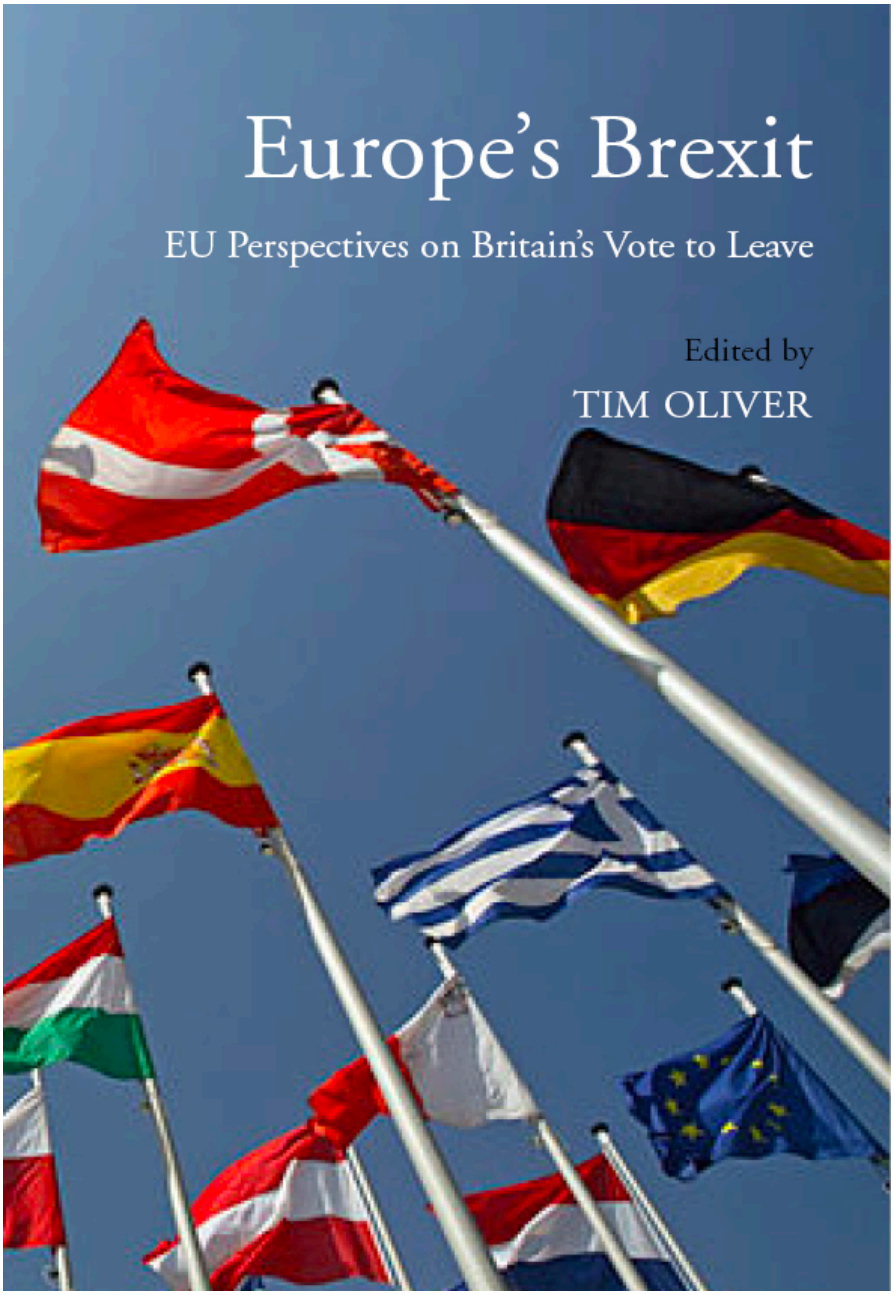

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Iberia

Spain: **Laia Mestres**
Institut Barcelona d'Estudis Internacionals (IBEI), Barcelona

Portugal: **António Raimundo**

University of Minho, Braga[1]

Introduction

Both Spain and Portugal are strongly pro-European countries. After decades of relative isolation and socio-economic backwardness under authoritarian rule, in 1986 they simultaneously joined the then European Community as a way to support their democratisation, modernisation and international reorientation (see Royo and Manuel, 2003). Since their 'return to Europe', the two countries have been committed EU members, both being part of the Schengen and Euro areas as well as supporting advances in foreign and security cooperation. Located on the southern fringe of Europe, with less developed economies than their Northern partners, but with rich national histories that give them special ties to many countries around the world, the two Iberian neighbours have often held similar views and worked closely together within the EU, particularly for greater social and economic cohesion as well as stronger relations with countries around the Mediterranean and in Latin America.

Madrid has, however, embraced deeper European integration in a more determined way than Lisbon, particularly on security and defence matters. While Spain has tended to be closer to a more Europeanist line as seen in countries such as Germany and France, Portugal has shown more affinities with the Atlanticist leanings of the Netherlands or the UK. Greater Atlanticism has been a way for Portugal to try and differentiate itself from its bigger and only neighbour as well as balancing more continentalist perspectives in Europe in general (see Algieri and Regelsberger, 1996; Rodrigues and García Pérez, 2011).

Both countries also have important socio-economic links with the UK, especially in trade, migration and tourism. However, while Portugal has historical ties of friendship with Britain, based on a centuries old alliance that is now mostly symbolic but still valued, Madrid and London have kept a relatively low profile diplomatic relationship, in part a result of the deep-rooted dispute over Gibraltar. It is against this backdrop that Spain and Portugal approached Britain's renegotiation, referendum and vote to leave the EU.

[1] Part of António Raimundo's research was conducted under a post-doctoral grant (SFRH/BPD/99579/2014) from the Fundação para a Ciência e a Tecnologia (FCT).

Spain

The debate in Spain about the UK's departure from the EU must be viewed against the backdrop of two factors. First, the severe economic crisis that began in 2008 and which took a toll on the lives of Spaniards. Second, an inward-looking attitude towards EU decision making adopted in recent years by Spain's government. Even though it is the fifth-largest EU member state, these two factors led to a significant reduction in Spain's room for political manoeuvre in the EU and returned the country to the periphery of Europe (Molina, 2011).[2]

Despite this complex economic and political situation, Europeanism still defines Spaniards' attitudes on foreign policy. Unlike other EU countries, no Eurosceptic party has emerged, nor have the main political parties or other social organizations developed any anti-European discourse. Spain and Britain can therefore be understood as homes to two diverging visions about the meaning of European integration and their roles within it. While London always defended its 'opt-outs' and pushed for 'less Europe', Madrid's only motto was 'more Europe' as both political and public opinion considered EU membership as the solution for the problems Spain could face anywhere and anytime.

It should therefore come as no surprise that as a matter of policy the Spanish government has sought a flexible response to Britain's renegotiation and exit demands, provided they do not affect the DNA of the EU. Economically the Spanish-UK relationship has become increasingly significant in terms of trade, direct investment, tourism, fisheries, and as result of the number of Britons living in Spain, which are by far the largest group of British expats in any European country (Chislett, 2017). Such economic and population links shaped Spanish hopes for an amicable deal with the UK over its renegotiation and now over an exit, albeit where in the latter the four freedoms and the status of Gibraltar will be at the crux of negotiations.

The renegotiation: A flexible but Europeanist response to a potential Brexit

The Spanish government sat out the EU's debate about the UK's demand for a renegotiated relationship until David Cameron visited Madrid as part of his second tour around European capitals in September 2015. Even though Spain was seeing the first signs of economic recovery, this did not prevent the Spanish government from keeping a very low profile on almost any topic on the EU's agenda. In a joint press briefing between both Prime Ministers in the Moncloa Palace, Prime Minister Mariano Rajoy called for the UK to remain in the EU and supported the pro-free trade and liberalizing agenda proposed

[2] As Alicia Sorroza Blanco stated, 'new frontiers cross Europe: divisions between creditors and debtors, North and South, periphery and centre.' Spain is placed at the weak side of each dichotomy. (Sorroza Blanco, 2014).

by Cameron. He avoided expressing any complaint about proposals to restrict the rights of EU citizens living in or planning to move to the UK.[3]

Being both Conservatives, Spanish and British Prime Ministers shared similar interests in enhancing the single market, cutting red tape for small businesses and being supportive of EU trade deals, in particular with the USA. This constructive stance was enhanced by the strong economic interdependence between the two, with Spain running a large trade surplus with the UK, its fourth largest market for goods and services.[4] Conversely, the UK was the main destination for Spain's direct investment in 2016, which had led to Spain's Banco Santander becoming the UK's third-largest financial organization and the merger of British Airways and Iberia producing Europe's third largest airline. What is more, nearly sixteen million Britons visited Spain in 2015, with one million of them having a second home along the Spanish coastline.

Spain remained silent on topics related to politics and migration rights. Discreetly, however, the Spanish government dismissed any proposals whose goal would be to limit the freedom of movement in the EU or would directly restrict social benefits to Spanish citizens in another EU member state (ECFR, 2015). This is paradoxical because the balance of immigration between the two is favourable to the UK (Eurostat, 2016; Casciani, 2016). More Britons live in Spain than Spaniards in the UK. Even though official registrations differ from the real numbers, 308,000 Britons officially reside in Spain and can access social and tax benefits such as healthcare services, while around 100,000 Spaniards live in the UK (the third top nationality for National Insurance Number Registrations in 2014 (ONS, 2014)). As a result, the Spanish government started to defend the need to find an element of reciprocity between both countries in dealing with access to the benefit systems available to EU citizens. But it was not until the February 2016 European Council that Spain voiced the need to maintain the free movement of workers within the EU for work purposes, with non-discriminatory access to social benefits and the need to avoid any retrospective measure effecting Spanish citizens then currently in Britain. This was eventually included in the EU-UK renegotiation agreement, although only applicable if the UK voted to remain in the EU.

As far as the question of treaty change was concerned, there was no public discussion in Spain. The main Spanish political parties agreed that with the EU in turmoil any intergovernmental negotiation among 28 member states would be like opening Pandora's Box. However, Madrid accepted that if London needed more opt-outs in order to remain in the EU, then the other 27 EU member states would have to show enough flexibility to accept it, and even push for it. While Spaniards have always been fearful of a 'Europe à la carte' because of the possibility of Spain ending up outside the core of the EU, this

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[3] Mariano Rajoy claimed that it would be 'a step backwards' and 'something unthinkable' for the UK not to form part of the EU (Gobierno de España, 2015).

[4] Spain has had a trade surplus with the UK almost every year since 2002. According to Spain's Economy Ministry, the two-way trade of goods between Spain and the UK rose from €12.3 billion in 1995 to €30.2 billion in 2016 (Chislett, 2017).

renegotiation process led to widespread acceptance that differentiated integration might be an option for some countries less committed to European integration.

The referendum campaign: Little popular interest because of political paralysis

The UK's referendum campaign was held in between two Spanish general elections that took place in December 2015 and June 2016. Spaniards therefore did not pay much attention to what was happening in the UK, being more concerned with domestic issues. There was also a widespread feeling of political paralysis due to a hung parliament, uncertainties in government formation and the never-ending airing of corruption scandals. According to a survey carried out by the CIS state research institute in May 2016, citizens were mostly concerned with unemployment and other economic problems, fraud and corruption and also party politics (CIS, 2016). In this context, the British referendum campaign was almost absent from the agenda of Spanish political parties and public opinion.

Although a slow and fragile economic recovery seemed to be gaining pace, the domestic political crisis kept Spain locked in the aforementioned inward-looking attitude towards the future of the EU. Only a general statement was repeatedly voiced by members of the care-taker government: if the 'leave' option won the referendum it would be 'bad news for the United Kingdom, for the British people, for Europe and for all European citizens'. (Gobierno de España, 2016a). This feeling was widely shared by public opinion as shown in several polls conducted by the Madrid-based think tank Real Instituto Elcano. Even in 2013, a majority of Spanish citizens felt a UK withdrawal from the EU would have negative consequences for the UK (48 per cent), for Spain (59 per cent), but mainly for the EU (66 per cent). In 2015, Spaniards were still optimistic and almost 60 per cent believed that the UK would remain in the EU while only 26 per cent felt that a 'leave' option would win a referendum (Real Instituto Elcano, 2015).

Spaniard's little popular interest in the referendum campaign did not mean that it was not followed in Spain. There was a growing anxiety among Britons living on the Spanish coasts about the direct implications of a British EU exit on their daily lives. Gibraltarians were understandably very interested. As EU citizens, Britons in Spain had access to healthcare (as holders of the EU health insurance card), public services, and social and tax benefits such as unemployment benefits. If the UK left the EU, then questions would arise as to whether Britons resident in Spain would retain the rights and conditions as provided by EU law. Access to such services and rights was a leading concern for British residents in Spain since Spanish authorities estimated that as many as half of the 300,000 Britons officially registered were over the age of 50 (ECFR, 2015). Sadly, those concerns appeared to receive more coverage in the lifestyle sections of the Spanish and British media than in the politics ones.

The referendum results: Showing Europeanism while coping with a debate on Spain and Europe's borders

The referendum result was seen from the very first moment through the lens of domestic politics rather than through the lens of European integration or disintegration. It is likely that the Leave victory had some electoral influence in Spain. Only three days went by between the UK's referendum on 23 June and Spain's second General Election of 26 June. No opinion polls can prove to what extent the vote for Brexit affected Spanish voters' intentions, mainly because Spaniards do not closely follow international or European developments and are therefore unlikely to change their vote based on it. But the confusion sweeping Europe in the days following the vote also spread to Spain and some argue that the fear of knock-on domestic and European instability made Spaniards vote in a more conservative way than they had six months before.[5] During the electoral campaign, Mariano Rajoy had linked Brexit to populism in a clear reference to his opponents, the anti-austerity party Podemos. Attention to the Brexit vote may also have been driven by the vote severely hitting Spain's stock market, which fell more than 12 per cent the day after the vote (Heller, 2016).

Beyond declarations of sadness at the prospect of Britain's departure from the EU, the Spanish government's assessment of the result also noted opportunities to reaffirm the country's commitment to 'more Europe'. Indeed, the Spanish Foreign Minister, José Manuel García-Margallo, stressed in a newspaper op-ed that 'the post-Brexit EU should not be that of fear and paralysis but that of movement and initiative' and defended the idea of a 'United States of Europe' as the only destination for the EU (García-Margallo, 2016). Rajoy would also add that 'Spain would remain at the cutting edge of European integration' (Gobierno de España, 2016b). This traditional Europeanist position evolved into a more realistic one by the time the UK government triggered Article 50 and the European Commission presented its White Paper on the Future of Europe. Spanish authorities realized that Brexit could become an opportunity for the country to consolidate a seat at the EU's core, together with Germany, France and Italy. As a result, the discourse moved from sometimes naïve talk of European federalism to a willingness to contribute to a multi-speed Europe where Spain could be part of the new 'Big Four' (Morillas, 2017).

The possibility of Brexit also effected the ongoing questions over Catalonia and Gibraltar, both of which could have geopolitical consequences for Europe. On the one hand, aspirations for Catalan independence have long had parallels with Scotland and the intention of many supporters of Scottish independence for it to become an independent state inside the EU. One of the first statements of the Spanish government once the referendum result was made public related to the Scottish question: 'If the United Kingdom

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[5] For instance, Eva Anduiza, Professor of Political Science at the Autonomous University of Barcelona, argued that Brexit had contributed to uncertainty in the last hours of Spain's electoral campaign (Anduiza, 2016). The international affairs expert, Francesc Badia, defended the idea that 'many Spaniards, perhaps shocked by the fear of Brexit's consequences for their own stability, defeated their own prospects of seeing progressive political change in their country. One out of three of those who voted on June 26, voted conservative' (Badia, 2016).

leaves the EU, so does Scotland' (Financial Times, 2016). This was a clear message to Edinburgh but even more so to Catalan pro-secessionist parties. However, the tone of discourse gradually changed and when Alfonso Dastis, a career Spanish diplomat and Brussels expert, replaced José Manuel García-Margallo as foreign minister in November 2016 he admitted the two cases were not comparable on constitutional grounds and Spain would not block any independent Scottish application for EU membership (Rankin, 2017).

On the other hand, the long-standing historical conflict for the Rock of Gibraltar abruptly became again a matter of bilateral conflict. The tension between Spain and the UK for Gibraltar had to some extent been Europeanized since Spain's EU accession in 1986, even if the sovereignty question remained under the UN umbrella. Brexit will return the issue to a bilateral one. With 95.9 per cent of Gibraltarians casting their votes in favour of remaining in the EU and around 8,000 Spanish nationals crossing the border every day to go to work on the Rock, Spain tabled a proposal for joint sovereignty over Gibraltar, which was not well received by the UK government. The proposal, submitted to the Fourth Committee of the UN General Assembly, also included dual nationality for Gibraltarians, political autonomy and a special statute within the EU, where Gibraltar's access to the single market and the other EU freedoms would be ensured (Permanent Mission of Spain to the United Nations, 2016).

The tension between Spain and Britain flared again when Theresa May's letter to Donald Tusk in which she triggered Article 50 made no mention of Gibraltar. However, Prime Minister Rajoy was successful in inserting into the April 2017 European Council guidelines for Brexit negotiations that: 'After the United Kingdom leaves the Union, no agreement between the EU and the United Kingdom may apply to the territory of Gibraltar without the agreement between the Kingdom of Spain and the United Kingdom'. In this sense, Spain's short term goal is to end with the unfair competitive practices against Spanish businesses that Gibraltar currently enjoys as a condition that Spain had to accept when joining the EU (González, 2017). Needless to say, the long term goal would be the decolonization of that part of the peninsula. As tensions escalated, some figures in the UK started to speculate about the possibility of a war between the two countries, comparing Gibraltar with the 1982 Falklands war. This greatly exaggerates its importance. 'In reality, the Brexit negotiations between the UK and the EU are of such magnitude and include so many actors that Gibraltar appears only as a minor hurdle at the end of the process' (Ortega Carcelén, 2017).

For many in Spain the biggest consequence of Brexit lies in the economic costs. A government internal report leaked to *El País* predicted 'negative consequences' from Brexit, especially for key sectors such as agriculture, fishing, the automotive industry and tourism. Moreover, the government quantified the cost for Spain of a 'hard Brexit' at up to €1 billion in lost exports (Pérez, 2017). As a result, the Spanish position at the start of the formal EU-UK negotiations was to maintain the economic status quo as far as possible, including trade and agriculture agreements with full access to British and European markets (Cortes Generales, 2017: 7).

The Spanish government will need to balance economic needs with the political questions about the future of Gibraltar, Catalonia and further European integration. Bilaterally, Madrid's interests in a soft Brexit are broad and numerous, ranging from economics through to the protection of Spanish citizens' rights. But this is only one part of the calculations in Madrid. The other is about Spain's place in a post-Brexit EU, with Spain moving to fill the vacuum left by Britain while making up for its inward looking approach over the past years. In sum, (bilateral) reciprocity and (multilateral) Europeanism are the words that encapsulate Spain's position towards Brexit.

Portugal

The prospect of Brexit is far from good news in Portugal. Over the past four decades greater European integration has been a top priority for the small Iberian country, which has tended to see in the EU a guarantee for its democratic status, a key support for its socio-economic modernisation, as well as a boost for its international leverage. Despite a less voluntaristic and more critical national mood towards the EU since the turn of the century, particularly linked to the Eastern enlargement and the austerity imposed as a result of the Eurozone crisis, a commitment to the EU has over the years benefited from a broad support at elite and societal level (Ferreira-Pereira, 2014; Teixeira and Pinto, 2012). Therefore, the possibility of one of the largest member states leaving the EU, and as a result damaging its standing and prestige globally as well as carrying the risk of further disintegration, caused serious concerns in Lisbon. But beyond a relatively strong commitment to European integration, throughout the years the country has also shown a preference for an EU which is solidary, inclusive and open to the world, reflecting Portugal's own relative backwardness, peripheral location in the continent, and self-image as a Euro-Atlantic state with a universal vocation (Cravo, 2012). Thus, a widespread perception that Brexit will change the EU's nature compounded national anxieties. In particular, Portugal fears that as a net recipient from the EU budget it could suffer from the withdrawal of an important contributor. From a geopolitical perspective, Lisbon is also worried of losing a counterweight for balancing other European powers and a partner for promoting more Atlanticist views. While the 'world's oldest alliance' (dating back to the 1386 Treaty of Windsor) has lost much of its past importance, in strategic matters Portugal and Britain have held close positions within the EU, not least in defending NATO primacy against more continental visions (Newitt, 2009; Robinson, 2016). Finally, as further detailed below, important socio-economic ties between the two countries, currently regulated mainly through the EU framework, provide additional explanation for the cautious and balanced stance Portugal has so far adopted in the Brexit process.[6]

The renegotiation: keeping the UK in without eroding the EU

[6] According to official figures, Portugal has had a trade surplus with the UK, which is among its top trading partners. In 2015 Britain was Portugal's fourth main client (accounting for almost 10 per cent of its total exports) and its fifth main supplier (representing around 5 per cent of its total imports). In that year more than 2,600 Portuguese companies operated in the UK.

Portugal's overall position on the UK-EU renegotiation was fairly positive and relatively open, but not without limits. Being strongly in favour of Britain's permanence in the EU, Lisbon's authorities demonstrated a willingness to accommodate the British position. However, this flexibility was matched by some important conditions, which highlighted Portugal's enduring commitment to the European project as well as the need to protect specific national interests. Among those caveats were the rejection of treaty change and the preservation of core EU principles, chiefly freedom of movement and non-discrimination (Ministério dos Negócios Estrangeiros, 2016a: 14). It should be noted that while the British initiative was received with great misgivings among Portuguese elite circles, Lisbon authorities presented the renegotiation as not being a priority. The country's attention was at the time more focused on other pressing issues, such as the Eurozone crisis, the situation in Ukraine, the migration/refugee waves, international terrorism, together with Portugal's own economic troubles and its general election, which took place in October 2015. As a result of this election the right wing coalition, led by the pro-European Pedro Passos Coelho, which had followed a tough programme of reforms, was replaced by the also pro-European, but 'anti-austerity', centre-left minority government of António Costa, supported in Parliament by smaller parties on its left. This change of government produced no major variation in Portugal's general approach in the renegotiation, apart from a greater attention to its social dimensions.

Regarding the specific reforms sought by Britain, Portugal's general stance was a compromising one, but it was more firm and vocal on economic governance and, especially, on immigrants rights. As for many other member states, the reform proposals on competitiveness and sovereignty posed no particular problem. On economic governance, Portugal's stance was careful and nuanced. While showing some sympathy towards the position of non-Eurozone members, it also sought to make sure that the guarantees offered to those countries did not hamper deeper integration within the Eurozone area. Portugal's contribution to the June 2015 European Council discussion on the topic expressly stated that 'the reform of the Euro area's architecture should bridge the institutional divide between the Euro area and the rest of the Union' (Governo de Portugal, 2015: 2). However, ahead of that same European meeting, the then Portuguese Prime Minister, Passos Coelho, also informed David Cameron that the need for greater integration in the Euro area was one of Portugal's red-lines for the upcoming UK-EU renegotiation. This position did not change under the government of António Costa, who during the national discussions that preceded the February 2016 European Council stressed that it was 'very important' for Portugal to ensure a sustainable coexistence between the Euro and non-Euro areas that does not jeopardize the soundness and viability of the Euro. On that occasion he also mentioned that 'differentiated rules on financial legislation should only take place when strictly necessary, avoiding compromising the integrity of the internal market' (Assembleia da República, 2016: 34). During the intra-EU negotiations, Portugal reportedly aligned with other, more vocal, member states such as France in pressing against a UK 'veto' over Eurozone legislation.

The reform proposal on immigration was the one more openly and strongly presented as problematic by Portugal. Traditionally the country has had a large migrant community living in other EU states.[7] Moreover, in recent years the UK became the main destination of its vast emigration flows, including well-qualified youngsters, pushed by the economic crisis at home. Official numbers say that around 235,000 Portuguese live currently in Britain, but estimates raise that number to 500,000, making it one of the biggest foreign communities in the country. In turn, the UK is the main source of visitors to Portugal, with tourism accounting for around 10 per cent of the country's gross domestic product. In 2015, 20 per cent of its total visitors were British. Besides, in that year more than 17,000 British nationals were officially reported to be living in Portugal, with other accounts putting that figure at around 40,000. Alongside these stakes, which received great coverage in the national media, Portugal grounded its position on the safeguard of core EU principles. In fact, while displaying some understanding towards the British request, from the early stages of the renegotiation process Lisbon explicitly depicted free movement for EU citizens as one of its red-lines. Later, as the details of David Cameron's proposal became clearer, Portugal's position started to be argued also on the basis of non-discrimination. For instance, speaking in the context of the European Council of December 2015, Portuguese Prime Minister António Costa said 'it would be absolutely unacceptable for workers to be discriminated against because they are foreigners or have a shorter residence time' (Ferreira, 2015). Subsequently, Portugal was reported to have joined forces with other more outspoken member sates, such as Poland, for watering down the 'emergency brake' on EU migrants' social benefits.

The renegotiation conclusions were viewed from Portugal mainly as a negative development. The government prudently downplayed the deal's significance, indicating that it was secondary to keeping the UK in the EU and did not compromise European integration. Among the elite reactions reflected the country's different sensibilities, with dominant pro-EU sectors varying between more benevolent and more critical views. While the former current of opinion adopted a pragmatic stance that looked at the renegotiation chiefly as a necessary price for trying to avoid Brexit, the latter followed a more idealistic line openly criticising European leaders for putting at risk the EU and its citizens' rights. In turn, minority Eurosceptic sectors emphasised the EU's contradictions in allowing 'flexibility' for the UK while applying 'strict' economic rules to countries such as Portugal. Moreover, they were highly critical of what they saw as an attack on migrants' social rights and xenophobic discrimination. The tone highlighted by some of the most influential national newspapers was also largely negative, implicitly reproving David Cameron's gamble and stressing the uncertainty added to the future of the EU by leaving the impression of a more unequal and '*à la carte*' EU. Among public opinion, the main feeling towards the deal seems to have been one of concern, owing to its potential implications for the EU and particularly for Portugal's migrants rights. Additionally, the perception of a 'special status' granted to the UK appears to have produced some resentment towards the British 'selfishness' and the EU's 'double standards'.

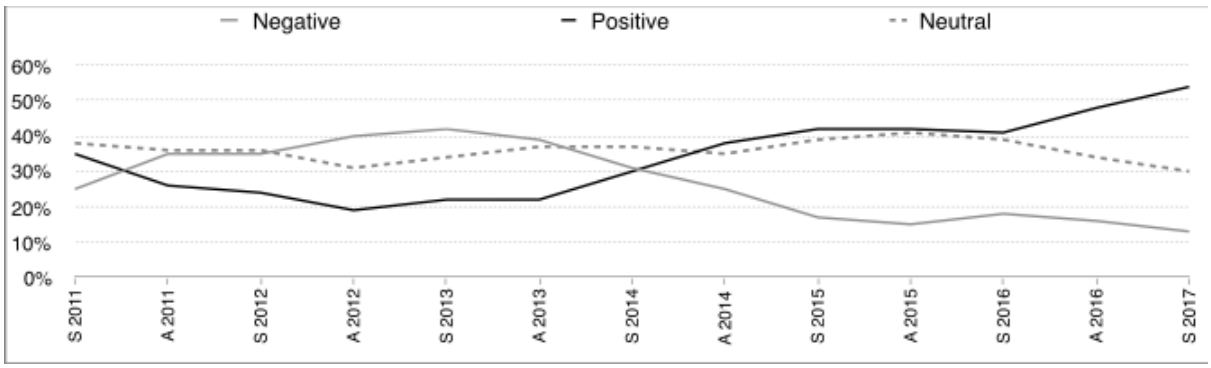
[7] According to Eurostat (2016), in January 2016 Portugal was the fourth EU member state (after Romania, Poland and Italy) with the largest number of citizens living in other EU countries.

The referendum campaign: a secondary concern to more pressing domestic issues

The UK's referendum campaign did not receive much attention in Portugal's politics in general. At the time Portugal's domestic debate was highly centred on the country's economic difficulties and the political viability of its new government, which was formed on the basis of an unprecedented and risky parliamentary alliance among left wing parties. The election of a charismatic and highly popular centre-right President, in January 2016, added to those political uncertainties, especially during an initial phase. According to the Eurobarometer survey (2016), throughout this period unemployment and economic matters in general remained by far the national issues of major concern for Portuguese public opinion, much more than for the EU-28 average. Similarly, Portugal's national debate on the EU was very much focused on economic issues and the relative re-orientation in the country's European policy, that the recently elected government was trying to push forwards. From the beginning of its mandate, António Costa's government claimed a more pro-active stance at the EU level and greater focus on economic growth and employment, while still respecting European commitments. The possibility of Portugal being sanctioned by the EU over missed budget targets also started saturating the domestic debate on Europe during this phase.

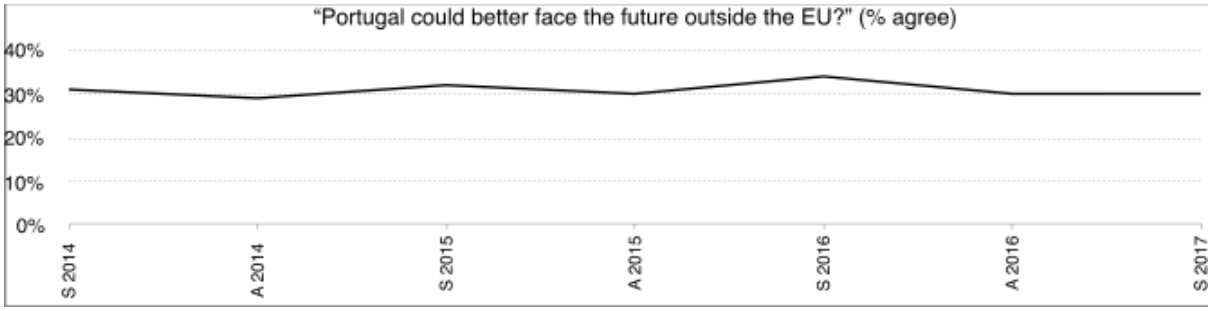
All the above did not imply a lack of concern with the British referendum, especially among Portuguese decision-makers and elites. But the issue in itself was just not much discussed publicly. The sparse references tended to be linked to the broader EU situation, presenting the British question as one more challenging factor, among others. Moreover, the Portuguese government started using the prospect of Brexit as an argument for the changes it wanted to implement at the EU level. Therefore, the official feedback was pro-European, even if critical and reformist. Calls for more debate on Portugal's EU and foreign policy by national opinion-makers during this period also depicted a Brexit as a factor among others, such as broader developments in Europe and the USA. Throughout this phase Portugal's public opinion continued to be mainly pro-European, even if registering a modest increase of those favouring a future outside the EU, which in any case remained by far a minority (see figures 1 and 2). Rather than influenced by the UK referendum, this small shift seems more likely to have been produced by the possibility of EU sanctions, mentioned above.

Figure 10.1 Portugal's public opinion image of the EU



Source: Author's elaboration based on Eurobarometer Standards 75-87.

Figure 10.2 Portugal's public opinion and 'Portexit'



Source: Author's elaboration based on Eurobarometer Standards 81-87.

The referendum results: displaying unity in the face of adversity

The result of the UK's referendum was received in Lisbon with great regret and concern, but also with a mix of prudent and positive pro-European engagement, determined to turn the unwelcome development into an opportunity. Indeed, while emphasising Portugal's historical ties of friendship with Britain and their continuity beyond a possible Brexit, the Portuguese government referred to the outcome as 'a sad day for the EU' and stressed that 'unity' should be its priority at that stage. Rather than more (or less) integration, it optimistically described the outcome as an 'opportunity' for a 'better and more useful' EU, one more responsive to the needs and aspirations of its citizens (Governo de Portugal, 2016; Silva, 2016). From the beginning, Portuguese authorities argued for friendly discussions between the 27 and the UK, rejecting any sort of 'punishment'. Lisbon's objectives for those negotiations were officially presented as being to 'guarantee the continuity and vitality of the European project' and 'preserving a strategic partnership with the UK, both by the new EU and at bilateral level' (Ministério dos Negócios Estrangeiros, 2016b). Portugal has been deeply interested in avoiding any instability that could hurt its fragile socio-economic situation as well as generate further Euroscepticism and disintegration dynamics in Europe. Moreover, it was keen to preserve close ties with Britain, particularly in domains such as the economy and defence, at bilateral and EU levels. These motivations help explain the constructive and bridging attitude Lisbon's authorities adopted. Such a bridging role was explicitly claimed by the Portuguese foreign minister when he publicly stated, after the UK government triggered Article 50, that Portugal's close ties with Britain 'could facilitate the negotiations' (Lusa, 2017).

During the period that followed the British vote Lisbon was also very active defending its own position. As indicated by the statements above, the Portuguese government linked the pressure resulting from the referendum outcome to its own proposals for an EU rethink and change. It did so particularly against the threat of EU sanctions for excessive deficit,

which were looming over the summer of 2016. Moreover, while adopting an overall constructive stance, Lisbon did not refrain from openly pressing the UK to clarify its position, particularly on migrants rights. Other examples included the initiatives that Portugal promoted to prepare itself ahead of the British notification of withdrawal. For instance, in late 2016 the Portuguese government set up an inter-ministerial commission, coordinated by the foreign ministry, in charge of assessing the impact of Brexit on different national sectors. Drawing on the input from different line ministries and social partners, the commission later released a report identifying both risks and opportunities for the country. It should be noted that immediately after the UK vote Portuguese authorities expressed openness for harbouring British investments and other assets wishing to remain in the EU following Brexit, even if more concrete steps in that regard were only taken after Article 50 was triggered.

Looking beyond the government, the political reactions to the UK vote in Portugal showed convergence around adopting a constructive stance in the forthcoming negotiations with the old ally, as well as reviving the national discussion about the future of the EU. Beside those consensual general ideas, there were also a few expectable divergences. Mainstream pro-EU parties clearly reaffirmed their European commitment in the face of this additional, now more tangible, challenge for the Union. However, on the right of the political spectrum there was less willingness to use this pressure to change EU policies, particularly in the economic domain, while more visibility was seemingly given to the possible geostrategic implications of Brexit. In turn, criticism of the EU was stepped up by the minority far-left parties, which together accounted for only 18 per cent of the vote in Portugal's 2015 elections but are part of the parliamentary alliance that supports the government. Without expressly putting into question Portugal's membership of the EU, in the aftermath of the UK vote those parties went as far as calling for a repeal of the Fiscal Compact and the Lisbon Treaty through a referendum or an intergovernmental summit. While this move was mainly motivated by the threat of EU sanctions impending over Portugal during this phase, at least its timing and modus operandi seem to have been partly inspired by the British developments. Meanwhile Portugal's public opinion remained largely pro-European, with surveys even indicating a slight increase in pro-EU sentiment during this period as well as a decrease in the number of those considering that Portugal would be better off outside the Union (see figures 1 and 2).

Conclusion

Sharing a firm commitment to European integration and possessing important socio-economic links with the UK, throughout the period covered here both Spain and Portugal defended an amicable solution for the British question that helped preserve the EU project and prevented them from a loss in their bilateral ties with the UK. Apart from this important convergence, there were also some subtler differences that mirrored in part the variation in the two countries' approach to European integration and the nature of their relations with Britain, mentioned in the Introduction. Thus, as further detailed below, while Spain's reaction was more affirmative and clearly a Europeanist one, Portugal's response was more cautious and balanced.

During the UK-EU renegotiation both countries adopted a flexible, but pro-European approach. Indeed, both Lisbon and Madrid displayed a willingness to accommodate British requests, particularly in the domains commonly understood as less controversial such as competitiveness. However, this openness found important limits for each aspect of the negotiation perceived as likely to undermine the basic nature and functioning of the EU. This is why treaty change and the preservation of core EU principles such as freedom of movement were off limits for discussion. Beyond these commonalities, Portuguese authorities were more outspoken on migrants rights, suggesting among other things Lisbon's intention to leverage its position in the EU-UK negotiations, in contrast to Madrid which preferred to keep a low profile, hoping Brexit would never actually happen. In the end, the renegotiation conclusions were chiefly perceived in a negative way by the two countries, owing to a shared disquiet over a 'Europe à la carte', but finally accepted as a lesser evil.

As regards the referendum campaign, domestic priorities ensured that it received little attention in either country. The then political uncertainty and economic challenges in the two neighbours were of more immediate concern for politicians and public opinion in general. Elite circles and specific sectors of society which expected to be directly affected by a Brexit, were relative exceptions to the rule. In any case, the attitude in Lisbon seemed to be less inward-looking than in Madrid, as from this stage the Portuguese government started using the prospect of Brexit as an argument for the changes it wanted to push forwards at the EU level while the Spanish caretaker government could not define any political initiative, either at the domestic or EU level.

The result of the UK referendum was officially received with regret by both countries. Spain and Portugal had at that moment more tangible reasons to be concerned about the possible negative implications of Brexit for European integration as well as for their ties of socio-economic interdependence with Britain. In that sense, they both clearly reaffirmed their commitment to the European project and argued for constructive negotiations between the 27 and the UK. Moreover, they expressed the shared desire of keeping close relations between the EU and Britain in the future.

However, the doubts about what the EU might look like in the future in the case of a Brexit appeared to be more daunting for the smaller of the two Iberian countries. Indeed, Lisbon reacted with a positive but prudent pro-European engagement, calling for a 'better and more useful' EU, rather than for the already traditional 'more Europe' motto as Madrid did. Whereas Spain's inclinations came as more clearly tilted towards the EU side, Portugal appeared to play a more balanced approach and on the absence of major bilateral issues with its old ally (at least comparable to Gibraltar) in order to assert a bridging role in the negotiations between London and Brussels.

In the context of the discussions on the future of Europe that happened after the British

vote, Spain also came across as more at ease with greater integration and less cautious than Portugal, particularly for more sensitive domains such as security and defence. In the past, the two Iberian countries had been fearful of a multi-speed Europe, as this option could have meant that they would no longer be included in the EU's core. However, with the Brexit horizon, these perceptions changed, at least for Spain which started a more explicit strategy to join a potential new 'Big Four' group, trying to fill the gap left by the UK. In contrast, Portugal, which has always been against the emergence of a 'directoire' of big member states, found Brexit increased reasons to be anxious, even if such a mood is not always openly expressed. In part this reflected Portugal's features as a centralised and cohesive small state, which contrasts with the decentralised and multi-national character of its bigger neighbour.

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