

CHAPTER 41

SPAIN AND LATIN AMERICA

from a special relation to detachment?

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41.1 INTRODUCTION

RELATIONS between Spain and Latin America (LAC) go back to the fifteenth century, just when Columbus encountered the Americas.¹ Since then strong linkages have been constructed, framed, and reframed based on a variety of elements, from language, culture, identity, and even religion to economic, political, and social factors. Leaving behind the stages of colonialism and independence, contemporary relations with LAC date from the post-Franco transition to democracy in 1975.

Under Francoism, policies towards LAC relied heavily on the notion of *hispanidad*, which depicted the region as a coherent and homogeneous whole based on a common heritage: culture, language, and religion (Grugel 1997). This notion of a Latin family and Spain as the ‘motherland’ did not travel easily into the new Spanish democratic times.

After the democratic transition, but increasingly after 1982 under the first socialist administration led by Felipe González, governments retained the idea of Spain as a natural bridge or link to LAC. Yet rather than emphasizing cultural elements, relations with the region were then portrayed as ‘special’ based on a shared history and common values, that is, democracy and peace. Since the early 1980s, the idea of an Iberoamerican community has permeated policies with regards to LAC, and has also remained a fundamental element of Spain’s international strategy. The case of Spain’s special relations with LAC and its membership within, commitment to, and leading of the Iberoamerican community resembles that of France and the Francophonie and the United Kingdom

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and the Commonwealth (Torreblanca 2001). However, policies involving LAC have been marked by a particular trait: the constant tension between Spain's commitment to and leadership of its historical community on the one hand and the pursuit of material interests on the other (Barbé 2009).

Building on these insights, this chapter argues that understanding the dynamics of this special relationship requires looking into the changing interplay of ideas and interests, and also the institutional frameworks, their context and time. I show that accommodation and compromise between the idea of a historical community and material objectives were easily reached during the 1980s and 1990s, thus assuring Spain's leadership in LAC and in the European Union (EU). With the turn of the century, this tension became more pronounced as Spain's agenda turned sharply towards national economic considerations and became imbued with a vertical logic, whereas the institutional frameworks set up, and which were built on the notion of community, turned out to be insufficient to process the conflicting pressures. In all, dynamics between Spain and LAC appeared to have moved from special relations to an increasing detachment between the partners.

To develop the argument, the chapter first reviews the literature on Spain–LAC relations, which it follows with the analytical approach in the second section. The following two sections provide the empirical narrative organized historically to delve into the difficulties of balancing values with interests. The final section concludes and discusses further avenues for research.

41.2 WHAT WE KNOW ABOUT SPAIN–LAC RELATIONS

Portrayed as a top policy priority since democracy was restored in Spain in the late 1970s (Gillespie and Youngs 2000), the special relationship with LAC has stimulated a rich literature.

Research has shown that the transition to democracy entailed a relevant transformation in the ideas, philosophy, and values underpinning policies applied to the region. LAC was framed as the Iberoamerican community and included not only Spain but also Portugal and all American countries colonized by the Iberian empires. This new definition attempted to shape and to drive an innovative agenda, including the promotion of democracy and human rights, and the advancement of economic ties in industry, banking, and investment (Grugel 1997; Baklanoff 1996; García Arahetes and Argüelles Álvarez; 1995). Development and cooperation was also high on this agenda (Freres 1997).

Furthermore, studies have indicated that interest in LAC remained constant under the various democratic administrations, irrespective of the political colour of the government. Whereas this stability has enabled lines of continuity in the policies implemented across the more than forty years of democratic rule (del Arenal 2011b), research targeting specific administrations has provided detailed accounts of the variation in the

domestic institutions and instruments devised to support this policy, and fluctuations responding to particular personalities and leadership styles (see Piñol Rull 1982; Grasa 2001; Sanahuja 2016; Powell 2009). From a strictly institutional perspective, the role played by Spain in the gradual institutionalization and formalization of the notion of Iberoamerica since the first Iberoamerican summit of heads of state and government in 1991 has generated a prolific outpouring of literature (see Castaño 2005), which has triggered dialogue between scholars on both sides of the Atlantic.

Despite the rather common script underlying socialist (Felipe González and José Luis Zapatero) and conservative governments (José María Aznar and Mariano Rajoy), differences across administrations turned out to be especially striking in two specific policy issues. First, domestic debates about Cuba created divisions between the conservative Popular Party (PP) and the Socialist Party (PSOE), leading to constant oscillation between a strategy of critical dialogue and one of diplomatic pressure (Gillespie 2007). Similarly, the triangular relationship between Spain, the United States, and LAC was depicted as showing moments of tension and attraction between the former two partners (Ayuso 2014).

Triangulation has also received attention in research analysing the relationship between Spain, LAC, and the EU more broadly (del Arenal 2011a). From under an integration and regionalism framework, studies have depicted how and to what extent these triangular relations have affected regionalism and inter-regionalism (Youngs 2000; Grugel 2002). Additionally, and presented within the Europeanization literature which explores different forms of diffusion processes of European ideas and practices across space and time, analyses have concluded that Spain has managed to project its own strategy on LAC to the EU and has also adapted its own approach to EU policies (Barbé 2011; Sanahuja 2013).

There are numerous studies exploring the relations between Spain and LAC, however, this literature remains fragmented and dispersed across fields and subfields, focusing on a variety of analytical frameworks and explanatory factors. This, it is true, speaks to the multifaceted nature of Spain–LAC dynamics. While informed by this earlier literature, this study aims to move beyond it by shedding light on the balance of ideas and interests, and by extending the scope to the institutions underpinning Spain's strategies towards the region. It will underscore how and to what extent institutional frameworks set up in the 1980s and 1990s showed their limitations when dealing with the increasing tension between ideational and material preferences.

41.3 IDEAS, INTERESTS AND INSTITUTIONS: THE DYNAMICS OF SPAIN-LAC RELATIONS

This chapter draws on the new institutionalism literature that underscores ideas, interests, and institutions as explanatory principles. Although an extensive discussion is beyond the scope of this chapter, I build on this institutionalist approach to unpack the empirical dynamics of Spain–LAC relations.

'Ideas' refers to the region, that is, how the region is constructed, its contours, limits, and objectives. This echoes the notion of regions as socially constructed as posed by constructivism and policies as a reflection of such ideas and images. Ideas condition and constrain what is possible and acceptable (Fawcett 2015), that is, they frame, guide, and limit the policy choices of actors and provide legitimacy to political action. 'Interests' refers to the materially derived preferences of major (state and non-state) actors (Gourevitch 1986), who, based on their assets and resources and their perception of possible gains and losses, define their dominant strategies. Finally, 'institutions' refers to the formal and informal rules and processes that structure the relationship between policy-makers and social actors (Hall 2005). Institutions serve as the context within which actors make their choices, provide stability for policy-making, and constrain and enable behaviour.

Despite the analytical separation, ideas, interests, and institutions are co-dependent: they are mutually influential and interactive in nature and thus they need each other to account for change and continuity (Hecló 1993). Using this trypic of ideas, interests, and institutions, I build the empirical narrative that is based on the collection and analysis of secondary literature, documents, and media articles.

41.4 SPAIN AND LATIN AMERICA DURING THE TWENTIETH CENTURY: FROM RAPPROCHEMENT TO A SPECIAL RELATIONSHIP

41.4.1 The Early Steps Towards a Special Relationship

Democratic transition in Spain in 1975 brought with it a renewed interest in LAC, and a reshaping of the idea of the region, which was now constructed around the notion of community bringing together all Iberoamerican countries who shared common historical roots. Spain was thus defined as the bridge joining Europe and LAC, the North and the South. This new approach responded to Spain's aim of modernizing and adjusting its image to the regional and international context as the country attempted to 'normalize' and restructure its foreign relations (Gillespie and Youngs 2000). Though not a full member of the then European Community (EC)—Spain officially submitted its request for accession in 1977²)—cooperation with LAC was an essential instrument of foreign action: it was key to helping position the country in Europe and to asserting its role as a middle-power country (Mesa 1988). As part of this strategy, Spain joined different regional institutions, including the Andean Pact (1979), the InterAmerican

² The Francoist regime had requested accession in 1962, but this was rejected on democratic grounds.

Development Bank (1976), and the Economic Commission for Latin America and the Caribbean (ECLAC 1979), thus also showing its support for LAC regional cooperation.

The LAC agenda was based on a list of principles, from peace and justice to democracy, human rights, and economic development. Though scattered and to a certain extent also uncoordinated, different mechanisms and policy instruments were defined to promote and strengthen the idea of an Iberoamerican community. From a domestic perspective, since 1979, the Institute of Iberoamerican Cooperation (ICI) was tasked with promoting Spain's new policies in LAC, including the development of cultural cooperation programmes but also scientific, technical, and economic projects.

Two other initiatives were rolled out to foster the notion of Iberoamerica. First, the decision to celebrate the first Iberoamerican summit to promote closer intergovernmental cooperation in 1992, on the occasion of the 500th anniversary of the Discovery of the Americas, organized by the National Commission for the Commemoration of the Fifth Centenary created in 1981. A second initiative referred to the first Iberoamerican Economic Cooperation Conference held that same year. Co-organized by the ICI and the ECLAC, this first meeting brought together all of the participants' economy and finance ministers to address the problem of foreign debt. The meeting also underscored the idea of community requiring the increasing enmeshment both of governments and non-state actors, including intellectuals, scholars, and scientists, and setting up new regional technical and scientific cooperation mechanisms. Outcomes, however, were meagre. Whereas the project to celebrate an Iberoamerican summit only became effective in 1982 under the Spanish socialist government (Felipe González), the second initiative lacked any genuine commitments (del Arenal 1994).

Progress was, however, made in economic relations (Piñol Rull 1982). Given that economic interactions between the regions were still weak, the Development Aid Fund (FAD) was established in 1976 to promote growth in poorer countries, that is, LAC, and as a tool to internationalize Spanish companies through fiscal measures to encourage export and trade. On the eve of LAC's debt crisis, the region was responsible for a large percentage of Spain's total foreign investment, going from 28.4 per cent (1963–1973) to 51.3 per cent (1974–1980) (ICI and CEPAL 1981, 133).

41.4.2 The Consolidation of the Special Relationship

Starting in 1982, Spain redefined the idea of LAC as a region. Spain was now not only part of Iberoamerica, but also of Europe. The country had to take on this double ascription: being European and Iberoamerican became complementary dimensions of its identity. Furthermore, leading LAC was perceived as a means to strengthen Spain's weight and prestige, not only at the international level, but also within the EU (Youngs 2000).

Spain's policies towards LAC still rested on the notion of a wide, ample Iberoamerica, rooted in their long-standing common history, and on the ideas of democracy, peace, human rights, and development. Consequently, Spain released several multilateral

declarations underscoring the defence of democratic values. In addition, Spain's transition offered an attractive and inspiring model for the successive democratization processes in Argentina, Brazil, Chile, and Uruguay in the early 1980s because of its agreed to and negotiated character. Finally, Spain became actively involved in various initiatives to promote peace in Central American countries torn apart by civil war (Barbé 2009). The underlying objectives were to gain international visibility and legitimacy by enhancing its own influence in the area, but also to achieve political stability and economic development. From an institutional perspective, the ICI was key to promoting democratization support, scientific and technical cooperation, cultural and education exchanges, and economic cooperation (Yañez-Barrionuevo 1998). At the domestic level, institutional changes also attempted to give more coherence and political vision to Spain's strategy towards LAC.³

Three changes are worth exploring in particular. The first refers to the institutionalization of Spain–LAC relations framed under the idea of an Iberoamerican community. The Fifth Centenary Plan launched in 1990 in preparation for these festivities was designed as a political instrument to organize and combine all Spanish efforts in the region for the following four years.⁴ Moreover, it served as a point of departure for the creation of the then incipient Iberoamerican Community of Nations (ICN), whose first intergovernmental summit took place in Mexico in 1991. This reflected the current Spanish prime minister's commitment to 'replace rhetorical discourse with a different relationship',⁵ involving the institutionalization of a lasting model of political dialogue based on the idea of an Iberoamerican community. Furthermore, the strengthening of LAC's policy was part of a global strategy to position Spain as a more powerful player on the international stage and to enhance its negotiation capacity in international fora and especially in the EC. Moreover, and after accession, this helped reshape the EC's strategy towards the region, as will be argued in this chapter.

A second significant change occurred in 1998, when Spain launched the economic 'reconquest' of LAC. This expansion was intended to overcome Spain's relatively weak and fragile economic presence in the region, while also promoting the much-needed internationalization of Spanish firms. To this end, a series of General Agreements on Friendship and Cooperation were signed with Argentina, Brazil, Chile, Mexico, Uruguay, and Venezuela between 1988 and 1994. Even if these agreements involved broad political, cultural, and scientific, and technological objectives, along with the inclusion of a democratic clause, the main objective was to deepen economic relations, and to promote and support investments by Spanish public and private companies in these countries, which had already negotiated with international financial institutions and had refinanced their foreign debt. State agencies were set up to promote the inter-

³ These included the creation of the Secretary of State for International Cooperation and Iberoamerica (SECIPI) in 1985, which was followed by the establishment of the Spanish Agency for International Cooperation (AECI) as an autonomous body, and a dense institutional network of Technical Cooperation Offices in LAC.

⁴ 'Un plan para el V Centenario', *El País*, 23 January 1990.

⁵ 'España espera aumentar su influencia con la cumbre de Guadalajara', *El País*, 17 July 1991.

nationalization of Spanish firms and their access to non-traditional markets, like *Instituto Español de Comercio Exterior* (ICEX), *Compañía Española de Financiación del Desarrollo* (COFIDES), and SIRECOX, which started promoting activities in LAC in 1991.⁶ Relations with LAC could then be materially beneficial for the Spanish economy.

One year later, Spain was the largest of the top seven European investors, accounting for 31 per cent of total EC investment in the region (Gianzero 1994, 12). The institutionalization of the normative idea of an Iberoamerican community based on common historical links and the pursuit of material interests as illustrated by the surge in international expansion and growth of Spanish companies in the region became part of the framework of the special relations.

The last change takes us to the EC. Since its accession in 1986, and especially during its presidencies of the European bloc in 1989 and 1995, Spain's objectives were twofold: to align its foreign policy with the rest of Europe, and to achieve a leadership position in European dealings with LAC. Spain's interest in bringing the EC closer to LAC was not for 'moral reasons', but rather due to 'national interests', given that bilateral trade relations were still scarce in 1985.⁷

The EC offered Spain a space within which to lead and structure the European approach to LAC. The Spanish Treaty of Accession was accompanied by the signing of a joint declaration where the EC committed to further developing and intensifying relations with LAC. Two years later, in 1987, and based on Spain's proposal, the European Council adopted the first European policy document exclusively devoted to setting new guidelines for EU-LAC relations and encouraging the European Commission to actively engage with LAC.⁸ Between 1986 and 1990, several directives, also bearing Spain's imprint, were passed to further deepen relations with LAC, including the creation of a budget for development aid and cooperation, and the institutionalization of political dialogue beyond existing mechanisms with Central America and the Rio Group. In all, the first Spanish EC presidency in 1989 underscored the formalization of economic and political relations between Europe and LAC.

Yet from the 1980s to the mid-1990s, the most significant achievements were laid in the commercial arena through the 'third generation' agreements. Also promoted by Spain, these agreements signalled a paradigmatic change as they moved beyond political dialogue and development cooperation as the bedrock of relations with LAC. While also including a democratic clause and the idea of 'common values', they established a 'future developments' clause, thus laying the groundwork for more ambitious inter-regional treaties in economic and commercial areas (EC 1995).⁹ In fact, the EC

⁶ Interview with SIRECOX President, Carmen Rodríguez, *Expansión Comercial*, N° 83, 1991.

⁷ 'González cree que la entrada de España en la CEE será positiva para América Latina', *El País*, 22 November 1985.

⁸ See 'Joint Declaration of intent on the development and intensification of relations with the countries of Latin America' (EC 1985) and the EC's Commission document 'The European Community and Latin America', COM (86) 720 final, 2 December 1986.

⁹ These included Argentina and Chile (1990), Mexico and Uruguay (1991), Brazil and Paraguay (1992), and the Andean Community (CAN) and Central America (1993).

would then set up a series of mechanisms to establish closer links between businesses across the Atlantic, and different EC-funded programmes to facilitate investments in the region, for example, AL-Invest and European Community Investment Partners (ECIP). Private investments were also supported by the European Investment Bank (EIB), which extended its existing sphere of influence to encompass LAC in 1992 as promoted by Spain, Portugal, and Italy. The internationalization of Spanish firms and their expansion into LAC markets were amongst those who most benefitted from these programmes (Youngs 2000). Successive Framework Agreements with the Common Market of the South (MERCOSUR 1995), Chile (1996), and Mexico (1997) showed the relevance of these larger economies for the EU. The 1995 Spanish presidency was described as the 'Latin American presidency' because of the launch of this fourth generation of agreements (Sanahuja 2013) based on three pillars: political dialogue, cooperation, and free trade.

In 1997 and relying on the Iberoamerican structure and background that had been built in previous years, the Spanish government led the organization of a Euro-LAC summit to accompany the Iberoamerican summits. The first EU-LAC was held in Rio in 1999. Political dialogue was institutionalized at the level of the heads of state and government through regular biannual meetings. Apart from the adoption of the Bi-Regional Strategic Association and its action plan, the Rio summit resulted in the respective mandates negotiating association agreements with Chile and with MERCOSUR. These developments confirmed Spain's own commitment to achieving free trade between the regions,¹⁰ which was now a key component of the EU's LAC agenda as well.

National and EU interests complemented and reinforced each other. By the end of the 1990s, and because of the Spanish 'reconquest' of LAC, the country was the second largest international investor in LAC (Arauetes 2002). Ninety-eight per cent of these investment flows were absorbed by Argentina, Brazil, Chile, Colombia, Peru, Mexico, and Venezuela. Finance, insurance, and pension-management investments were followed by oil extraction, telecommunications, transport, and finally by electricity, water, and gas, all of which gave prominence to Spanish state-owned companies, that is, Repsol, Telefónica, Iberia, Endesa, Iberdrola, Fenosa, Aguas de Barcelona, and Gas Natural (Arauetes 2002). For the EU, reinforcing trade and economic relations was fundamental to offsetting the position and leadership of the United States globally, and also in LAC after the signature of the North American Free Trade Agreement (NAFTA) and the launch of the Summit of the Americas in 1994, and the 1998 project to establish a Free Trade Area of the Americas (FTAA). Furthermore, at the time, this free-trade agenda was warmly supported by market-oriented governments throughout LAC.

¹⁰ 'La UE, Mercosur y Chile se comprometen a crear sin plazo fijo un área de libre comercio,' *El País*, 29 June 1999.

The 1990s were years of economic and political transformations in this region. Starting with political liberalization as countries underwent democratic transitions, by the mid-1980s, and after more than fifty years of protectionism and closed markets, LAC countries undertook structural adjustment programmes aimed at promoting economic and trade liberalization. This entailed exploiting a wide range of external relationships, including in regional, inter-regional, and multilateral arenas as countries charted a new course towards international integration (Bianculli 2017). Privatization and (de)regulation shaped the opportunity structure for Spanish investors and for the EU. LAC was not only particularly attractive, but also interested in this new push for free trade.

Even though there was an institutional framework in place by this time, as the twentieth century was coming to an end, the Iberoamerican summits were starting to lose steam. To curb this trend but mainly to respond to the spectacular increase in Spanish investments in the region, Spain led—rather unilaterally—the institutionalization of these summits through the creation of the Secretariat for Iberoamerican Cooperation (SECIB) and its constitution as an international organization in 1999. The Spanish executive was more interested in the economic dimension of Iberoamerican relations, and would thus increasingly connect the Iberoamerican process to its domestic agenda while using this institutional framework to manage those material interests (del Arenal 2011b). Spain found a central position as the leader of the Iberoamerican and the EU–LAC summits. As diplomatic dialogue at the highest level, both events had great symbolic value for Spain, and the government expected positive mutual feedback from both processes.

During the 2002 Spanish EU presidency, the first under a PP government (José María Aznar), Spain maintained its efforts to act as bridge-builder between the EU and LAC. That same year, Spain led the organization of the second EU–LAC Summit in Madrid. Results were mixed: the association agreement with Chile was concluded,¹¹ but there was no deal with MERCOSUR. Apart from underscoring political relations, these agreements were aimed at further strengthening economic and commercial exchanges with LAC. This showed the limitations of Spanish leadership within the EU, but also the extent to which the conservative administration had defined the country's interests in LAC—and consequently in Iberoamerica—as predominantly economic and financial. This raised domestic reactions as the PSOE criticized the marked business character of Aznar's policies towards LAC, all of which negatively affected its image in the region.¹² Spain's strategies also faced growing difficulties in LAC especially after Argentina fell into a severe economic and social crisis in December 2001, which seriously affected Spanish economic interests, and Brazil's and Uruguay's political and economic stability during the early 2000s. Criticisms and challenges mounted as the new century advanced.

¹¹ Following the former Association and Free Trade Agreement established with Mexico in 2000.

¹² 'Los socialistas califican de "caciquil y oligárquica" la política exterior del PP', *El País*, 30 November 1999.

41.5 FROM APOGEE TO DISAPPOINTMENT IN THE SPECIAL RELATIONSHIP

The strategy of the new socialist government under Rodríguez Zapatero towards LAC was imbued with an idea of ‘repairing damages’ in an attempt to restore Spain’s image in the region and move beyond the strong business character of the previous administration (Barbé 2009). LAC was framed within the more general principles guiding its foreign policy, and which included solidarity, social justice, and multilateralism. While relevant, in practice the idea of an Iberoamerican community remained elusive, and the actual implementation of the change turned out to be more complex than initially envisaged.

The ICN was revamped under the joint or collective leadership of the Iberoamerican process with Portugal and some LAC countries. This strategy included two main tasks. First, the consolidation of the newly created SEGIB, headquartered in Madrid, and the appointment of Enrique Iglesias (former president of the InterAmerican Development Bank), to assure continuity between summits and enhance the role of both the SEGIB and the summits as an arena for political dialogue and coordination (Sanahuja 2013). Secondly, the new administration gave the ICN a new social imprint, thus coming closer to the ideas that were gaining ground in LAC as the region moved away from neoliberalism and towards more inclusive policies. Social and political agendas, including migration, social security, and South–South cooperation, gained prominence. Yet subsequent summits experienced difficulties as shown by the increasing reluctance and criticism of some LAC leaders for whom the process was mainly a reflection of Spain’s preferences, and even the absence of LAC presidents. This was especially clear at the 2006 meeting.

As the leading investor in the region since 2005, Spanish interests were more in the economic area. To overcome the resistance at the multilateral level, the government resorted to bilateral dialogue, thus seeking strategic partnerships with countries like Argentina and Chile (2006) and Colombia and Peru (2008), and continuing a strategy inaugurated under the previous conservative government when a similar agreement was signed with Brazil in 2003. Bilateralism also seemed to be the response to the change in the image of Spanish investments and companies in LAC. While this had been positive during the 1980s and 1990s, in 2004, 37 per cent of the population assessed Spanish investments as negative for their countries, with the most discontent in Argentina (Noya 2004). This dissatisfaction was also vocalized by some of the LAC governments, especially with regards to companies having a strong social impact, which accounted for a very significant proportion of Spanish foreign investment in the region, as was the case of the banking sector (BBVA, Santander Group), energy (Repsol, Endesa, and Iberdrola), and telecommunications (Telefónica).

The year 2010 was marked by the twenty-fifth anniversary of Spain’s accession to the EU, the celebration of the EU–LAC Madrid summit, and the ICN meeting. In all, there was a strong interlinkage between the Iberoamerican and the EU–LAC summits as

Spain aimed at consolidating both processes. Yet, in both cases, economic interests prevailed.

The EU–LAC summit under the Spanish presidency of the EU Council in 2010 resulted in relevant initiatives, which contrasted with the meagre results of EU–LAC relations during previous years as EU interest had shifted away from LAC after the 2004 enlargement from fifteen to twenty-five member states, which moved its priorities to Eastern Europe. These achievements were also remarkable in the critical context of the Eurozone crisis that unfolded, starting in 2009.

The Madrid Declaration and the corresponding Action Plan 2010–2012 envisioned initiatives in science, research, and innovation, together with migration, education, and employment, among others. The EU–LAC Foundation also came out of this summit. Made up of the EU and the Community of Latin American and Caribbean States (CELAC), the foundation was established as a space for debate on common strategies and actions to strengthen the bi-regional partnership process and its visibility.

Nevertheless, the main achievements were in the economic realm, where Spain successfully led two important initiatives: the reopening of trade negotiations with MERCOSUR and the establishment of a Latin America Investment Facility (LAIF) intended to mobilize funding for investment projects in infrastructure, environmental protection, and sustainable socioeconomic development. Moreover, negotiations on the first inter-regional agreement were concluded with Central America, and the EU also managed to close a deal with Peru and Colombia, after the failure to negotiate a region-to-region agreement with the Andean Community (CAN). In all, whereas this showed Spanish commitment to the region and EU acceptance of the Iberian country's leadership in LAC agenda (del Arenal 2011b), the 2010 summit suggested a certain ambiguity when it came to the EU's true desire to promote regional integration in LAC.

By the end of 2010, the ICN had held its twentieth summit in Argentina and offered a framework for the celebration of the bicentennials of independence of several Iberoamerican countries. However, for the first time since the first summit in 1991, Spain was only represented by the king, as the then president, José Luis Zapatero, was prevented from attending the meeting because of the economic and social crisis affecting the country. Several LAC presidents were also absent.

Over time, these tendencies would grow stronger. Spain has certainly promoted bilateral agreements with LAC countries since the early 2000s, moving beyond the inter-regional and multilateral framework. A rather timid strategy at the beginning, it gained steam, and by 2011, Spain had signed eleven bilateral agreements (Hussain 2011). This was compounded under the new conservative government led by Mariano Rajoy by strong 'governmental interventionism' to serve the interests of the corporate sector as Spanish foreign policy was largely defined by the international agenda of Spanish multinationals (Sanahuja 2016).

The Iberoamerican community was a mechanism to push the country's policies in LAC and an instrument to increase its political role, not only in the region, but also in the EU and in other international arenas. Yet, since 2011, the summits have significantly weakened as LAC countries have lost interest in this forum and the number of notable

absences has increased, threatening the effectiveness of the Iberoamerican process as a mechanism for political dialogue. To revitalize the process through a more appropriate involvement of member states, a new reform established biannual summits, alternating with the EU–LAC summits and preventing the risk of summitry fatigue. Other changes, however, seemed to go against the political nature of the summits: the SEGIB was to now have a more technical profile and quotas were readjusted, with lower contributions from Spain and Portugal. These transformations showed less commitment and leadership on the part of the main promoter of the notion of an Iberoamerican community.

Moreover, existing spaces showed signs of debilitation as they failed to reconcile the idea of community and common links with the pursuit of material economic interests as expressed by the marked mercantilization of LAC policy under the so-called *Marca España* in place since 2011 (Sanahuja 2016).

Transformations in LAC also account for the exhaustion of existing policies and mechanisms. First, the turn of the century saw political and financial crises and the emergence of new left or centre-left governments which aimed to put an end to neo-liberalism while championing a more central role for the state and seeking alternative political, economic, and development policies. In time, LAC countries came to display an increasing heterogeneity between right and left-leaning governments, but also within the so-called ‘new left’ governments. The region became fragmented in economic and political terms, making consensus more difficult to achieve. Secondly, this heterogeneity reverberated at the regional level, and new organizations were established that were more appealing and attuned to the interests of these different governments like the Pacific Alliance and Union of South American Nations (UNASUR) (Bianculli 2016). Consequently, a divide between a Pacific, liberal, and market-oriented axis and an Atlantic, more left-leaning one became more apparent. The latter would specifically advocate regional cooperation beyond traditional free trade issues to embrace cooperation in broader social policy areas.

Thirdly, LAC became more vocal and autonomous, as illustrated by the participation of Argentina, Brazil, and Mexico in the G20. Additionally, the region diversified relations away from its traditional partners, that is, the United States and the EU. This was facilitated by the emergence of new extra-regional actors with a growing political and economic role as in the case of China and other emerging trade associates (Korea, India, and Russia). The EU–CELAC summits, an updated version of the previous EU–LAC framework, and which brings together EU member states and all thirty-three LAC countries, have failed to revive the spirit of region-to-region dialogue and the process appeared to be waning since its second, and last, meeting in 2015.¹³ In this context, the EU and, to a certain extent, Spain as well, would lose both its material and ideational or normative relevance. After the 2007–2008 financial crisis and the later subordination of economic and social policies to the primacy of austerity in response to it, Europe was no

¹³ The third EU–CELAC meeting originally scheduled for 2017 was continuously postponed until July 2018, which stands in contrast to the dynamism of the China–CELAC forum that did take place in Chile in January 2018.

longer seen as a progressive actor, strongly advocating social cohesion, democracy, and human rights, or as a model for regional integration. Europe's response to the crisis diverged from the expansive policies being implemented in LAC.

41.6 CONCLUSION

This chapter has analysed the relations between Spain and LAC since 1975. It has shown that the special relations between the two partners have relied on a constant tension between the normative idea of an Iberoamerican community based on strong historical links built over centuries, and the pursuit of material interests through the so-called 'reconquest' of LAC in the late 1980s and early 1990s. Furthermore, understanding the dynamics between Spain and LAC requires focusing on the institutional mechanisms, and the time and context in which these were laid out.

The chapter concludes that whereas this tension has been constant and continuous, over time institutional frameworks turned out to be increasingly limited and, as such, ineffective. In other words, accommodation and compromise between the normative idea of community and economic and material considerations was easily reached in the years immediately after the creation of several domestic institutions, but mainly through the Iberoamerican summits. Additionally, they enabled Spain's leadership both in LAC and in the EU, where the former was capable of shaping and moulding the bloc's agenda and strategies in relation to LAC.

Nevertheless, as the world moved into the twenty-first century, the limitations of these institutional frameworks became evident, especially as Spain's agenda assumed a clear economic imperative for its relations with LAC, making the search for balance and compromise between ideas and interests increasingly elusive. The special relationship has been questioned from many sides, and Spain and LAC appeared to be moving apart.

Moreover, this increasing distance reveals the crisis or at least the exhaustion of a set of policies and instruments that were devised and set up for a different LAC and international context, much more reliant on the expansion of liberal democracy, the market economy, and openness to international trade and investments. These worked during the 1980s and 1990s in a scenario marked by a certain asymmetry in the relationship, where Spain and even the EU appeared to be legitimate models and reliable counterparts. These policies and mechanisms were useful for this background, but not flexible enough to adapt to a more heterogeneous, autonomous, and vocal LAC and to the shifting balance of power both globally and in the region.

These insights raise interesting questions for further research. A first question refers to the marked continuity in Spain's strategies and policies with regards to LAC. Whereas the literature may overemphasize the analysis of policy change, the case explored here brings attention to the lack of change. Exploring what factors explain this stability in LAC policies, despite the above-mentioned transformations, is a relevant research question.

Secondly, Spain-LAC dynamics appeared to have moved from special relations to detachment. Nevertheless, the focus has been mostly on formal and institutionalized policies and mechanisms. The informal dimension of these dynamics remains underexplored. Further research could investigate the networks underpinning these relations, and that bring together various state and non-state actors across the Atlantic. Moreover, a relevant issue would be to determine whether and how these networks could help reinvent the policies and mechanisms for a renovated and updated relationship.

41.7 BIBLIOGRAPHY

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