutional role — followed European pressures on this matter. A further constitutional revision of the same constitution in 1989 did have some relevance for European policy as it allowed re-privatisation as a component of economic restructuring and modernisation, required by EU membership from 1986. But it is difficult to make a clear case for a link with democratisation. The Spanish case is easier to explore in this context. The PSOE government espoused NATO membership in its first period in office because of the link with military reform, which confirmed the army's renun-

¹⁹ Vasconcelos, A., 'Portuguese defence policy: internal politics and defence commitments', in Chipman, J., (ed.), *NATO's southern allies: internal and external challenges*. London: Routledge, 1988, pp. 102-4.

²⁰ Pridham, 'The international context of democratic consolidation...', art. cit., pp. 180-1.

ation of any political role. NATO membership was seen as important both in directing the military's attention outwards to Europe as well as in providing a channel for elite socialisation alongside officers from established democracies. At the same time, a linkage was made in Madrid and the European capitals between NATO membership and entry to the EU. Thus, an external dimension played a part in underpinning a vital part of the liberal-democratic settlement.

Some use comes from examining the functioning of institutions, although there are analytical problems here too. Broadly speaking, EU membership helped to open up governmental procedures. This may be seen as reinforcing democratic practices — perhaps necessary after authoritarian rule — for parliamentary institutions may still be affected by closed methods of operating. But such effects are probably gradual. In the meantime, preparations for EU entry, as well as membership itself, usually create pressures for administrative reform in the form of improved policy co-ordination and sometimes decentralised procedures. Such reform if successful — it was rather more evident in Madrid than in Athens or Lisbon in the period examined — can contribute to overall system performance that may in turn facilitate democratic consolidation.²¹ There is, of course, an additional advantage in that national bureaucrats become involved in the routine of EU work which may promote their own adaptation to if not espousal of democratic rules and procedures.

The same could be said of political elites, especially governmental ones, engaged in negotiating membership and consulting over and preparing for entry. There is a further form of political elite socialisation at the European level through the development of transnational networks. Party co-operation and assistance from fraternally-linked parties in EU member states as well as party internationals and EU party organisations developed early in the

²¹ *Ibid.* pp. 192-3.

southern transitions, although much more in Iberia than Greece. This activity involved electoral and organisational support, political advice and profile building — for party elites across the political spectrum and not just those in government. Such transnational networks could, at this formative stage, affect party competitive advantages and also political strategies. For instance, Socialist International and SPD help was vital for the Spanish and Portuguese Socialists in the first years of democratisation.²² While motivated by ideological interest, such trans-national party co-operation broadly promoted democracy-building although only when parties in emerging democracies were willing or had reason to take advantage of it. The PCP remained hostile to the ongoing debate about Eurocommunism and the growth of links between those parties involved. Eventually, these transnational networks were strengthened once national parties were integrated into political groups in the European Parliament following EU membership.²³

The link between the democratisation and the European option, evident in transition, is a topic that merits further attention for the period leading up to membership. During the decade of the 1980s, serious cleavages that had existed over the European option — such as in Greece and Portugal — tended to diminish. This was particularly true on the basic matter of European integration, although it was quite feasible for party-political differences to emerge over policy sectors related to economic interests or ideological preference. In Spain, the PSOE commenced as governing party in this period with an overriding stress on the strategic objective of EU entry, combined with strong support for

²² Pridham, 'The politics of the European Community...', art. cit., pp. 239–42.

²³ See the discussion of political attitudes of Spanish and Portuguese MEPs, in Magone, J., *The Iberian members of the European Parliament and European integration*, Occasional Paper No.7, Centre for Mediterranean Studies, University of Bristol, June 1993.

further European integration. Once EU membership was realised, the PSOE eventually changed its line somewhat with a new emphasis on a more 'pragmatic' approach to European issues and a hard-nosed stress on Spanish economic interests being met as a bargaining point over EU agreements, such as the Maastricht Treaty.²⁴ Such a development represented more a shift to 'normal' politics rather than some reversal in the positive link between the European option and democratisation, for by this time (the early 1990s) democracy in Spain was stable if not already consolidated. There were even signs that this change in Spanish policy reflected a maturing of political attitudes.²⁵

Thirdly, the economic dimension of change is clearly pertinent, although the link with democratisation is not necessarily an easy one to assess. Questions of modernisation surfaced in discussions of EU entry and early membership, particularly in Spain and Portugal, all the more because of the introduction of the Single European Market. It is possible to explore the relationship between such economic modernisation and democratisation because of the former's ensuing effects on social if not political attitudes, and since it formed a major policy concern during the consolidation stage. Such a relationship has appeared in the democratisation literature, especially now following the transitions in Central and Eastern Europe, but it is a theme that may produce different results, depending on whether the perspective is short- or long-term. Thus, economic adjustment linked to EU entry can create sudden pressures and burdens which may, at least for a while, complicate democratisation. This does, however, depend on whether European euphoria is still in the ascendant, on the eco-

²⁴ Holman, O., *Integrating southern Europe: EC expansion and the transnationalisation of Spain*. London: Routledge, 1996, pp. 121-4 and 164-5.

²⁵ The Spanish Foreign Minister, Fernandez Ordonez, commented in 1990: 'we are now less naive and ingenuous on the construction of Europe.' *El Pais*, 24 June 1990.

conomic starting-point of the country in question and also on whether government leaders make a point of conveying a sense of strategic purpose to the public as distinct from short-term electoral or political considerations.

EU entry certainly produced shock effects for these countries, resulting from increased exposure to European trade. Major difficulties of adjustment faced these economies, which were less advanced compared with the rest of the EU, causing concern on the part of business and industry. In fact, adjustment to membership coincided with an improvement in the economic situation, and rapid growth eased some of the transitional problems particularly in Spain. Furthermore, EU membership stimulated a marked increase in foreign investment and a major recovery in domestic demand in Spain and Portugal.²⁶ All three countries also received substantial aid from Brussels under various programmes to facilitate structural changes imposed by the Single Market, while in 1988 there was a doubling of structural funds for infra-structural investments. Portugal, once Europe's poorest country, found it could develop more easily within the framework of EU membership. Within a few years, its economy began to flourish and there followed a phase of radical restructuring, assisted by a special EU programme for modernising Portuguese industry and the rapid development of tourism. Somewhat different was the situation in Greece, where economic management was not given the same high priority and where EU funds were often viewed with clientelistic eyes rather than as an opportunity for economic transformation.²⁷

In southern Europe during the 1980s, one can identify possible links with the democratisation process without these being

²⁶ Ethier, D., 'The impacts of EC membership on the consolidation of southern European democracies', University of Montreal, 1994, p. 6.

²⁷ Pridham, G., 'The international context of democratic consolidation...', art. cit., pp. 183-6.

conclusive. These tended to be positive, for the three countries were not undergoing the kind of fundamental and sustained economic change that faced the new democracies in Central and Eastern Europe a decade later. Economic pain there was, such as with Portugal's tough IMF adjustment programme in the mid-1980s, not to mention Greece's difficulties in confronting the Single Market. But there was no evidence that this had severe repercussions on democratisation. The Iberian democracies were well on the way to consolidation by the time they joined the EU in 1986. Greece entered the EU earlier, in 1981, when its democracy was comparatively less consolidated, but there was some delay before economic adjustment was really adopted, and then not very effectively. One should not forget that other variables affect democratisation, for the relationship between economic modernisation and democratisation is not an exclusive one.

There is one aspect of EU influence that can have a direct effect on democratisation. It was expressed by Carlos Westendorp, secretary-general for EU affairs in Madrid at the time Spain joined:

You can never prevent an adventurer trying to overthrow the government if he is backed by the real economic powers, the banks and the businesses. But once in the Community, you create a network of interests for those banks and businesses, the insurance companies and the rest; as a result, those powers would refuse to back the adventurer for fear of losing all those links.²⁸

One can imagine such a network operating in this fashion certainly by the 1990s in these countries. However, links between economic interests and political elites can be traced back through consolidation to transition when these are likely to be more unsettled. In general, the attitude of the former will be affected by progress with democratisation and the prospect of political sta-

²⁸ Quoted in *Time Magazine*, 23 December 1985.

bility, also possibly by particular links with certain political parties. The system loyalty of the latter can therefore rub off on economic elites. The most difficult transition in economic terms was that in Portugal, where economic disruption after the 1974 Revolution, and the introduction of much state control of the economy, seemed threatening for business. While some large businesses had enjoyed a close relationship with the *Estado Novo*, they never succumbed to the temptation of engaging in risky politics during the difficult transition. The policies favouring free enterprise and the stability of social democratic governments from the mid-1970s were attractive to business interests, whilst the modernisation of the economy within the EU has undoubtedly erased any serious contemplation of authoritarian solutions in the case of Portugal.²⁹

Fourthly, political culture is significant for the light it throws on new system legitimation. Interest here is in how far European integration may be influential, although it is impossible to detach this from other factors. For instance, people's perceptions of the EU may be coloured by their feelings on issues that have no direct relevance to European integration, just as the latter's appreciation by the public may be undervalued through ignorance of its different effects. However, as we have seen, public opinion in these countries was quite responsive to foreign issues, with the European option centrally placed, although that was somewhat less true of Portugal. Also, research on public opinion in the three new democracies has indicated a strong consistency between this and government policy. In other words, there was indeed potential for the European option to influence system legitimation when it was linked with government performance as well as other factors, including the kind of symbolic effects discussed above.

What evidence was there of patterns and changes in attitudes, and how these might affect the evolving political culture

²⁹ Pridham, G., 'The international context of democratic consolidation...', art. cit., pp. 197-8.

in the context of democratisation? *Eurobarometer* surveys of Spanish and Portuguese opinion, recorded during the first half of the 1980s, show a distinct rise in positive ratings of EU membership effects for the functioning of democracy, with relatively less enthusiasm among Greeks during the same period.³⁰ Remarkable is the emergence — by the end of the 1980s — of a new orientation towards Europe in Portugal, relegating the concern with colonial links to the past.³¹ This immediately followed the years of economic modernisation as a new EU member state, suggesting an attitudinal change that was likely to be beneficial for democratisation. In short, effective government performance encouraged growing support for democracy while there was some perception of the EU being a factor that contributed to this development.³²

Finally, civil society, rather under-researched in the case of the southern European democratisations, is not easily related to European integration because of the sense of distance (psychological as well as political) from Brussels — a theme that has come subsequently to affect the debate about the EU since the Maastricht Treaty. But there are, nevertheless, some clues of relevance to civil society. For example, Sidjanski's work on interest groups in southern Europe demonstrates that membership in the EU promoted their trans-nationalisation in various sectors. This was important for the southern countries in that one consequence was to promote consultation between them and government authorities, thus helping to open up the systems recently established.³³ Simi-

³⁰ See Brooks, J., 'Mediterranean neo-democracies and the opinion-policy nexus,' *West European Politics*, July 1988.

³¹ Thomas, J., 'EC membership, economic adjustment and democratic development: lessons for the East from the South', *EC Studies Association*, George Mason University, 1991, p. 11; See Ethier, 'The impacts of EC membership...', art. cit., p. 5.

³² Pridham, G., 'The international context of democratic consolidation...', art. cit., p. 199.

larly, a case could be made for beneficial effects deriving from growing trans-national links of the political parties. It is instructive here to note the tendency in these countries towards the convergence of party-political positions on European integration by the end of the 1980s — economic benefits being one among several factors.³⁴

Conclusion

The southern European democratisations are now an historical development, with consolidation completed and these three countries fully integrated into the European framework. With this successful outcome, it is perhaps easy to look back and see nothing but beneficial influences in the relationship between democratisation and European integration. There is, indeed, little in the way of negative effects: economic pressures for adapting to EU membership caused some problems; and, earlier, domestic cleavages over the European option occasioned some political tension, although none that threatened to disrupt the democratisation process. Overall, the EU (including its member states and their bilateral links with the south) acted as an important external support for political elites and forces seeking to guarantee the future of liberal democracy in their countries.

Influences deriving from the EU were by no means insignificant in the transition stage, despite the common assertion in the democratisation literature that European integration and its effects counted most of all in the long run and therefore had more bearing on democratic consolidation. At the same time, the basic limitations on the EU's role that have been underlined for difficult transitions provide rather less scope for European influence.

³³ See Sidjanski, D., 'Transition to democracy and European integration', in Pridham, G., *Encouraging Democracy...*, op. cit.

³⁴ See Alvarez-Miranda, B., 'Depolarisation and convergence...', art. cit.

Of the three cases, the Portuguese faced the most demanding problems of political and economic instability that persisted well into the 1980s. It was only when matters settled down by the mid-1980s that possibilities for EU influence increased, and by then Portugal was, in any case, a new member state. As a whole, the four themes discussed above with respect to democratic consolidation, tended to show a remarkable convergence of patterns by the 1990s.

The southern European democratisations may finally be put into comparative perspective by looking back at them in the light of the more formidable process of systemic change in Central and Eastern Europe. Similar elements of diffusion and contagion, as well as the demonstration effect and penetration, are apparent, although it has to be said that incorporation (i.e., into the EU) is a more debatable prospect, depending on the country in question. But it was precisely this prospect that gave much momentum to the influence of the EU on the southern European democratisations. Clearly, the democratisations in the East are far more ambitious and complicated, especially as economic transformation there is systemic and not merely a matter of adjustment. Furthermore, the rise of nationalism in several of these countries makes for an emotive cleavage over the 'return to Europe' that could prove disruptive. At the same time, the EU has applied democratic conditionality in a more systematic way compared with southern Europe earlier, and this acts as an important pressure.³⁵

In conclusion, the relationship between democratisation and European integration evolved towards consolidation in southern Europe because it was able to embrace all four themes — the symbolic, the political, the economic and the cultural. By contrast, experience so far in Eastern Europe suggests more success

³⁵ Pridham, G., 'Regime change, democratic conditionality and transnational party linkages: the case of Eastern Europe', paper for *European Consortium for Political Research* (ECPR), Bern, 1997.

with the first two than with the second two themes, although some cross-national variation should not be discounted. The latter themes proved less difficult in the south because in both respects the three countries were already far more influenced by the European environment by the time their democratisations commenced.

Attitudes of southern European citizens towards European integration: before and after accession, 1974–2000

José M. Magone

Political culture and European integration

The European Union (EU) is an imperfect polity that over the decades has accumulated an *acquis communautaire* as well as *acquis politique*, which may be systematic and dense in certain policy areas and institutional frameworks, but less so in others. It started as a community of elites, and as such it continues to carry many of its founders' habits.¹

Democratisation of the EU only became a serious issue after the introduction of direct elections to the European Parliament. This is because nationally oriented citizens were asked to vote for confederations of European parties: confederations that were extremely divided in national terms, and which had to cope with the diversity of electoral systems in force throughout Europe.²

¹ The making of the European Union can be interpreted in terms of its phenomenological nature with the words of Eric Voegelin: 'Human society is not merely a fact, as an event in the external world to be studied by an observer like a natural phenomenon. Though it has externality as one of its important components, it is as a whole a little world, a cosmos illuminated with meaning from within by the human beings who continuously create and bear it as the mode and condition of their self-realisation.' See Voegelin, E., *The new science of politics: an introduction*. Chicago: Chicago University Press, 1952, p. 52.

² The excellent study by Christian Fenner on the limits of Europeanisation of the parties continues to be relevant. See Fenner, C., 'Die Grenzen einer Europäisierung

During the past two decades, the European Parliament has been able to increase its importance within the institutional framework, but it has also brought attention to the democratic deficit of other European institutions.

Calls for democratisation, transparency and accountability became major issues that needed to be addressed if Europe was to be brought closer to the citizens of its member states. The move towards direct elections during the 1970s was directly related to the fact that the body's institutional development was stagnating. The introduction of these elections at least created an illusion that the populations of the member states were aware of further integration processes in Western Europe, much more than they were aware that the gap between the national/European elites and the national populations could be overcome over the long-term. For most of the 1980s and 1990s, Europe continued to be a remote reality, far from the majority of the population.

The low turnout at European Parliamentary elections in 1979, 1984, 1989, 1994 and 1999 clearly demonstrates that the largest part of the national populations did not consider them to be as important as their national, regional or local elections. Despite the best efforts of the Jacques Delors' Commission between 1985 and 1995, the making of Europeans is still a long-term prospect.³

For as long as Europe continues undefined, the citizens of its member states will continue to have difficulty attaching themselves emotionally to its symbols, with the result that it will be regarded as a reinforcing mechanism for the attainment of national objectives. The present situation seems to indicate that the way

der Parteien: Europa kann man nicht wählen,' *Politische Vierteljahresschriften*, Heft.1, 1981, pp. 26-44. For an updated discussion of the electoral system see Hix, S. and Lord, C., *Political parties in the European Union*. Basingstoke: Macmillan, 1997, pp. 84-93.

³ The average turnout decreased from 74.9 percent in 1979 to 58.8 percent in 1994. See Lodge, J., 'Introduction: de-mythologising the European Parliament.' in Lodge, J., (ed.), *The 1994 elections to the European Parliament*. London: Pinter, 1996, pp. 1-11.

to better define this new political system is to move from Inter-governmental Conference to Inter-governmental Conference and to replace one treaty with another. This so-called 'treatyism' may be regarded as a pragmatic way of achieving compromises between the different member states, whilst at the same time creating the conditions for policy-implementation that will make the overall process irreversible.

European 'enlargement' has always been regarded as one way out of the EU's developmental stagnation. Attempts to deepen Europe failed prior to 1973 because the member states were able to live individually without fostering further integration. However, the oil crises of the mid-1970s made enlargement a crucial way of strengthening Europe's 'collective sovereignty'. The integration of the United Kingdom, Ireland and Denmark made Europe stronger both internally and externally. Enlargement to the south, following the successful democratic transitions in Greece, Spain and Portugal during the 1970s, strengthened Europe's strategic position in the Mediterranean, although it also increased the need to create a system of solidarity, so that the future European market would be characterised by even economic development. Last, but not least, the inclusion of Sweden, Finland and Austria strengthened Europe's social — as opposed to economic — cohesion, and led to a drive towards more environmentally friendly policies within the organisation.

Central and Eastern European enlargement is not only of strategic importance, but it is also economically and politically significant. Europe's eastern expansion has not only to be preceded by an additional treaty on institutional reform and adjustment, but it will simultaneously lead to new dilemmas concerning core and periphery relations.

Enlargements are crucial steps in the process of European integration — ones that may create problems of adjustment and acceptance for the member states. The use of enlargement as a

means of coming out of periods of crisis has become ever more difficult with the passage of time. In spite this, however, enlargements bring new actors into the overall framework and makes the decision-making process more complex in such a way that more imagination and greater efficiency will be required in order to integrate the differing points of view brought forward by 20, 25 or even 30 member states.

In this process of deepening and enlargement, the Euro-polity may become more complex and better defined in certain areas of integration, but less so in others. Enlargement will certainly complicate the process of integration. All the countries of central and Eastern Europe have an experience of socialisation that sought to bring the socialist model of democracy to other parts of the globe. A process of homogenisation and streamlining predominated in most of the countries of this region.

In the long-term, enlargement towards the states of central and Eastern Europe will increase the difficulties involved in establishing a European *demos*.⁴ It will complicate the process of convergence towards a European identity. Several institutions, such as the European Parliamentary electoral process and the role of the European Parliament within the EU, will have to be changed if increased popular participation at the different levels of this multi-level European governance is to become a reality.

Although we are far from having a European political culture that is based on common socialisation and participation systems, we are moving away from a simple 'nationally' oriented political culture. What is emerging is a fusion between the supra-national, national and regional levels that is creating this system *sui generis*. It is a system that may have many deficiencies because of horizontal and vertical interface mismatches with the regional, national and supra-national. However, long term mobility and

⁴ Chrysochoou, D. N., 'Europe's could-be demos: recasting the debate,' *West European Politics*, 19 (4), October 1996, pp. 787-801.

involvement in the European integration process may create the structures that will be able to establish a genuinely European political culture.

Most of the surveys concerned with the process of European integration that were carried out during the 1980s and 1990s seem to indicate that there are significant national differences in levels of support for the process.⁵ While Europe's original founders and the southern European states are extremely pro-European, the Nordic countries, the United Kingdom and Austria remain more cautious in their approach to further integration initiatives. However, the inter-dependence of the member states has brought down the borders between them. The comparative element has become an important factor in fostering ever greater integration. It has become increasingly difficult to stay outside of the overall integration process as it has become significant phenomenon with global repercussions.⁶ The convergence of member states may lead to a stronger trans-national European identity, which can be followed later by the emergence of a more utopian supra-national European identity.

⁵The concept of political culture has been criticised since its introduction in 1956 by Gabriel Almond. General criticism and an overview of studies in the 1980s can be found in my book: Magone, J., *The changing architecture of Iberian politics: an investigation on the structuring of democratic political systemic culture in semi-peripheral Southern European societies*. Lewiston: Mellen Press, 1996, pp. 500-26. There I introduce, for the study of the construction of the new democratic political systems, the differentiation between political culture and political systemic culture. Recent studies include the excellent work by Delgado Sotillos, I., 'Comportamiento y valores: la cultura política de los europeos,' *Revista Mexicana de Sociología*, 59 (1), 1997, pp. 139-60 and Immerfall, S. and Sobisch, A., 'Europäische Integration und Europäische Identität: die Europäische Union im Bewusstsein ihrer Bürger,' *Aus Politik und Zeitgeschichte*, B10, 1997, pp. 25-37.

⁶Foucher, M., 'La experiencia geopolítica de la Europa Unida puede contribuir a «civilizar» la mundialización'. In *El estado del mundo: anuario económico y geopolítico mundial 1998*. Madrid: Ediciones Akal, 1997, pp. 28-31. This confirms the thesis of Elias, N., *Über den zivilisatorischen Prozess*. Frankfurt-am-Main: Suhrkamp, 1990, of growing affect control and co-operation between different member-states.

On the whole, one can say that studies on European political culture and integration continue to be very limited and restricted to periodic quantitative surveys on the attitudes of the various national populations. Studies on political culture, as well as those that are related to the qualitative dimension of integration, remain scarce or non-existent. Nevertheless, as convergence takes root over the coming decades, this field of research has the potential to become more important.

In the following pages we will deal with Italian, Spanish, Portuguese and Greek attitudes towards the process of European integration. While in the Italian case we will focus on public attitudes since its accession; in the Spanish, Portuguese and Greek cases we will pay more attention to the period immediately prior to their respective accessions. Comparisons will be made with the popular attitudes within the countries that joined Europe in 1973 and in 1995. We will also look at attitudes within both existing and potential member states with respect to Europe's eastward enlargement.

The periphery of the core: the Italian case

The Italian case is ideal for gaining an understanding of the Portuguese, Spanish and Greek political elites' urgent desire for European membership the moment they achieved a minimum degree of democratic consolidation after the collapse of the authoritarian regimes. Integration was a way to prevent a return to authoritarianism as 'Europeanisation' was linked to democratisation and the consolidation of the democratic structures.⁷

After the election of the *Ulivo* coalition at the 1996 elections, the new Italian Prime Minister, Romano Prodi, made Italy's membership of the first wave of countries joining the Economic

⁷ Hine, D., *Governing Italy: the politics of bargained pluralism*. Oxford: Oxford University Press, 1993, p. 285.

and Monetary Union a question of prestige, even if in the past the country's economic and monetary record had been characterised by discontinuity and volatility. Despite having a high public debt, Italy was able to make it.

The alienation of the population from the political institutions that had been dominated by the *partitocrazia* could be observed both passively and actively throughout these 50 years of Italian history. The highest levels of disaffection were registered during the 1970s, with the student and workers' movements being reinforced by terrorism and political violence.⁸ Although political protest was less blatant during the 1980s, one could nevertheless witness the collapse of the main parties' hold on power.

The dominance of the Christian Democrats (*Democrazia Cristiana*-DC) and their main opponents, the Italian Communist Party (*Partito Comunista Italiano*-PCI), disappeared completely as political instability became more acute between 1987 and 1992. Even if the DC continued to be the strongest party at this earlier date, its share of the vote continued to decline until 1992. The population would no longer tolerate *partitocrazia* — and this was reinforced by the role of the judges, who in 1992, after targeting terrorism in the 1970s and the Mafia in the 1980s, began their investigations into 40 years of systemic corruption. The *tangentopoli* affair brought down an entire political class that had used and abused its position to maintain itself in power through the creation of a vast system of clientelism and patronage, often with the support of criminal organisations.⁹

⁸ Tarrow, S., *Democracy and disorder: protest and politics in Italy, 1965-1975*. Oxford: Clarendon Press, 1989.

⁹ Guzzini, S., 'La longue nuit de la Première République. L'implosion clientéliste en Italie,' *Revue Française de Science Politique*, 1994, pp. 979-1003; Sidoti, F., 'The Italian political class,' *Government and Opposition*, 28 (3), 1993, pp. 338-52; Waters, S., "'Tangentopoli'" and the emergence of a new political order in Italy,' *West European Politics*, 17 (1), 1993, pp. 169-82 and Donovan, M., 'Political corruption in Italy,' in Heywood, P. (ed.), *Distorting democracy: political corruption in Spain, Italy and Malta*.

In terms of the attitudes of the population, one can see that dissatisfaction with political institutions is quite widespread. Indeed, in comparison with other European countries, Italians are much more dissatisfied with their government. According to data analysed by Morlino and Tarchi, there is a very large gap between the European average of dissatisfaction with national political systems and the Italian data. Italy's average rating is never less than 28 percent higher than the European average, reaching a peak of 44 percent in 1977.¹⁰ This kind of dissatisfaction with political institutions declined through the 1980s and 1990s, when one has to speak of pragmatic and moderate dissatisfaction. By the early 1990s, 72 percent of Italians supported democracy.¹¹

According to a study by Morlino and Ramon Montero, only 32 percent of Italians were satisfied with the way democracy was working in 1993. This was a slight improvement on the 1980s when the comparable figure went as low as 27 percent.¹² In comparison with the European average, Italians, alongside Belgians, were the least satisfied. This may reflect common problems of clientelism and patronage within these countries coming into crisis with the growing pressures of 'Europeanisation' and the convergence of European policy-making. In many ways, a kind of cynical 'democratism' continues to prevail in the Italian case, as

Bristol: Centre for Mediterranean Studies, University of Bristol, Occasional Paper, 1994, pp. 15-26, and Pasquino, G., 'Un sistema politico che cambia: transizione e restaurazione?' In Pasquino, G., (ed.), *La politica Italiana: dizionario critico 1945*. Rome: Editori Laterza, 1995, pp. v-xv.

¹⁰ Morlino, L. and Tarchi, M., 'The dissatisfied society: the roots of political change in Italy,' *European Journal for Political Research*, 30, July 1996, pp. 41-63.

¹¹ *Ibid.* p. 51.

¹² Morlino, L. and Montero, J. R., 'Legitimacy and democracy in southern Europe.' in Gunther, R., Diamandouros, P. N., and Puhle, H.-J., (eds), *The politics of democratic consolidation: southern Europe in comparative perspective*. Baltimore: John Hopkins University Press, 1995, pp. 231-60; particularly p. 239.

the perception of both politics and politicians has a considerable affect on the way the political system is working.¹³

Simultaneously, Italy continues as the most pro-European country of all European member states, both at elite- and at mass-level. Whilst the Communist and Socialist parties were sceptical of the integration process during the 1950s, they gradually changed their opinion during the 1960s and 1970s.¹⁴ Today, most parties in Italy's Parliament endorse further integration, even if some of them are less federalist than others.

According to the 1998 *Eurobarometer* survey, Italians are the most likely to seek out information about the way European institutions work. Italians, with 69 percent, were amongst the strongest supporters of the integration process, surpassed only by the Irish (80 percent), Dutch (77 percent) and Luxembourgish (71 percent), and closely followed by the Portuguese (61 percent), Greeks (59 percent), Spanish (55 percent) and Danes (53 percent). The European average was 51 percent. A majority of Italians (57 percent) also believe that Italy has benefited from its membership of Europe. If we examine the data since the early 1980s, we can see that Italy has always been above the European average in these two *Eurobarometer* questions. Between 1981 and 1995 Italians remained extremely supportive of unification, reaching 75 percent in 1982 and 92 percent in 1986.¹⁵ In 1995, the Italian figure was 86 percent, well above the European average of 69 percent. In terms of national identity, only 5 percent of Italians felt themselves to be European, 26 percent felt exclusively Italian, while 59 percent felt both Italian and European. This placed Italy alongside France and Luxembourg as the most pro-European countries.¹⁶

¹³ *Ibid.* pp. 251-53.

¹⁴ Sassoon, D., *Contemporary Italy: politics, economy and society since 1945*. London: Longman, 1986, pp. 10-11.

¹⁵ *Eurobarometer*, 49, 1998, pp. 3, 5, 29; *Eurobarometer*, 44, 1995, pp. 27.

¹⁶ *Ibid.* p. 36.

On the whole, the Italian case shows clearly that the process of European integration has always been regarded more highly than their own domestic institutions. Indeed, further European integration is regarded as a way of overcoming the negative cultural features of the Italian political system and its administration.

Greek attitudes towards European integration

Following the collapse of the Colonels' dictatorship in July 1974, Konstantin Karamanlis, the main leader of the transition to democracy, believed that the only way to secure Greek democracy was to transform the 1961 Association Agreement into full membership of the EU (then known as the European Economic Community — EEC).¹⁷ During the Colonels' regime the EEC had frozen the Association Agreement and sought to avoid any compromising relationship with the dictatorship. This is also one of the reasons why, during the elections of November 1974, over 80 percent of Greeks were in favour of membership.¹⁸ The same enthusiasm did not apply to towards NATO or the United States, which had played an ambiguous role during the dictatorship that left a legacy of anti-Americanism within Greek society that was particularly strong during the latter-half of the 1970s.

Greece's accession to Europe was swift, and counted on support from the Greek political elites as well as from within the

¹⁷ The foreign policy options of the country have traditionally been assessed by the Greek political elites. According to Roy Macridis, the European option has to be regarded as the search of the Greek political elites for a new foreign protector to watch over Greek interests. The negative role that the American administration played during the Colonels' regime led to a stronger commitment to a new European integration process in which Greece would actively take part. see Macridis, R. C., 'Greek foreign policy: reality, illusions, options.' In Tsoukalis, L. (ed.), *Greece and the European Community*. Westmead: Saxon House, 1979, pp. 134–48, particularly pp. 146–8.

¹⁸ Buck, K. H., *Griechenland und die Europäische Gemeinschaft. Erweiterungen und Probleme des Beitrittes*. Bonn: Europa Union Verlag, 1978, pp. 92–3.

European Commission. The Greek government made its formal application for membership on 12 June 1975, shortly after adopting the country's new constitution. On 1 January 1976, the Commission published its favourable opinion, although it also recognised certain adjustment problems, particularly in agricultural, industrial and economic policies, that Greece would have to address after becoming a member state.

Konstantin Karamanlis won the legislative elections of 20 November 1977 with an absolute majority. His commitment to European integration and resistance to NATO was regarded as the best way to modernise and strengthen Greece's new democratic political system and its economy. He was supported in this by groups in the political centre that had lost votes to the socialist PASOK (Pan-Hellenic Socialist Movement) in the elections, to emerge behind the Stalinist KKE-es (Communist Party of the Exterior). Both PASOK and KKE-es opposed integration. Believing that Europe was too close to the United States, both parties advocated a third-world position and a 'bloc'-free policy. Of all the parties on the left, only the Eurocommunist Communist Party of Interior was pro-European. The polarisation of the discussion between the parties generated feelings of insecurity amongst a population that was suddenly split over membership, with only one-third favouring accession, while another 50 per cent either did not know, or would not express an opinion.¹⁹

¹⁹ *Ibid.* p. 102; Macridis, R.C., 'Elections and political modernisation in Greece.' in, Penniman, H. R. (ed.), *Greece at the polls: the national elections of 1974 and 1977*. Washington and London: American Enterprise Institute for Public Policy Research, 1981, pp. 1-20, particularly pp. 16-17. On the different foreign policies of the parties see Coulombis, T. A., 'Defining Greek foreign policy objectives.' in, Penniman, H. R. (ed.), *Greece at the polls...* op. cit., pp. 160-84, particularly pp. 170-83. For a position of the political centre see the members of the mixed committee of Greek parliament and EC representatives, Pasmazoglu, J., 'Greece's proposed accession to the EEC,' *The World Today*, 32, January-December 1976, pp. 142-51. In this article he foresees that the accession of Greece to the EC will change the nature of the EC political economy, shifting its priorities to the south (p. 148). An excellent study has

Another factor contributing towards this feeling of insecurity was the question of just when Greece would join. The expected date of 1 January 1978 became less likely, with the result that accession was postponed until 1980–81. There was also a proposal to combine Greece's accession with that of Spain and Portugal. However, this proposal was rejected because of the diversity of dossiers and the different relationships that existed between these countries and Europe.²⁰

The polarisation of public and party opinion continued well into the mid-1980s. By the date of accession, however, the majority of the population supported Greece's membership, although this majority was not as convincing as it had been in 1974. In a *Eurobarometer* survey published in 1980, 38 percent of Greeks thought that European membership was a 'good thing', while 21 percent held the opposite view, with a further 41 percent apparently disinterested. The anti-European attitude of the two main left-wing parties, PASOK and KKE-es, made them more cautious in their stance towards accession. For Karamanlis and his party, New Democracy, accession was the main aim that would finally bring to an end Greece's need for foreign protectors.²¹

This elitist biased approach towards integration did not change after PASOK's electoral victory in 1981. Political polarisation continued to be a major obstacle to the attainment of a common position towards Europe. The PASOK government re-negotiated parts of the Treaty of Accession, mainly as a consequence of the

been done by Verney, S., 'To be or not to be within the European Community: the party debate and democratic consolidation.' in Pridham, G. (ed.), *Securing democracy: political parties and democratic consolidation in southern Europe*. London: Routledge, 1990.

²⁰ Tsoukalis, L., 'Second round of enlargement and the Mediterranean.' in Tsoukalis, L. (ed.), *Greece and the European Community*. Westmead: Saxon House, 1979, pp. 152–69, particularly pp. 154–6.

²¹ Tsoukalis, L., 'Greece in Europe: the tenth member,' *The World Today*, 37, January–December 1981, pp. 120–6.

dire condition of the country's economy during the early-1980s. This phase of negotiation and *demandeur* ended shortly prior to the accession of Spain and Portugal. During this time, PASOK changed its ideological position, moving from its original third-world and anti-European stance in opposition to become pro-European in government. This transformation occurred because Europe was prepared to re-negotiate Greece's accession agreement and because there was no viable alternative solution for the resolution of Greece's economic predicament.²²

By 1985, the Greek economy was experiencing a major balance of payments crisis as a result of the redistributive policies pursued by the first PASOK government, the solution of which required the introduction of a European supported austerity programme designed to stabilise the economy.²³ In the second half of the 1980s, political polarisation over the European question was replaced by a consensual all-party approach towards European integration.²⁴ The period 1981-89 was a time of populism and massive party clientelism as the major actors seem to analyse it.

It would appear that Greece has only partially profited from membership.²⁵ The data since 1981 shows that support for integration increased substantially. While between 1981 and 1987 less than 50 percent, on average, believed membership to be a good thing and no more than 20 percent believed it a bad thing, this

²² The best book on the changing ideology and the creation of a clientelistic system within and outside PASOK is Spourdalakis, M., *The rise of the Greek Socialist Party*. London: Routledge, 1988.

²³ Kazakos, P., 'Introduction.' in, Kazakos, P. and Ioakimidis, P. C., (eds), *Greece and EC membership evaluated*. London: Pinter, 1994, pp. 13-23, especially pp. 15-19.

²⁴ See Kazakos, P., *Die Integrationspolitischen Initiativen der 80er Jahre und die Griechische Europa-Politik*. Athens: Hellenic Foundation for Defense and Foreign Policy, 1992, pp. 3-26.

²⁵ A general assessment in different fields of political, economic, social and cultural life can be found in Clogg, R. (ed.), *PASOK: the decade of populism, 1981-89*. Basingstoke: Macmillan, 1993.

changes considerably after 1987. Between 1987 and 1993, on average over 70 percent believed that membership was a good thing, with a tiny minority of less than 10 percent thinking it a bad thing. While prior to 1987, positive Greek attitudes towards Europe remain below the average for all member states, from 1987 the situation is reversed, with Greeks being amongst the most pro-Europeans of all member states. Whilst from 1993–98 the favourable attitude declined to 59 percent, this figure remains well above the European average of 51 percent.²⁶

The figures on the benefits of European membership have been even more positive. Until 1985, those who thought that Greece had benefited from membership hovered between 40 and 50 percent. After 1985, however, it soared to between 70 and 80 percent. In 1996, the year of Papandreou's death and the re-election of PASOK under Kostas Simitis, this figure declined to 60 percent before rising to 68 percent in 1998. At no time did the Greek figures fall below the European average.²⁷

Greek support for European unification remains very high. Until late 1987, an average of over 60 percent of the population were in favour of unification, with this soaring to over 80 percent — matching, or even surpassing, the European average. In 1995, 75 percent of Greeks supported European unification, well in excess of the average of 69 percent.²⁸

On the whole, the Greek's are extremely positive towards European integration. A consistent pro-European stand is noticeable from late-1987, since when Greek attitudes in favour of integration have consistently remained above the European average. In terms of the level of perceived knowledge, Greece was slightly above the average in 1999, and, in this aspect, is separate from

²⁶ *Eurobarometer*. 49, 1998, p. 25.

²⁷ *Ibid.*

²⁸ *Eurobarometer*. 44, 1995, p. 23.

the general pattern prevailing in the other Southern European countries which are below the European average.²⁹

Iberian attitudes towards European integration

The southern European pattern of support for European integration finds its confirmation in the two main countries of the Iberian Peninsula: Portugal and Spain. From the start, there was strong public and elite support for the integration of Portugal and Spain into Europe, with the political elites in both countries regarding integration as a means to consolidate their new democracies. Their wish to join sooner rather than later can be viewed as a consequence of their tendency to regard democratisation and Europeanisation as one and the same.³⁰ This discourse of Europeanisation found resonance among the Spanish and Portuguese populations as, throughout the 1970s and 1980s, both the Spanish and the Portuguese were strong supporters of European integration. *Eurobarometer* data for the first half of the 1980s clearly shows strong support for integration in both countries — always above or around the European average. Yet, despite these apparent similarities, the patterns of support in Portugal and Spain are quite different.

In Portugal, it seems that the population was not convinced that integration was a good thing. Between 1981 and 1985, the share of people who thought joining was a ‘good thing’ never averaged more than 30 percent. Nevertheless, this figure was still higher than the combined totals for those who believed mem-

²⁹ *Eurobarometer*. 48, 1997, p. 10.

³⁰ Pereira, J. M., *No reino dos falsos avestruzes: um olhar sobre a política*. Lisbon: A Regra do Jogo, 1983, pp. 52–71; Rui Aragão, *Portugal: o desafio nacionalista. Psicologia e identidade nacionais*. Lisbon: Teorema, 1985; and Briesenmeister, D., ‘Die Iberische Halbinsel und Europa. Ein kulturhistorischer Rückblick,’ *Aus Politik und Zeitgeschichte*, B 8/86, 22. Februar 1986, pp. 13–26, especially p. 22.

bership to be 'neither a good thing nor a bad thing' or that it is a 'bad thing'. By late 1984, *Eurobarometer* showed that the support for accession was higher among men than women, even although more men than women believed European membership was a 'bad thing'.

A real gender cleavage is noticeable amongst those who answered that they 'didn't know' whether membership was 'good' or 'bad', with 30 percent of male and 60 percent of female respondents answering thus. This would seem to suggest that Portuguese women were more pro-accession than men.

In terms of generations, pro-European attitudes were strongest within the 15–24 age group. More interesting is the finding that non-leaders are more pro-European than leaders. It is also the case that pro-European attitudes are strongest at the political centre and weaker at the right and left of the political spectrum. Furthermore, the greater the degree of an individual's political involvement, the higher the support for accession.³¹

Support for accession to Europe remained below the European average of between 50 and 60 percent during the period 1981–85. This can be explained by the fact that 67 percent of Portuguese did not know very much about Europe.³² This was still apparent in Portugal in 1998 when perceived knowledge about Europe was the lowest of any member state.³³ In several surveys conducted in Portugal by the EU regarding Portugal's accession to membership, it has been demonstrated that the populace knew very little about

³¹ *Eurobarometer*. 22, 1984, p. 108.

³² Eisfeld, R., 'Portugals EG-Beitritt. Politische und wirtschaftliche Probleme,' *Aus Politik und Zeitgeschichte*, B27/83, 9 July 1983, pp. 29–45, particularly p. 30.

³³ In a scale from 1 (low level of perceived knowledge) to 10 (high level of perceived knowledge), the Portuguese score was 3.16 – well below the EU average of 4.19. Also below the EU average were Sweden, Greece, Ireland, Spain and the United Kingdom. The highest levels of perceived knowledge could be found in Austria with a score of 5.09, Denmark with a score of 4.91, Germany with a score of 4.78 and the Netherlands with 4.72. *Eurobarometer*. 49, 1998, pp. 2–3.

Europe, and that what knowledge there was, was more widespread among leaders than non-leaders. This situation did not alter substantially during the 1980s.³⁴ The whole integration project was dominated in Portugal by the elites, and it was not until around the time of accession — that is between June 1985 and mid-1986 — that this figure increases exponentially to close to 70 percent, easily surpassing the European average. There are, naturally, several explanations for this change of opinion. One of these is that, after 10 years of crises, Portugal's economic situation improved considerably during 1985. More importantly, however, this improvement coincided with the emergence of a new political leader, Aníbal Cavaco Silva of the centre-right Social Democratic Party (*Partido Social Democrata* — PSD), who was able to imbue the people with a sense of optimism.

Although Cavaco Silva's premiership began in 1985 with a minority PSD government, he was able to extend his popular support in the elections of 1987 and 1991. He clearly associated European integration with the modernisation of the country and changed Portuguese opinions on the efficiency and legitimacy of Portuguese government and on democracy. Another explanation is the novelty of the situation in which Portugal found itself. Integration into Europe ended the isolationist-fatalist attitude of the political classes by demonstrating to them that Portugal was no longer merely a passive spectator: it was required to be an active participant within the European political framework.

The peak for Portuguese support of Europe came in mid-1990, at a time when Portugal was experiencing an economic boom. From that date, support for Europe slid from around 80 percent to 61 percent in 1998. This would appear to suggest that whilst support for Europe remained high, the honeymoon peri-

³⁴ *Eurobarometer*. 18, 1982, pp. 100-1; *Eurobarometer*. 19, 1982, p. 122; *Eurobarometer*. 20, 1983, p. 86. About 70 percent of the respondents did not feel sufficiently well-informed, while only 9 percent felt themselves to be sufficiently well-informed.

od had ended, to be replaced by a more sober evaluation of membership. Since the economic crisis prior to and following the implementation of the Single European Market (SEM), voices critical of European integration have become stronger, leading one party, the Democratic Social Centre (*Centro Democrático Social* — CDS), to abandon its previously very positive Christian-democratic attitude towards Europe, and to adopt a populist ‘Europe of nations’ position at the 1994 European and 1995 domestic legislative elections, where it was to meet with some success.

By the time of the 1997 regional elections, the CDS’s strategy had exhausted itself, and its leader, Manuel Monteiro, was replaced by Paulo Portas. Even if this was a populist attempt to win votes from the two major parties — both of which are pro-European — it shows that there are some groups, particularly farmers and fishermen — who feel they have lost out as a result of European membership — and some of the traditional middle classes, who had become increasingly sceptical of the overall process following the implementation of the SEM.³⁵

Despite the existence of such critical forces in Portugal, the Portuguese have since 1986 consistently rated European membership highly — well above the European average. Indeed, after the reform of the structural funds in 1988, and during a period of economic boom and political stability, support for Europe soared to over 80 percent, where it remained until 1992. In 1994, after the introduction of the SEM and the transition from the Common Support Framework 1 (1989–1993) to the Common Support Framework 2 (1994–1999), the figure fell once more to 60 percent, before rising to a peak of 73 percent in 1998. While in 1985, over 30 percent of Portuguese felt that

³⁵ Magone, J., ‘Portugal.’ in Lodge, J., *The 1994 elections...* op. cit., 147–156; Magone, J., ‘Portugal: system installation and consolidation.’ in Broughton, D. and Donovan, M. (eds), *Changing party system in Western Europe*. London: Pinter, 1999, pp. 232–54.

membership would not lead to benefits, this figure had dropped to 14 percent by 1998.³⁶

Looking at attitudes towards European unification, the pattern is similar to the other data on membership and benefits of Europe. Prior to accession, there was a majority in favour of unification. This figure started at 30 percent in 1981 and 1982 before increasing to almost 80 percent in 1986. Nevertheless, until 1990, Portuguese support for unification remained below the European average. Portugal's European presidency led to a huge increase in Portuguese support for unification — reaching approval rates in excess of 80 percent, far above the European average. By 1995 this had declined to 67 percent, a figure that is almost identical to the European average of 69 percent.³⁷

In spite this positive assessment of European integration, there is one fact that Mário Bacalhau, a leading Portuguese political scientist, has highlighted: the Portuguese are amongst the least likely of all Europeans to respond to surveys. This trait was evident during the period prior to accession, and it is one that persists to this day. This is further reinforced by the fact that most Portuguese perceive themselves as having a low level of knowledge about Europe.³⁸ In spite of the proliferation of European symbols throughout the country, awareness remains low, and the educational efforts of the government can only be described as minimal when compared to the activities of the governments of Denmark or Austria, for example.

The role of the new democratic elites was important in leading the country towards European integration. Apart from the

³⁶ *Eurobarometer*. 49, 1998, p. 33.

³⁷ *Eurobarometer*. 44, 1995, p. 30. On the presidency see Magone, J., *European Portugal: the difficult road to sustainable democracy*. Basingstoke: Macmillan, 1997, pp. 164–70.

³⁸ Bacalhau, M., 'The image, identity and benefits of the European Community,' in Lopes, J. da S., *Portugal and EC membership evaluated*. op. cit., pp. 182–8, particularly p. 182.

Communist Party (*Partido Comunista Português* — PCP), all Portuguese political parties were keen to join Europe at the earliest opportunity.³⁹ Europeanisation was regarded as the best way to consolidate the fragile structures of Portuguese democracy, and for this reason Europeanisation and democratisation were considered to be two complementary processes. Furthermore, the political elites avoided organising any kind of referendum to confirm their decision, and the accession treaty was negotiated, signed and ratified without consulting the population. The 1998 referendums on abortion and regionalisation, organised by the Socialist Party (*Partido Socialista* — PS), had very low turnouts, and may possibly be considered as a late justification for the political elite's refusal to ratify EU membership in this way. Nevertheless, it can be said that opinion polls are not very convincing tools with which to engage in a referendum on accession. Moreover, most of the political parties represented in the Assembly of the Republic were very strong supporters of European integration, which negated any need to consult the electorate.⁴⁰

The Spanish political elites were also very pro-European during the pre-accession period, as all of the major parties represented in the *Cortes* saw integration as a way of consolidating the country's fragile democratic structures. Both the Spanish Socialist Workers' Party (*Partido Socialista Obrero Español* — PSOE) and the Christian-democratic Union of the Democratic Centre (*Union del Centro Democratico* — UCD), as well as the conservative People's Alliance (*Alianza Popular* — AP) were pro-European. After the collapse of the UCD, the majority of its supporters switched to the AP, but the pro-European mood was even more reinforced. Even the Spanish Communist Party (*Partido Comu-*

³⁹ Deubner, C., *Spanien und Portugal: Der unsichere 'Europäische Konsens'. Der Beitritt zur EG als soziales und innenpolitisches Problem*. Baden-Baden: Nomos, 1982, pp. 69-70.

⁴⁰ On the position of the political elites in Portugal see my *The changing architecture...*, op. cit., pp. 476-81.

nista Español — PCE) was moderate on this question. The emerging regionalist parties also saw integration as a way of recreating Spanish politics in such a way as would ensure that administrative, cultural and political decentralisation became part of the democratisation process.⁴¹ Just as in Portugal, so too in Spain, and Europeanisation and democratisation were considered inseparable. However, unlike Portugal, Spain was regarded as a more difficult prospect for integration, as its accession would require major institutional and policy changes. Whilst several countries sought to delay Spanish accession, it was France — which was fearful of the affects that Spanish membership would have on its agricultural interests within Europe — that raised the strongest objections.⁴²

The Spanish elites' consensual approach towards accession and integration into Europe was overwhelmingly supported by the Spanish people. In surveys conducted by the Madrid based *Centro de Investigaciones Sociológicas* (CIS) from as early as 1968, support for entry into Europe remained at around two-thirds of the total population. This is quite significant given that the authoritarian regime tried to join Europe in the 1970s. The Spanish authoritarian regime began negotiations for closer relations with Europe, but, because it was a non-democratic regime, the Community was reluctant to encourage Spain's approaches.

The overall popular assessment of Europe remained positive, however, as the Spanish saw general benefits in most areas of the economy: particularly in industry, agriculture, labour-relations,

⁴¹ On the overall discussion on accession and European integration among Spanish political elites see the excellent study by Alvarez-Miranda, Berta, *El sur de Europa y la adhesión a la Comunidad. Los debates políticos*. Madrid: CIS, 1996.

⁴² Magone, J., *The changing architecture...*, op. cit., pp. 481-8. This was also perceived by the population in 1978; see also Story, J., 'Spanish external policies: towards the EC Presidency' in, Story, J. and Grugel, J., *Spanish external policies and the EC Presidency*. Bristol: University of Bristol Centre for Mediterranean Studies, 2, April 1991, pp. 1-31, especially p. 19.

politics, culture, trade and tourism, that would result from their country's membership. This assessment remained positive throughout the early-1980s. It was only when it was suggested that integration would lead to severe economic problems for Spain, or that the country would have to pay a high price for its accession, that the Spaniards tended to oppose membership.

The possible linkage of membership of Europe with membership of NATO proved to be a major stumbling block. Spaniards generally had negative attitudes towards the military alliance, and, if membership of Europe was dependent upon membership of NATO, they were perfectly prepared to forego both. Opinion on the different questions relating to European integration became more moderate and divided with the passing of the 1980s.

Whilst in the 1970s, those in favour of accession regularly exceeded two-thirds of the respondents, this declined steadily to between 50 and 60 percent during the following decade.⁴³ The data from the regular European surveys confirms these trends. Spanish approval ratings consistently match or surpass European averages. While up to the end of 1985, approval hovered somewhere between 50 and 60 percent, by the period 1986-90 it was nearer 60 percent, rising to over 80 percent with the creation of the EU following the signing of the Maastricht Treaty in 1991.⁴⁴ From this peak, approval declined to around 40 percent in 1994 — below the European average at that time — before steadily rising to 55 percent in 1998, when the average was 51 percent. In 1998 only 8 percent of Spaniards believed that European membership was a 'bad thing', with a further 27 percent believing it to be 'neither good nor bad'.⁴⁵

⁴³ 'La opinion publica española ante la Comunidad Económica Europea, 1968-1985,' *Revista Espanola de Investigaciones Sociologicas*, 29, 1985, pp. 289-396.

⁴⁴ Maxwell, K. and Spiegel, S., *The new Spain: from isolation to influence*. New York: Council of Foreign Relations, 1994, pp. 38-47, 50-53.

⁴⁵ *Eurobarometer*. 45, 1998, p. 26

Spanish approval of Europe seems to coincide with the economic cycles: high when the economy is performing well, and low during periods of economic crisis. The economic recession that set in during the 1992 World Expo in Seville continued beyond 1996 as a consequence of the implementation of the rigid convergence criteria outlined in the Maastricht Treaty.

In terms of perceived benefits accruing from Europe, Spaniards were very critical during the latter-part of the 1980s, when the Spanish figure remained well below the European average of 50-60 percent. From 1985 to 1989, between 10 and 20 percent of Spaniards believed that Spain benefited from European membership. Nevertheless, in 1989, during the first Spanish presidency, which coincided with a marked improvement of the economy as a result of direct foreign investment, this figure rose to between 50 and 60 percent until the end of 1991, declining to slightly below 30 percent from 1991-94, then rising again to 45 percent in 1998. The number of respondents who saw no benefit in membership reached 60 percent in 1994 before decreasing to 28 percent in 1998.⁴⁶

Throughout the pre-accession period, Spaniards considered themselves insufficiently informed about European affairs. Only a minority of 12 (1982) to 20 percent (1983) felt well informed, while between 78 percent (1982) and 69 percent (1983) believed the opposite.⁴⁷

An overwhelming majority of Spaniards support European unification. Despite this, however, one has to differentiate between the period prior to accession in 1986 and the period following integration. Prior to 1986, Spanish support for unification remained approximately 10 percent lower than the European average of 70-80 percent, by 1985-86, however, Spanish support

⁴⁶ *Eurobarometer*. 49, 1998, p. 26. On the first Spanish presidency see an assessment by Story, J. and Grugel, J., *Spanish external policies...*, op. cit.

⁴⁷ *Eurobarometer*. 20, 1983, p. 86.

increased until it matched the average. In the period during and immediately following Spain's presidency, Spanish support for unification rose to over 80 percent — a figure well in excess of the average. During the first half of the 1990s, this support gradually declined until Spain's second presidency in 1995 when it reached 68 percent — a figure that was broadly in line with the European average.⁴⁸

After more than two decades of democracy, one would wonder if the index of participation in Spanish and Portuguese societies has increased over time. One would also wonder if European integration would change the overall behaviour of the population within their democracies. According to several surveys, apathy and participation rates have not altered significantly during this time. It is possible to speak of 'democratic cynicism' or 'cynical democratism' as characterising the political cultures of Portugal and Spain. Several surveys show that Portugal and Spain have the lowest levels of participation or interest in politics of Western Europe. Membership of political and civic associations remains lowest in these two countries, as the process of European integration apparently has not been able to make either country more democratic.⁴⁹ Passivity clearly strengthens the ability of the political elites to control the integration process. According to

⁴⁸ *Eurobarometer*. 44, 1995, p. 24. Even now, Spaniards perceive themselves as having a low knowledge about the EU. Spain remained below the EU average in 1997, along with Italy, Ireland, the United Kingdom and Portugal. See *Eurobarometer*. 48, p. 10.

⁴⁹ See, on Spain: Montero Gilbert, J. R. and Torcal Lorient, M., 'Patterns of political participation.' in, Barbado, A. A., *Spain and EC: membership evaluated*. London: Pinter, 1993, pp. 257-66; Rivas, M. J. F., 'Evolucion y tendencias de las Organizaciones No Gubernamentales como nuevo fenomeno en el panorama asociativo.' in, Tezanos, J. F., Montero, J. M. and Diaz, J. A., *Tendencias de futuro en la sociedad española: primer foro sobre tendencias sociales*. Madrid: Editorial Sistema, 1997, pp. 501-36, particularly p. 515-16. For Portugal see: Cruz, M. B. da, 'A participação social e política.' in, *Portugal hoje*. Oeiras: Instituto Nacional de Administração, 1996, pp. 351-68.

1997 data, both countries were quite satisfied with democracy within Europe — scoring above average. Spaniards are satisfied with national democracy, with a score above the European average, whilst the Portuguese score below average, although with higher scores than in either Greece, Italy or Belgium.⁵⁰

Enlargement and public opinion in the EU

The subjective dimension on how the populations of member states perceive the accession of newcomers has been less explored than other aspects of European integration. A brief overview of how enlargements have been perceived since 1973 may clarify the attitude patterns that exist amongst the populations of the member states.

The first enlargement, bringing the United Kingdom, Ireland and Denmark into the Community, occurred at a moment when Europe was still perceived to be a purely common economic market, without any political pretensions. It was a period of stagnation in the overall integration process. The only question that was really addressed in respect of enlargement appears during October–November 1974, when 35 percent of all respondents believed that the repercussions for Europe would be ‘rather serious’ should the United Kingdom decided to leave. Yet this global figure disguises some important national variations: in Ireland, 63 percent of respondents believed that it would be ‘rather serious’, whilst in the UK and Denmark the figure was 43 percent; France and the Benelux countries were the least concerned, with the majority of respondents believing that there would be few or no repercussions.

The populations of the three newcomers are generally less supportive of Europe than the citizens of the six original mem-

⁵⁰ *Eurobarometer*. 48, pp. 1–2.

ber states (EC-6). While in 1973 and 1974, 60-70 percent of people in the EC-6 felt that Europe was a 'good thing', the same figure for Ireland was 50-60 percent; Denmark, 30-40 percent; and the United Kingdom, around 30 percent. In Denmark the number of respondents who believed Europe to be a 'bad thing' was identical to the number believing the opposite.⁵¹

The enlargement into southern Europe was characterised by the poor knowledge about these countries within the populations of the European member states: this was especially true in relation to Greece.⁵² This would seem to suggest that respondents tend to notice the larger countries and neglect the smaller countries in their perception of potential enlargements.

The recent inclusion of Sweden, Finland and Austria was overwhelmingly welcomed by the populations of the European member states. In 1995, 64 percent of European citizens considered this enlargement positively, with the Spaniards, Swedes and Austrians being amongst the least convinced. In these three countries, Euro-scepticism continues to be very strong, preventing the creation of a convincing majority in support of European integration. In Sweden in particular, the attitude been quite negative.⁵³

The forthcoming enlargement to include countries of central and Eastern Europe has strong support in most European countries. In 1995, the EU average support for this enlargement was over 50 percent, with the Finnish being the most supportive (59 percent), followed by the Dutch (57 percent), the Swedes (53 percent), the Greeks (52 percent), the Spaniards (51 percent), and the Italians (50 percent). This expansion is least popular in France, Austria, Luxembourg (29 percent each), and Belgium (31 percent).⁵⁴

⁵¹ *Eurobarometer*. 2, 1974, p. 13-16.

⁵² *Eurobarometer*. 13, 1980, pp. 60-1; *Eurobarometer*. 23, 1985, p. 33

⁵³ *Eurobarometer*. 49, 1998, pp. 32, 34, 35.

⁵⁴ *Eurobarometer*. 45, 1995, p. 66.

In sum, the sequential enlargements have increased Europe's ability to monitor the attitudes of its population and to adjust the pace of new accessions. Since the accession of Sweden, Finland and Austria, European membership has ceased to be a one-way relationship, as negotiations are increasingly being conducted on matters relating to the institutional and political adjustments at the core of the European integration process. The future accession of the countries of central and Eastern Europe will certainly be influenced by the lessons learned through the accession of the southern European countries in the early- to mid-1980s.

Conclusions

Over the years from 1973 to 1999, public opinion research has become an important analytical tool for European decision-makers, enabling them to ensure that the process of European integration moves forward with the support of Europe's citizens. While the southern European enlargement was only one part of the overall process, it was an important part.

The lack of knowledge about the three southern European countries had to be addressed slowly. It was actually the process of integration that reinforced the need to survey the people's attitudes and to gain a general idea of whether they were in favour of, or opposed to, further European integration. The impatience evident during the negotiation period helped to form public opinion both within and without Europe, and the later accession of Sweden, Finland and Austria merely reinforced this procedure.

The accession of the countries of central and Eastern Europe will benefit from the existence of vast quantities of information on the integration process, and will provide important information on what should be expected. For the countries of southern Europe, this is once again a moment to look at further enlargements with optimism, and to regard them as an opportunity.

As a consequence of their economic and political trajectories, the accession of central and Eastern European countries will strengthen the southern European case in many ways. Although we are a long way short of having an identifiable European political culture, we can already speak of a 'political culture of the Europeans' that includes all of their diversity and the special relationships between the different countries.

Although Europe is diverse, the *Eurobarometer* surveys clearly indicate that the populations of the various member states are gradually converging towards a more positive assessment of European integration, and the countries of southern Europe do not appear to be exceptions to this development.

Conclusion: The Europeanisation of Southern Europe

Leonardo Morlino

The first four chapters of this book single out the key background reasons explaining why the four Southern European countries contributed towards the creation of the European Union or later joined it. The second, comparative, section analyses the three most relevant questions with respect to integration: the interweaving of political and economic factors in southern Europe's accession, how and why integration contributed to the democratic transition and consolidation in Portugal, Spain and Greece, the acceptance and legitimization of the new European institutions by citizens of southern Europe and the related trends. Although not analysed directly, Europeanisation is equated with democratization and modernization in some of the previous chapters (see especially chapter 3), and this actually mirrors some features of the impact the European Union has had on Southern Europe. In my concluding remarks I would like to suggest a theoretical and empirical framework for the previous analyses. With this goal in mind, I will return to the notion of Europeanisation by referring to the different aspects of the impact that European institutions have had the southern democracies, and on their institutions in particular, and will review the main research conducted in the field whilst highlighting some of the most relevant issues in the Europeanisation process that are in need of further research.

How to define Europeanisation?

Europeanisation is a complex and multifaceted phenomenon. As Olsen notes, 'the term is used in a number of ways to describe a variety of phenomena and processes of change,' and presently 'has no single precise or stable meaning'.¹ In fact, there is a classic historical meaning, suggested by Mjøset, who considers it to be 'development and spread of European influence (and particularly institutional patterns) outside their points of origin'.² But such a definition can only be sufficient to describe some of the oldest forms of Europeanisation — those, for example, that account for the spread of democratic institutions into other areas of the world. This definition is not sufficiently articulate, however, to grasp the more recent aspects of the phenomenon.

It is also not enough to mention the construction of European institutions as several other authors have proposed. Among them, for example, Caporaso and Jupille define Europeanisation as 'political institutionalization at the European Union level',³ while Caporaso, Cowles and Risse define it as 'the emergence and development at the European level of distinct structures of governance, that is, of political, legal and social institutions associated with political problem solving that formalize[s] interactions among the actors, and of policy network[s] specializing in the creation of authoritative European rules... involv[ing] the evolution of new layers of politics that interacts with the older ones,'⁴ or

¹ Olsen, J. P., *The many faces of Europeanisation*. Oslo: ARENA Working papers, 2001, p. 1.

² Mjøset, L., *The Historical Meanings of Europeanisation*. Oslo: ARENA Working papers, 1997, p. 1.

³ Caporaso, J. and Jupille, J., *The Europeanisation of Social Policy and Domestic Political Change*. Unpublished paper, 1998, p. 2.

⁴ Cowles, M. G., Caporaso, J. and Risse, T., *Transforming Europe*. Ithaca: Cornell University Press, 2001, p. 3.

even as 'the shift of attention of all national institutions and their increasing participation... in the EC/EU decision-making cycle'.⁵

Yet, the complexities of the phenomenon cannot be grasped by a definition that stresses 'the influence of the European Union on regional governments, policies and outcomes', as suggested by Kohler-Koch,⁶ or through a definition that emphasizes the 'incremental process reorienting the direction and shape of politics to the degree that EC political and economic dynamics become part of the organizational logic of national politics and policy-making', as proposed by Ladrech.⁷

It also seems wrong to confuse the process with its most important consequences. Europeanisation may bring about 'convergence... as a longitudinal process through which formal as well as informal behaviour and values become increasingly similar... convergence of governmental policies, decision-making and implementation structures, elite and mass behaviour, elite and mass values'.⁸ This may indeed be the case, but it is not in itself convergence.

Such an increasingly important and widespread phenomenon involves both a supranational dimension and the entire set of connections both within it and at the national and sub-national levels, which are characterised both by the change and the resistance to change in the domestic politics of the European states that,

⁵ Rometsch, D. and Wessels W. (eds), *The European Union and member states: towards institutional fusion?*. Manchester: Manchester University Press, 1996, p. 328.

⁶ Kohler-Koch, B., 'Interactive Governance: Regions in the Network of European Politics'. Unpublished paper, ECSA Fifth Biennial Conference, Seattle, 28 May — 1 June 1997.

⁷ Ladrech, R., 'Europeanisation of domestic politics and institutions: the case of France', *Journal of Common Market Studies*, 32, (1), 1994, p. 69.

⁸ Leonardi, R., *Convergence, Cohesion and Integration in the European Union*. London: St. Martin's Press, 1994, pp. 185-6.

during the course of the last few decades, have been transformed by the weakening or disappearance of several of their traditional barriers. Consequently, the phenomenon has firstly to be understood and analysed as a process because of the gradualist nature of its emergence and the fact that it is still in developing: this means that the time factor is a crucial variable in its examination. Secondly, its key characteristic is the blurring and shifting of such a traditional multifaceted divide as the international-domestic one. The point is not to fully appreciate the international-national connection, as recalled by Almond,⁹ but rather to recognize the gradual fading of borders, barriers and the other obstacles that were once so common within and between the European nations, whilst simultaneously erecting higher barriers and stronger borders between Europe and the rest of the world.¹⁰ Thirdly, the phenomenon's 'engine' has been and remains formed mainly, although not exclusively, by the various European institutions and their policies.¹¹ Consequently, all definitions of the phenomenon have to include the notion of process, the disappearance of traditional divides between an external world and a domestic reality, the structures of the European Union and their policies, and the consequences of all these factors within each member state.

Thus, by accepting the need for simplification, and by making the effort to integrate different perspectives on institutional dynamics,¹² *Europeanisation* can be more aptly defined as a multifaceted process that involves:

⁹ Almond, G.A., "The International-National Connection", in *British Journal of Political Science*, 1989, 19, 2, pp. 237-259.

¹⁰ See Bartolini, S., "Exit Options, Boundary Building, Political Structuring", IUE, Florence, unpublished paper, 1998.

¹¹ Andersen, S. S. and Eliassen, K.A. (eds), *Making policy in Europe: the Europeanification of national policy-making*. London: Sage, 1993.

¹² Olsen, J. P., *The many faces...*, op. cit., 2001, p. 44.

- a) the emergence and development, at the European level, of a set of political institutions that formalize interactions among actors;¹³
- b) the development of networks of interactions among domestic and supranational actors to initiate and roll out the decision making process during the input phase of that system; and
- c) the gradual and differentiated diffusion and penetration of values, general norms, specific directives from those European institutions into domestic politics: that is, into the working domestic institutions, decision-making processes and domestic policies at different levels.

Thus, any thorough analysis of the phenomenon must include a deeper look at several aspects concerning the distinct European polity, but also the creation of the input side and the pressures for the adaptation and change of the politics and policies of all EU members with the related challenge to the national states.¹⁴ These different features of Europeanisation may appear at different periods over both the long- and the short-term. Some of them, especially those concerning domestic aspects, may even be anticipated by prospective members.

Figure 8.1
Main patterns of Europeanisation

	European Union	Member state
Polity	Distinctive set of institutions	Domestic institutional impact
Politics	Additional system of representation	Domestic intermediation structure impact
Policy	Policy feedback	Policy impact

¹³ See Cowles, M.G., Caporaso, J. and Risse, T., *Transforming...*, op. cit., 2001, p. 3.

¹⁴ Olsen, J. P., *European challenges to the nation-state*. Oslo: ARENA, 1995.

Figure 1 displays the main patterns of Europeanisation, and allows us to make the first step in focusing on the research topic. In fact, the recurrent distinction between *policy* — a set of specific decisions and the implementation of them in a definite sector, *politics* — all the institutions, rules and actors that define a specific regime, and *polity* — the society and state institutions within a given territory, helps us to distinguish between the different patterns of Europeanisation. This simple classification also allows me to stress my interest in understanding Europeanisation as a process of change in the various structural aspects of both the polity and politics of a member state. I am not concerned with the development of a distinctive European level, nor in the policies that are made and carried out at either the Union or the national level, although I may assume that the continuous impact of these policies may also bring about politico-structural changes.

The domestic institutional and intermediation structural impacts are very rich and variegated in content. Here, the focus can also be defined by referring only to the *domestic structural impact*. This may include the creation of new institutions, new articulations of pre-existing institutions, new functions of old institutions, the different operation of existing institutions or their branches, the appearance of new actors, and the change of old actors. Moreover, the structural impact may affect a large array of domains. Figure 2 suggests the main ones, and again allows us to take the third focusing step. In fact, some of them are not worth analysing in a political science context, having a greater appeal for jurists. I refer to both the impact on and changes in the legal system. Other aspects are very important in a political science context. Here I refer to three additional cultural dimensions; citizenship (see Chapter 7), the penetration of non-Statist values, and changes in the cultural identities of various groups of European people. I also refer to the first two domains, international alignment and sovereignty, that affect relationship between each mem-

ber state and other states, whether within or without the European Union.

Figure 8.2
Salient domains and directions of impact

International alignment
Sovereignty
Domestic stability
Functions and structures of representation
Cabinet / assembly relations
Legal system
Centralization / decentralization
Administrative structure
Cultural identity
Non-statist political values
Citizenship

To understand domestic structural impacts, the most important areas of research are those concerning the main institutions. Consequently, they include the functions and structures of representation, cabinet/assembly relations, centralization/decentralization, and administrative structures. All four are related to the following questions:

- a) how can a decision be made and implemented in each member country, and;
- b) how can European norms and directives reshape the entire domestic decision-making process and implementation when the existence of an additional level of decision-making is taken into account.

Mechanisms and hypotheses of the structural impact

Within a perspective that focuses on the decision-making process, three characteristic mechanisms have to be emphasized in

order to explore the domestic structural impact of the European Union on its member states. These may be labelled:

- a) the policy/polity consistency;
- b) the spillover effect, and;
- c) the complexity impact.

In each of these mechanisms, the analysis of actions by institutional and political elites must be emphasized — the attitudes of the people, as well as their reactions, are highly relevant.

The first mechanism, policy/polity consistency, refers to the problems and consequences that arise as a result of the distance and extent of consistency or incompatibility between different European norms and the normal functioning of domestic institutions. When domestic institutions actually function in connection with European regulations and directives, then the extent of mutual consistency/inconsistency becomes a salient aspect that can provoke consequences. If the consistency is high, it may be called 'a good fit'.¹⁵ In such cases, there is no pressure for change and no need for institutional adaptation as the European and domestic patterns tend to overlap as there is already convergence without any noticeable impact. If there is inconsistency, then there is 'misfit' and, consequently, pressure for change and adaptation is imposed upon the domestic institutions.

According to Caporaso *et. al.*,¹⁶ the actual working of this mechanism may better be understood by examining three possibilities. First, if the adaptation pressure is low and there is not requirement for a great deal of structural adaptation, then, 'an institution is unlikely to resist changes in its environment which are consistent with its own constituting principles'. Second, if the adaptation pressure is very high, there is little institutional change

¹⁵ Cowles, M.G., Caporaso, J. and Risse, T., *Transforming...*, op. cit. 2001, p. 6.

¹⁶ *Ibid.* pp. 6-8.

‘because of the enormous discrepancy between EU institutions and well-entrenched domestic institutions... National institutions will defend their identity and integrity...’. As Olsen has suggested,¹⁷ radical and rapid transformations may result only over time and after a serious performance crisis of the institutions. Third, ‘the adaptation pressures are significant, but low enough in order to be surmountable by domestic actors. In such cases both structure and agency should matter’. This third hypothesis is likely to be the most common one, and consequently it is important to examine the existing structures and assess what changes are possible, and, above all, to determine what strategies the actors will adopt.

The consistency/inconsistency mechanism can be described in more detail when the different points of action and reaction are disentangled. Once a decision has been made and it is seen to be either consistent, partially consistent, or inconsistent with the domestic rules, then different reactions can be envisaged during its incorporation into the domestic legal system and subsequent implementation. Accordingly, a complete range of reactions may result, extending from the rule’s incorporation, attempts to transform it at the moment of absorption, postponement of implementation, attempts to change it during implementation to attempts to influence both private and public representatives in the new decision-making process in order to alter the new outputs that may be incompatible with domestic attitudes, preferences, and positions.

On the whole, Caporaso and his colleagues highlight a key mechanism, but they seem to make two important assumptions that, in a few cases and domains, do not hold true. They assume that domestic institutions are well established and entrenched, and that the actors involved are clearly defined and conscious of their own strategies. It is more accurate to argue that, in any democra-

¹⁷ Olsen, J. P., *European challenges...*, op. cit., 1995.

cy that is experiencing a long and difficult crisis or a permanent transition, these assumptions cannot be made. In this situation, all of the major institutions are contested and, therefore, are not wholly legitimated.¹⁸ What will be the result when such situations are further complicated with the existence of high levels of inconsistency that impose great pressures on adaptation? Are the integrity and the identities of national institutions that do not actually exist defended? If the democratic regime is led by a government that would like to implement change, and if European policies happen to be congruent with those future changes, then present inconsistency is irrelevant and, despite its extent, change will take place. This cannot be regarded as the result of some impact or adaptation, however, but is, in the best case, a shrewd means in which to profit from the European Union.

What will be the result if the institutions are in the process of consolidation and defining themselves in order to ensure their own stability?¹⁹ From the perspective of the actors involved and the unstable and uncertain domestic institutions, the most appropriate action in each situation must be singled out.²⁰ In other words, the most important problem that the party leaders and others have to resolve is determining the most appropriate strategy for achieving their goals, provided that well entrenched European rules exist that can be implemented in order to benefit from them.²¹ Whilst Italian democracy is at the core of my

¹⁸ Morlino, L., *Democracy Between Consolidation and Crisis. Parties, Groups, and Citizens in Southern Europe*. Oxford: Oxford University Press, 1998.

¹⁹ Ibid.

²⁰ March, J. G. and J. P. Olsen, *Rediscovering Institutions. The Organizational Basis of Politics*. London and New York: Collier MacMillan and The Free Press, 1989, pp. 23–26.

²¹ See also Morisi, M. and Morlino, L., 'Europeanisation and representation in Italy,' Unpublished paper delivered at the Conference *The Impact of Increased Economic Integration on Italy and the Rest of Europe*. Washington, Georgetown University, 30 April — 2 May 1999.

research, it would appear that appropriateness and its related aspects are also relevant in relation to any analysis of Europeanisation of Spanish, Portuguese and Greek democracies.

The three authors mentioned above adopt a strictly institutional perspective in which European level rules exist that can be implemented at the domestic level. However, if we take the decision making process and the resulting choices that are taken into consideration as the end result of the interweaving of different domestic and supranational arenas, then there are objective changes in which no resistance can be envisaged. There is nothing else to do other than to react and adapt in some way, or to violate the rule and become involved in the infringement procedure. Consequently, according to this hypothesis, and within well-established domestic institutions, singling out the most appropriate action will be the best strategy from the point of view of the actors involved.

Different impacts may also be obtained if we are to allow the existence of different policy measures. Knill and Lehmkuhl propose an interesting distinction in this respect, and suggest three possible kinds of European policies:

- a) positive integration that is promoted through European regulatory policies that prescribe an institutional model (e.g. environmental protection, health and safety, consumer protection, social policy, etc.);
- b) negative integration, which is caused by European policies that prescribe no model or old 'market making' regulatory policies (e.g. liberalizing and deregulatory policies that define conditions for market access and operation and which secure the continued functioning of the Common Market);
- c) framing integration, i.e. an intermediate position in which policies provide some minimal indications that prepare the

ground for other activities of negative or positive integration, and which are designed to alter the domestic climate and stimulate support for broader European reform objectives (e.g. railways policy).

The operation of the 'consistency/inconsistency' mechanism, and the different related hypotheses are displayed in figure 3.

Figure 8.3
Mechanisms of Europeanisation: consistency/inconsistency

A. If positive integration (or framing integration) and stable democracy, then **policy / polity consistency** between the different European norms and the domestic institutions in their actual working as follows:

- i) if high consistency, there is no pressure for change and no need for institutional adaptation.
- ii) if inconsistency, there is pressure for change and adaptation is imposed on the domestic institutions.

If (ii), then possible outcomes:

- 1. incorporation of the rule;
- 2. attempt to transform rule during absorption phase;
- 3. inertia and / or postponement of rule implementation;
- 4. attempt to change rule during implementation;
- 5. attempt to influence domestic representatives in the new decision-making process to change the new output;
- 6. negative reaction and retrenchment.

B. If positive integration (or framing integration) and critical phase, then consistency / inconsistency is not salient, and leaders and other actors look for **appropriateness**.

C. If positive integration (or framing integration) and:

- i) drives toward change and direction of change remains consistent, then quick incorporation and compliance, no impact;
 - ii) direction of change is inconsistent, then retrenchment.
-

The second important mechanism that must be considered is *spillover*. If adaptation pressure some degree of consistency between European regulations and directives and the domestic institutions exists, then the impact of these pressures may bring about three different effects, each of which are often mutually supportive and which are very difficult to separate empirically:

- a) there is a *transference* of rules, routines, and behavioural patterns from the sectors most directly affected by European policies to new ones that are less, much less or remotely affected;
- b) such *transference* may imply a relatively stronger role for the affected institution, through which the institution obtains *empowerment vis-à-vis* other domestic institutions;
- c) in the favourable context of domestic fluidity, crisis or change, uncertainty and conflict, the *transference* and institutional *empowerment* may act as a *catalyst* by creating new or different settlements of institutional arrangements and other decision-making processes.

The second and third points in the above list may be of concern to either the central government, the regions, other local institutions, or even the bureaucracy because of the key importance of the implementation phase. On the whole, if there is such a *spillover* effect, then a few decision-making processes and the actual working of the domestic institutions involved are moulded and transformed by it. Although to differing extents, the existence of such a mechanism is the strongest and most visible test of the profound impact that the European Union has on domestic institutions. In this vein, it is the most effective confirmation that a Europeanisation process is actually at work. This is the mechanism that researchers must address.

In addition to these important mechanisms, an empirical analysis of impact has to cope with a third factor, the *complexity impact*, the simple existence of which, on a supranational level, can influence key domestic political activities, functions, the role and behaviour of actors is a source of additional complexity that cannot be avoided, and which can change profoundly how basic domestic functions and activities are performed. If elections, representation, the decision-making process and implementation are the key political elements of every working democracy, the simple fact that there is an additional level of politics can affect each element in such a way as can change how those functions are actually performed. It is not necessary to explain how this third mechanism is interwoven into the previous two.

Two additional analytic problems are related closely to those mechanisms: *time lag* and the *space horizon*. Both of these can be presented as questions. First, how much time will elapse before European rules have an impact at the domestic level, if they in fact have any impact? Which is the horizon that the actors take into account in developing their strategies in terms of geographical space; is it the individual country, the European Union, or a larger geographic area? Bartolini deals with this very problem in his analysis of boundary building and political structuring.²² The *space horizon* is a key aspect in the actors' strategies, and provides them with guidelines for their actions and, where necessary, their investigation into the appropriateness of their strategies.

In Figure 4 the basic analytic phases that must be taken into account when dealing with this theoretical problem are labelled and summarized. It also outlines the analytic tools necessary for detecting, describing and understanding its impact.

²² Bartolini, S., 'Exit options...', op. cit., 1998.

Figure 8.4
Mechanisms of Europeanisation: the analytic phases

EU side	Member state side	Link	Internal steps	Additional problems
1. Positive integration	1. Stable democracy	Consistency/inconsistency (repertoire of reactions)	1. Transference	1. Time lag
2. Negative integration	2. Critical democracy	Complexity impact	2. Empowerment	2. Space horizon
3. Framing integration	3. Drives toward change		3. Catalyst effect	

Recent empirical literature analyzing the impact on domestic politics has not singled out these complex mechanisms or the additional problems addressed above. However, some authors have formulated hypotheses in each different direction of the research areas shown in Figure 2. Of the most current hypotheses, a few may be recalled, including those examining: the democratic consolidation of the countries of southern Europe;²³ multi-level governance;²⁴ the strengthening of national executives through increases in the efficiency of interstate bargaining with regard to particularistic groups in the domestic polity;²⁵ the reduction of executive autonomy and control, diminishing leg-

²³ Whitehead, L., 'Democracy by convergence and southern Europe: a comparative politics perspective', in Pridham, G., (ed.), *Encouraging democracy: the international context of regime transition in southern Europe*. New York: St. Martin's Press, 1991, pp. 45-61.

²⁴ Marks, G., Sharpf, F. W., Schmitter, P. C. and Streck, W., *Governance in the European Union*. London: Sage, 1996.

²⁵ Moravcsik, A., 'Preferences and power in the European Community: a liberal inter-governmentalist approach', *Journal of Common Market Studies*, 31, (4), 1996, pp. 473-524.

islative and increasing judicial power, and the sub-national independence of unitary and federal states (this latter in particular);²⁶ the new role of regions that have become more relevant than local governments in relation to central executives;²⁷ or how consensual and co-operative policy-making replaces majoritarian decision-making processes;²⁸ and the modernization of national bureaucracies.²⁹

Figure 5 provides a simplified check list of the main hypotheses that have emerged in the literature of impact as it is discussed here, and includes a few additional propositions on the changes in the functions and structures of representation.

The key hypotheses included in Figure 5 include: international alignments and sovereignty; consolidation and stability; cultural features; the basic change of the legal system, and, more importantly; the multiplication of representation levels and the increased possibility of bypassing the parties in the decision-making arenas and, consequently, the end of the parties' gate-keeping role;³⁰ the establishment of transnational organizations that both parties and interest groups have been creating through their organizational restructuring; the emergence of new actors, e.g. the regions and other local institutions that generally complement the parties and

²⁶ Schmidt, V., *From State to Market*. Cambridge: Cambridge University Press, 1996.

²⁷ Keating, M. and Jones, B. (eds.), *The European Union and the regions*. Oxford: Clarendon, 1995; Le Galès, P. and Lequesne, C. (eds.), *Regions in Europe*. London and New York: Routledge, 1998.

²⁸ See Magone, J., *European Portugal: the difficult road to sustainable democracy*. London and New York: Macmillan and St. Martin's Press, 1997, and Börzel, T. A., "Towards convergence in Europe? Institutional adaptation to Europeanisation in Germany and Spain", *Journal of Common Market Studies*, 34, (4), 1999, pp. 573-596.

²⁹ Meny Y., Muller, P. and Quermonne, J. L. (eds.), *Adjusting to Europe: the impact of the European Union on national institutions and policies*. London and New York: Routledge, 1996.

³⁰ Morlino, L., *Costruire la democrazia*. Bologna: Il Mulino, 1991.

interest groups in performing their representative functions; the establishment of corporative representation; the strengthening of the executive as opposed to the legislature, and; the decentralization and modernization of bureaucracy to ensure the more efficient implementation of European law. The hypotheses in bold in Figure 5 represent those feature that I consider most relevant for any analysis of Europeanisation.

Figure 8.5

A few hypotheses on the domestic structural impact

- 1.1 Limits and constraints to the sovereignty of its state-member are created;
 - 1.2 Precise international alignments are defined within Europe and NATO.
 - 2. Democratic Consolidation (and stability) is strongly reinforced.
 - 3.1 Unification abolishes the possible gate-keeping role of political parties;**
 - 3.2 New gatekeepers emerge;**
 - 3.3 New representative actors emerge;**
 - 3.4 New organizational forms of old actors are structured;**
 - 3.5 A domestic corporative representation prevails.**
 - 4. In the decision-making process the cabinet is strengthened vis-à-vis the Parliament.**
 - 5. The legal system is basically restructured.
 - 6.1 The regions achieve a stronger role in the decision-making process;**
 - 6.2 The decision-making process becomes multi-layered;**
 - 6.3 The decision-making process becomes more consensual and less effective;**
 - 6.4 Regions and other local institutions performs strong representative roles;**
 - 6.5 A deeper and wider decentralization is carried out.**
 - 7. A process of modernization in the bureaucracy at different levels is carried out.
 - 8. Citizens acquire multiple identities, including the European one.
 - 9. Competitive and liberal values are widespread at all levels of political and social life.
-

Why southern Europe?

Although the four countries in question do not form an area with several common characteristics, at least two considerations deserve further development. Firstly, all four countries experienced severe economic crises during the 1980s, and desperately required European assistance at the same time as they were considering the European Union to be the 'great opportunity' to achieve their economic and administrative modernization. Problems of uncertain identities and domestic difficulty also affected each of these countries — Portugal and Greece in particular — which gave them a greater push towards the European Union.

Another important factor was that each of these countries were, for their own reasons, traditionally weak with respect to their ability to provide inputs into the European decision-making process. These include reasons of domestic politics that had foreign policy consequences (Italy); recent accession (Spain, Portugal and Greece), and; the small size of the countries (Portugal and Greece). At the very least, this means that there may be a higher number of inconsistency and misfit situations in the four southern European countries than there will be in larger and stronger countries, such as Germany.

In this context of unstable or stabilizing, but partially uncertain domestic institutions, the major concern for the southern European actors within the European Union was specifically to find the actions most appropriate to each situation as it arose.³¹ In other words, the key question that party leaders and other actors have to resolve is to determine the most appropriate strategy consistent with the achievement of their goals of benefiting from existing well entrenched European rules that must be imple-

³¹ See March and Olsen, *Rediscovering Institutions*, op. cit., 1989, pp. 23-26.

mented, even when they are inconsistent.³² Appropriateness and its related aspects seems to be the correct policy. This being the case and even taking into account the differences existing with respect to each individual domestic situation and the influence of the European Union, there is a substantial possibility that the impact of the European Union on the domestic policies of the four southern European countries can be detected.

There is also a wide differentiation of institutional arrangements between these four countries, which have stronger or weaker executives, different political parties and party systems, varieties of interest and interest organizations, greater or lesser degrees of decentralization or regionalization, and degrees of bureaucratic efficiency and capability. The length of membership, country size, extent of peripherality, differences in representation, varieties of institutional arrangements, extent centralization, and civil service efficiency, are important criteria that may account for differences between these states in their Europeanisation processes.

Any empirical analysis of these cases should be conducted in three stages. The first step is to check the 'misfit' between pressures for change emanating from the EU, and the institutional and process situation of each member state. The assumption behind this step is that if a perfect consistency exists between the direction of pressure for change and the domestic institutional features, then the process of adaptation and change either does not take place, or is empirically impossible to detect. For example, in the fourth hypothesis of Figure 5, concerning the strengthening of the executive, there is no 'misfit' in the case of Greece, where the executive is strong. As a consequence, additional strengthening is improbable and, moreover, very difficult to detect empirically. The most interesting propositions to test are those in which there

³² See also Morisi and Morlino, 'Europeanisation and representation...', *op. cit.*, 1999.

is some degree of inconsistency or 'misfit' between European pressures and institutional arrangements.

The next section of this chapter is devoted to another important step, and will review the current state of knowledge on the hypotheses discussed above.

What do we know about Europeanisation in southern Europe?

Beyond the pages of this book, there are very few analyses of the four southern European countries we are studying here. Apart from the few exceptions that concentrate on France,³³ the majority of research has focused on the influence of EU policies on the countries of southern European, paying little or no attention to the impact of the EU on their internal structures.

Ioakimidis's work on Greece is, however, an important exception.³⁴ This author views the European Union's impact on Greece as a type of ideological programme for modernization and change that was supported by the southern (and Eastern) European political elites in general, and not only by Greek conservative and, later, socialist politicians. The reshaping of the extent of the state and its functions within a previously strongly statist culture, the drive towards decentralization and the strengthening of Greek civil society have, according to Ioakimidis, been the main features of Europeanisation as it affected Greece.

Although there is no fully-fledged empirical analyses of most of the hypotheses outlined in Figure 5 with respect to southern Europe, apart from Pridham's chapter (Chapter 6) on democratic

³³ See especially Ladrech, R., 'Europeanisation of domestic politics and institutions: the case of France', *Journal of Common Market Studies*, 32, (1), 1994, pp. 69-88.

³⁴ Ioakimidis, P. C., 'The Europeanisation of Greece', in Featherstone, K. and Kazamias, G. (eds.), *Europeanisation and the southern periphery*. London: Frank Cass, 2001, pp. 73-94.

consolidation, Magone offers a contribution to the analysis of neo-corporatism when he compares the developments of this phenomenon in Spain and Portugal, and shows how European policies compel social and political actors to achieve political concertation through agreement.³⁵ Whether this is truly a direct consequence of Europeanisation, however, or is merely the result of a policy convergence between these two countries remains unclear.

The impact that the European Union has had on the regions and the appearance of regionalism has received somewhat greater attention, although the extent and the actual mechanisms of its effects remain to be explored more fully. The extent of the EU's impact on the regions remains moot, being dismissed or minimized by some and stressed by others.³⁶ As an example, Morata and Muñoz claim that 'the structural funds reform did not succeed in [achieving]... [the] closer involvement of regional governments in the formulation and implementation of programmes...': these reforms 'only superficially affected the domestic pattern of central-regional relations' until 1993.³⁷ Borzel, however, develops an empirical analysis of Europeanisation in which a careful and well thought out comparison of Germany and Spain demonstrates the European Union's positive role in transforming the difficult relationship that existed between Madrid and the Spanish regions into a positive relation of co-operative links.³⁸ The most obvious explanation for this is the existence of a time

³⁵ Magone, J., 'The institutionalisation of Social Europe in Spain and Portugal', ECPR Workshops, University of Warwick, 23-28 March 1998.

³⁶ Keating, M., 'Is there a regional level of government in Europe?', in Le Galès, P. and Lequesne, C. (eds), *Regions...*, op. cit., 1998, p. 17.

³⁷ Morata, F. and Muñoz, X., 'Vying for European funds: territorial restructuring in Spain', in Liesbet, H. (ed.), *Cohesion policy and European integration: building multi-level governance*. Oxford: Oxford University Press, 1996, p. 217.

³⁸ Borzel, T. A., 'Europeanisation and territorial institutional change', in Cowles, M. G., Caporaso, J., and Risse, T., *Transforming Europe*. Ithaca: Cornell University Press, 2001, pp.137-58.

lag before the phenomenon emerged, which Borzel's more recent research was able to detect, but which was hidden at the time Morata and Muñoz examined the subject. That said, the earlier study does not deny that the EU has had an impact on domestic bureaucratic structures. Although conducted some years later, Dudek's study of Galicia and Valencia reaches the same conclusion as Morata and Muñoz, and stresses the limits of the regions and their actual influence within the EU.³⁹ Nevertheless, it is important to note that Galicia does not have the same autonomy within Spain as Catalonia or the Basque Country, and that the study analyses a different feature of this complex subject — the decentralizing affect of the EU in respect of structural funds, and agricultural and fishing policy. This, then, serves as a warning that awareness of the precise subject of research is important for understanding the results.

Several other authors have analysed the regional aspect, for example Verney and Ioakimidis on Greece,⁴⁰ Magone on Portugal,⁴¹ and Grote and Giuliani on Italy,⁴² and have reached widely disparate conclusions. Verney, Ioakimidis and Magone each stress

³⁹ Dudek, C. M., 'The European Union and the regions of Spain: the cases of Galicia and Valencia.' Unpublished paper, Midwest Political Science Annual Conference, Chicago, 23–25 April 1998.

⁴⁰ Verney, S., 'Central state-local government relations,' in Kazakos, P. and Ioakimidis, P. C. (eds), *Greece and EC Membership Evaluated*. London: Pinter, 1994; Ioakimidis, P. C., 'The role of Greece in the development of EC Mediterranean policy,' *Mediterranean Politics*, vol.2. London: Pinter, 1996; Ioakimidis, P. C., 'The Europeanisation of Greece,' in Featherstone and Kazamias (eds.), *Europeanisation...*, op. cit., 2001, pp. 73–94.

⁴¹ Magone, J., *European Portugal...*, op. cit., 1997; Magone, J., 'The transformation of the Portuguese political system: European regional policy and democratization in a small EU member state.' in Featherstone and Kazamias (eds.), *Europeanisation...*, op. cit., 2001, pp. 119–140. See also Chapter 7 of this book.

⁴² Grote, J. R., 'Cohesion in Italy: a view on non-economic disparities,' in Liesbet, H. (ed.), *Cohesion policy...*, op. cit., 1996; Giuliani, M., 'Europeanisation and Italy: a bottom-up process?' in Featherstone and Kazamias (eds.), *Europeanisation...*, op. cit., 2001.

the decentralizing impact of structural funds within previously unitary states, their modernizing effects on the civil service, their positive effects on industrial and transport infrastructures, and on civil society mobilization in both Greece and Portugal. Grote and Giuliani's conclusions are somewhat different with respect to Italy. Grote notes the changes in regional administrative structures, the empowerment of regional governments, the diminution of central government control, the role of private actors, and the push for more effective regional governments. In a shorter analysis, Giuliani also considers the trend towards a stronger role for the Italian regions, but accounts for it by making reference to domestic and non-European factors.

When the policies are analysed, there is much greater agreement on the differentiated nature of Europe's impact. In her description of Italian adaptation to the European Union that emerged out of the Maastricht Treaty, Sbragia outlines the intertwining of external and domestic factors in the reshaping of Italian public finance.⁴³ Borràs, Font and Gomez note the three different effects that resulted from three specific EU policy areas (environmental, regional, and technological) in Spain.⁴⁴ Both the work by Tondl on European regional policy and its major impediments to effective growth (the national administration's incompetence and unstable macroeconomic policies), and Leonardi's important contribution on regional cohesion and convergence in southern Italy, also focus their attention on the policies rather than the structural impact of these policies.⁴⁵

⁴³ Sbragia, A., 'Italy pays for Europe: political leadership, political choice, and institutional adaptation,' in Cowles, Caporaso and Risse, *Transforming...*, op. cit., 2001, pp. 79-96.

⁴⁴ Borràs, S., Font, N. and Gomez, N., 'The Europeanisation of national policies in comparison: Spain as a case study,' *South European Society and Politics*, 3, (2), 1998, pp. 23-44.

⁴⁵ Tondl, G., 'EU regional policy in the southern periphery: lessons for the future,' *South European Society and Politics*, 3, (1), 1998, pp. 93-129; Leonardi, R., *Coesione, Converggenza e Integrazione nell'Unione Europea*. Bologna: Il Mulino, 1998.

Questions for future research

Most of the European impact on domestic political representation may or may not crystallize in future EU developments. First of all, enlargement of the EU, and the consequent changes in cohesion policies with regard to structural funds may change the situation.

We are left with some important problems that require resolution by future researchers of the four southern European democracies:

- as the important sub-national levels of analysis are different in the four countries, can we develop a meaningful comparison by changing the level in the four countries?;
- might the birth, or revitalization, of territorial representation patterns bring about an anticipated federalization of Southern Europe;
- if so, how and to what extent will the new European Constitution, presently being drafted by the European Convention, affect such a process?

Additionally,

- in the context of other specific policies (single market and competition, agriculture, and so on) are different actors and patterns of representation privileged;
- does this lead to a differentiation in the patterns of representation that prevails in some policy areas but not in others; and does this parallel what has been suggested by Benz and Eberlein on the simultaneous co-existence of different patterns of representation in Germany and in France?⁴⁶

⁴⁶ Benz, A. and Eberlein, B., 'The Europeanisation of regional policies: patterns of multi-level governance,' *Journal of European Public Policy*, 6, (2), 1999, pp. 329-48.

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This book deserves a broad audience”

— *Nancy Bermeo, Princeton University*

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