



Spain before Cuba and its allies of the Latin American left

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Ángel Bermúdez

Lecturer in International Relations at the Universitat Autònoma de Barcelona

Introduction

Two of the most important circumstances the Spanish diplomacy has had to respond to in its relations with Latin America during the 2004 and 2007 period have, on the one hand, been the need to reorient the deteriorated relations with Cuba and, on the other, the emergence of sharply anti-liberal Central and Latin American governments with a leftist orientation.

This article analyses the Spanish response to both situations, linking the argument when relevant to the broader context of the European foreign policy.

Cuba, the double challenge

Spain, since its accession to the European Communities, has played a key role in the definition of the European policy towards Latin America. That role was born both from the historical ties the country maintains with the Latin American continent as well as a deliberate strategy of the Iberian country to increase its weight internationally selling to their European partners the idea that Spain possesses a "privileged relationship" with Latin America.

Over the years, the latter presumption became a reality thanks to the large flows of Spanish direct investment and development aid¹, as well as Madrid's concerted strategy to place Spanish officials in key positions in the European institutions from where they could affect policies toward Latin America².

The European Union's relations with Cuba are one of the areas in which the Spanish leadership towards Latin America has been most evident. Thus, when Spain under Felipe González opted for a policy of cooperation and pressure towards the island, the EU adopted a similar position; and when his successor, José María Aznar, decided upon a hardening of the Spanish positions towards the Castro regime, the EU again followed suit.

From that perspective, perhaps the main novelty in the relations between the European Union and Latin America which the government of José Luis Rodríguez Zapatero has had to deal with has been the fact that since 2004, Spain has encountered difficulties to lead the European position towards Cuba.

Difficulties have arisen primarily from two sources. The first has to do with the 2004 Eastern enlargement which (since May 2004) has added a set of former communist satellite countries to the rank and file of the EU – notably the Czech Republic, Hungary and Poland – which by their recent history maintains a hard line towards the Cuban

regime. The second source relates to the autonomy achieved by Havana in its relation to the EU thanks to the growing investments, commercial ties and aid from Venezuela and China, which has enabled Cuba to shield itself from the Europeans demands for democratization.

To these circumstances one must also add the Aznar government's difficult legacy. When Zapatero arrived at La Moncloa, the relations between Cuba and Spain, as well as between Cuba and the European Union, were seriously damaged as result of the EU sanctions against the island in 2003 following the imprisonment of 75 dissidents and the execution of three men who hijacked a passenger vessel with the aim to flee to United States³.

The sanctions were not working for any positive change and hampered Spanish and European political dialogue with the island. Moreover, the sanctions had proved futile to bring about a change of attitude on the part of Havana.

The lack of political dialogue had, however, left the big economic interests Spain has in Cuba without political coverage policy. These economic interests are sizeable and whose importance and size can be illustrated by the following two facts: 1) Cuba is, in absolute values, the third market for Spain in Latin America, after Mexico and Brazil; 2) Spanish tourism companies manage nearly 22 thousand hotel rooms on the island.⁴

This is thus the scenario with which the José Luis Rodríguez Zapatero's incoming government finds itself with in 2004, and before which it proposes a radical change to try to push the end of EU sanctions and to reposition Spain as a privileged interlocutor with the island.

To achieve the first objective, Spain has had to face resistance and skepticism within the EU such as, for example, from the Netherlands, the Czech Republic, Poland and most of the members from the former East bloc⁵. In January 2005, Madrid achieved, however, a partial victory when the EU Council of Ministers decided to suspend the sanctions. Although it is worth noting that the Spanish victory is partial given that the suspension is deemed as only temporary and submitted to periodic revisions. The EU decision has since been renewed in June 2005 and in June 2006, in spite of the fact that there were no signs of significant political liberalization by the Cuban government.⁶

The second objective is achieved through a bold diplomatic action on the part of the Spanish government: the Foreign Affairs and Cooperation minister, Miguel Ángel Moratinos visits Havana in April 2007. Madrid declares the intention of the trip to be a bid for a reopening of the high-level bilateral political dialogue with Cuba. Another concrete result of the trip to Havana was the announcement of the lifting of veto on intergovernmental cooperation, interrupted in 2003, and the establishment a procedure for political consultations and dialogue on human rights without restrictions.

The Spanish move is risky given that since the suspension of sanctions in January 2005, there had been no progress in Cuba in terms of democratization or respect for human rights to merit a revision of the current status of relations similar to that attempted by Moratinos. It was thus a largely unwarranted "boon" for the Cuban regime. In that sense, the only novelty that had occurred on the island was the replacement of Fidel Castro by his brother Raul, in front of Cuban government. This change, described by many as a mixed deal, has, however, led to the possibility that sooner rather than later a transition on the island will take place. This is essentially why Spain could not continue without ensuring proper political coverage to its major economic interests in

Cuba.

The Spanish Cuban overtures were also considered as bold because they take place without previous consultation with Spain's EU partners. At a posterior meeting in Brussels, Moratinos would insist that his Cuban visit as an act consistent with the Common Foreign and Security Policy (CFSP). Spain's European partners were, nevertheless, divided between those who call for intensifying contacts to foster a peaceful transition (with Italy, France and the European Commission at the helm), and those who are skeptical about the usefulness of dialogue given the few results obtained so far (again Poland, the Republic Czech and Eastern States).⁷

Despite the objections of the latter, the Spanish view on Cuba would, however, finally win the day at the European level, leading to the adoption at the June 2007 EU Council of Ministers of a resolution which, although it is recognized that the "[p]olitical, economic and social Cuba remains essentially the same", the EU states its willingness "to resume a open political dialogue with the Cuban authorities on all matters of mutual interest".⁸ In addition, the resolution point to that the dialogue should cover all possible fields of cooperation and, in that framework, "the EU will signal to the Cuban government their views on democracy, universal human rights and fundamental freedoms". The Council of Ministers also agreed that in order to inquire about the possibility to engage in this dialogue they would invite a Cuban delegation to Brussels.

The not-so-good relationship with the "axis of good"

It has also fallen onto the government of José Luis Rodríguez Zapatero to try to manage the relationships with a number of left-wing governments that, alongside Cuba, have been dubbed by the Venezuelan President Hugo Chávez as the "axis of good." These are the democratically elected governments in Venezuela, Bolivia, Ecuador and Nicaragua, which coincide in their anti-liberal, economic neopopulist political views and style.⁹

Despite the supposed ideological affinity between the socialist Zapatero and the leaders of the countries mentioned, Spanish interests in those states have been subjected to constant attacks which have often not even tried to observe minimum diplomatic form and courtesy.

In the case of Venezuela, the legacy of Aznar – who Chávez accuses to have supported the coup against him in April 2002 – meant that Caracas welcomed the arrival of Zapatero to power after the elections in 2004. However, relations since have undergone ups and downs. There was a sort of "honeymoon" between late 2004 and early 2005, when the two countries signed agreements for the sale to Venezuela of 12 military aircraft and 11 ships (8 military and 3 civilians) for an approximately €1,300 million, in what was described as the "[l]argest single operation of the Spanish military industry"¹⁰, and when Zapatero served as a mediator in the diplomatic conflict between Caracas and Bogota.

In late 2007 during the Ibero-American Summit held in Santiago, Chile, relations would deteriorate, however. In one of the meetings, King Juan Carlos of Spain would let off a not so diplomatic "why don't you shut up?" when Chávez interrupted the turn of speech of Zapatero with insults against José María Aznar.

In the Summits aftermath Spain would become the focus of successive weeks of verbal attacks by the Venezuelan President, including threats of nationalization of Spanish banks operating in Venezuela. The Spanish response was subdued given that in Madrid

– where there was no interest in stoking the controversy and where intuition was that Chávez' disproportioned response had a lot to do with the referendum on the Venezuelan Constitution to be held a few weeks later – the course of action of choice was to normalize relations by lowering the tone and/or avoid responding to Chávez more outrageous statements.

This crisis was a surprise to many, in spite of the fact that Chávez had already alerted to a chill in relations in mid-2007, when he was bothered by Spanish criticism in regards to his arbitrary decision not to renew the concession to the independent television broadcaster RCTV located in Caracas.

A source of constant concern of Spain in its relations with these Latin American governments stems from the tendency for nationalization and unilateral change of the rules under which foreign companies, including Spanish, operate in these countries.

In Venezuela, these policies affected Telefónica, which in 2007 had to sell their shares in CANTV, the main telecommunications company. Another company which was to feel the brunt was Repsol, which in 2006 lost control of its projects in that country, when it was forced to become a minority partner of the Venezuelan state oil PDVSA.

The so-called "energy nationalism" also characterize the Bolivian government of Evo Morales, who just four months after its arrival at power and with the participation of the Bolivian armed forces, implemented his plan for nationalization of the hydrocarbon industry. Repsol was affected again, but this time doubly. Apart from loosing their share in the oil industry, several Repsol top executives were also charged by the Bolivian Prosecutor for smuggling, an accusation which would later be rejected by the courts. The onslaught against Repsol forced to Madrid to implicate the Vice President of the Spanish Government, María Teresa Fernández de la Vega, the Secretary of State for Latin American Affairs, Bernardino León¹¹ (who made two trips to La Paz), the Foreign Minister, Miguel Ángel Moratinos, and even the President himself Rodríguez Zapatero, who held a meeting with Evo Morales to settle existing differences.¹²

Faced with the burgeoning energy nationalism, Spain received support from the European Union, whose leaders took advantage of the EU - Latin America Summit held in Vienna in 2006 to warn Latin American governments about the negatives consequences of such acts.

The Spanish position was openly shared by the then Prime Minister British Tony Blair, the Austrian Chancellor Wolfgang Schüssel, the German Chancellor Angela Merkel, the Commissioner for External Relations Benita Ferrero-Waldner, and the President of the Commission José Manuel Durao Barroso.

In early 2007, Ecuador and Nicaragua joined the alliance of Cuba, Venezuela and Bolivia. Although the Ecuadorian President Rafael Correa participates fully in the move toward using energy for nationalistic purposes, we should say that there are elements to doubt about the depth of these governments involvement in the "axis of good", given their reluctance to join the Bolivarian Alternative for the Americas (ALBA) and their relative moderation in terms of confronting the US.

In the last half of 2007, the Ecuadorian government adopted a decree to increase the portion of extraordinary earnings from oil that must be paid to the state coffers from 50% to 99%, leaving transnational companies operating in the country with only 1%. Similarly, Correa decided to change the regime under which foreign oil companies

operate in order to have these become mere service providers. Repsol once more found itself affected.

Beyond the energy field, the Ecuadorian government announced the revision of the licensing of foreign companies, a process that could affect Telefónica and Repsol among other companies. This led to the Spanish Vice President, Fernández de la Vega, to require that Correa clearly define what the new rules of the game were before reviewing licenses.

A central theme in the Hispano-Ecuadorian relationships is immigration, since the Ecuadorian community in the Iberian country is the second largest after the Moroccan. In this area there have been converging interests between the two governments, which have agreed upon a program to encourage the "voluntary, dignified and sustainable" return of immigrants, pushing family reunification in Ecuador and not in Spain.

As for Nicaragua, the government of Daniel Ortega made a common cause with Chavez in attacks on Spain during the Ibero-American Summit in Chile. At that time, the Nicaraguan President aimed its guns at the Spanish energy company Unión Fenosa, which was charged with settling in Nicaragua through acts of corruption. In addition, during a mass meeting held following the conclusion of the Summit, he accused Europe of being part of the global dictatorship of capitalism".¹³

It should be noted that the Nicaraguan government, unlike Venezuela, opted for easing the return to normalcy in relations with Madrid once the Summit concluded.¹⁴

Conclusions

The balance sheet of Spain's relations with Cuba and its partners in the "new" Latin American left during the period 2004 to 2007 is complex. Regarding Havana, there has been significant progress in repositioning Madrid as a privileged partner and, in spite the resistance encountered, Spain has managed to maintain leadership in the definition of the European policy towards the island.

In the case of other governments in the "axis of good", Spain has acted in a more reactive fashion and tried to control damages caused by the unilateral changes of rules, to energy nationalism and the victimizing speech that characterizes these governments. As for the Spanish legislature to come (2008 – 2012), the Spanish government should continue to work with discretion, patience and agreement with companies interested in defending the necessity of establishing a more stable framework of rules that would reduce the Spanish exposure and risk to Spanish investments to the vagaries of neopopulism.

Notes

¹ An example of the magnitude of these flows is in the plan that governs cooperation Spanish development for the period 2005 to 2008, which states that 70% of the resources are destined to 10 countries in Latin America, cf. "La ayuda española al desarrollo se centrará hasta 2008 en una decena de países latinoamericanos", *El País*, 9 June 2006.

² This tendency began in 1989, during the tenure of Jacques Delors in the European Commission, with the appointment of Abel Matutes as commissioner for Latin American Affairs, and continued

during the Santer Commission in 1993 with the appointment of Manuel Marin as commissioner in charge of Development and Cooperation.

³ "El Gobierno cubano ejecuta a tres hombres que secuestraron una embarcación para huir a EEUU", *El Mundo*, 12 April 2003.

⁴ Cuba, commercial and economic report prepared by the Spanish economic and trade office in Havana, February 2007.

⁵ "Bruselas dice que la UE en bloque debe reanudar el contacto con Cuba", *El País*, 6 January 2005.

⁶ In June 2006, the EU Council of Ministers reviewed the situation in Cuba and did not find improvement of the situation but rather a worsening during the previous 12 months: "[t]he Council regrets the continued deterioration of the human rights situation in Cuba since the previous evaluation in June 2005. The Council notes that, according to Cuban human rights defenders organizations, the number of political prisoners in Cuba has increased during the last twelve months, reaching a figure of more than 330 documented cases".

⁷ "Bruselas afirma que la visita no contradice la postura de la UE", *El País*, 3 April 2007.

⁸ Council of Foreign Ministers of the European Union, Press Release 10657/07, June 18, 2007.

⁹ In connection with neopopulism, Francisco Rojas Aravena has indicated that it is a phenomenon that manifests itself in a kind of leadership in which the role of institutions is very limited, as it is based on direct communication between the leader and people (...) This speech and policy response possess the ability to generate major mobilizations. Populism is a catalyst for instability and deepens the crisis of representative democratic institutions. The change in the rules, deinstitutionalization, the concentration of power and clientelism are transformed into recurring political expressions. Francisco Rojas Aravena, "El nuevo mapa político latinoamericano", *Nueva sociedad*, number 205, 2006.

¹⁰ Finally, the sale of the planes could not be finalized because they were using American technology and Washington did not give his approval. "EEUU impide definitivamente que España venda aviones a Venezuela", *20 minutos*, 18 October 2006.

¹¹ Foromed, *Declaración de Alicante sobre Oriente Medio*, octubre de 2006.

¹² "Morales rectifica sus críticas y encauza el diálogo con Zapatero sobre los hidrocarburos", *El País*, 13 May 2006.

¹³ "Ortega dice que Europa es parte de la dictadura del capitalismo", *El País*, 11 November 2007.

¹⁴ "Relaciones entre Nicaragua y España siguen normales", *El Nuevo Diario*, 12 November 2007.

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