

THE INSERTION OF SPAIN IN THE NEW INTER-AMERICAN STATE SYSTEM

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I. INTRODUCTION.

Latin Americans say that they have a privileged relationship with the United States and with Spain. The United States and Spain also believe they have a special relationship with Latin America, but it is not so clear, however, that they believe to have a special relationship with each other. In this paper, I will explore the triangular relation between Latin America, the United States, and Spain. I will argue that there has been growing consensus on the main issues that constitute the basis of the relationship. All three parties have paid special attention to the promotion of democracy and human rights, good governance, security, and economic cooperation.

The considerable investments made by Spanish firms in Latin America since the late 1980s provided new impetus to the relations between Spain and Latin America. Just like firms from the United States had made important investments in Latin America before, especially since the end of the Second World War, Spanish firms invested billions in the region each year since 1989, making Spain the single largest investor in Latin America in the late 1990s, ahead of the United States. (Durán Herrera, 1996, 1997, 1999; Casilda Béjar, 2003).

There is abundant literature on the relationship between investments and politics. This is an important sub-field of analysis within the discipline of International Political

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Economy. However, three important schools stand out because they framed the debate for subsequent discussions. Structuralist Immanuel Wallerstein applied the concept of the international division of labor to international relations and concluded that there exist three different regions, namely core, semi-periphery, and periphery. The core develops through the extraction of surplus value from the other regions. The multinational enterprises play the crucial role of establishing the international division of labor. (Wallerstein, 1979) Andre Gunder Frank added that the multinational enterprises channel surplus value from the periphery to the core. (Frank, 1974) A country's foreign policy was an instrument for the firm to pursue its objectives, mainly to open up new markets.

Robert Keohane and Joseph Nye took a liberal approach and argued that in a world of "complex interdependence" the channels that connect societies have grown and limit the power of the state in international relations. One of the main channels uniting societies is economic relations, mainly trade and investment. Liberals take a Kantian approach and argue that the more intense the economic relations among countries, the lower the likelihood that an armed conflict may arise among them. From this perspective, the investments of Spanish MNEs should lead to closer and smoother political relations between Spain and the Latin American countries where the Spanish firms made their investments. The growth of economic relations would later "spill over" into other fields, strengthening other types of relations among countries, such as political, defense, or cultural cooperation. (Keohane and Nye, 1977)

Robert Gilpin departed from the liberal emphasis on the autonomous evolution of firms, and from the Marxist notion that foreign policy is an instrument for fulfilling the needs of corporate enterprise. He claims that the success of the MNEs is dependent upon particular patterns of political relations. Thus, he claims that the spread of U.S. MNEs was preceded by the creation of a political sphere of influence by the United States among the non-communist countries. Thus, from his perspective, the investments of Spanish firms in Latin America should be preceded by an aggressive foreign policy of the Spanish State to pave the way for the economic expansion of its firms there. (Gilpin, 4-8)

II. METHODOLOGY.

In this paper, I will argue that the triangular relations among Latin America, the United States, and Spain are a function of the principles accepted by the three parties. The adoption of liberal principles on all three sides of the triangle facilitated the agreement on specific directive rules of interaction. These rules were sometimes imposed by a single party unilaterally. Most of the times, they emerged out of mutual agreement or based on customary practices, and they served as the basis for the intensification of relations on several fronts. The investments by Spanish firms led the Spanish government to push for specific directive rules to protect the safety of these investments. This was a rule that the United States had pushed for since the Second World War as part of its Latin American

foreign policy. Thus, this rule brought Spain's relations with Latin America closer to the United States', helped them define common interests, and facilitated relations between the United States and Spain.

To develop this argument, I will use a rule-oriented social constructivist approach, as developed by Nicholas Greenwood Onuf. Social constructivism reacts against the methodological causality borrowed from the natural sciences, applied by the neo-utilitarian approaches. Realism and liberalism are manifestations of neo-utilitarianism in international relations. Both conceive of an atomistic universe of self-regarding units whose identity is assumed given and fixed, and who are responsible largely to material interests that are stipulated by assumption.

Emile Durkheim was one of the early sociologists to dispute the adequacy of this type of approach. He tried to incorporate ideational factors to the analysis of social reality, thereby defining himself against the neo-utilitarians (who downplayed the role of ideas), but also against the idealists, such as Immanuel Kant. Durkheim argued that social facts are constituted by the combination of individual facts via social interactions. The relevance of social interaction resides not in the original elements but in the totality formed by the union. Among these "social facts" there are linguistic practices, religious beliefs, moral norms, and similar ideational factors. All of them influence social behavior. (Ruggie 1998, 29)

Rule-oriented constructivism argues that people and society co-constitute each other. Social relations construct people into the kind of beings that we are and people make the world what it is. (Onuf 1989, 36) People and society are linked by rules. Rules are statements that tell people what they should do or policies which tell people what to expect. (Onuf 1998, 59) Rules bring about practices, which also tell us who the participants in society are (the agents). Actors are only agents to the extent that society, through its rules, makes it possible for them to participate in the process. Rules and practices form a stable pattern suiting the agents' intentions, called institutions.

Rule-oriented constructivism derives rules from speech acts, of which Nicholas Onuf identifies three types: assertive (assertion about a belief, a state of affairs, coupled with the speaker's intention that the hearer accepts this belief), directive (a demand, they present the hearer with a speaker's intention as to some act the speaker would like to have performed), and commissive (a promise, they reveal the speaker's intention of being committed to a stated course of action). (Onuf 1989, 88) Speech acts turn into conventions when everyone believes that the words themselves, and not the speakers, are responsible for what happens.

Conventions remind agents what they have always done, as opposed to rules that tell them what they should do. When conventions tell agents what to do, they become normative themselves (agents accept the "should" component). The convention thus gains

strength as a rule. The three types of speech acts generate three types of rules: instructive-rules (principles, they inform agents about the world and tell them what consequences will follow if they disregard those consequences), directive-rules (imperative, they tell agents what they must do and often provide information about the consequences for disregarding them, thereby making it possible for agents to choose whether to follow them or not), and commitment-rules (contract, the promises attached to rules become generalized and normative in their own terms, which agents recognize in their effects as rights and duties). (Onuf 1989, 88)

Rule-oriented constructivism rejects a definition of society based on the Hobbesian separation between authority and anarchy, and proposes the *herrschaft* paradigm, introduced from the German tradition of social thought, from Hegel and Weber. This tradition rests on relations of super- and sub-ordination, maintained through rules and practices and obtaining in rule. (Onuf 1989, 196) Rules and practices enable an association for the common good to achieve its purpose. These are the “conditions of rule” or *politeia*. Conditions of rule constitute an operative paradigm, defined as an ensemble of human practices seen by those engaging in or observing them to have a coherence setting them apart from other practices. (Onuf 1998, 7)

This definition of paradigm comes from Sheldon Wolin, who claimed that operative paradigms that are seen as coherent in furthest degree are taken as having a natural objective reality. International relations is constituted itself on the belief that it corresponds to an operative paradigm. To prove this point, it is necessary to search for a substantial ensemble of practices. Three paradigms exist in the social sciences today: liberalism, which results from the application of the microeconomic principles, mainly rational choice, in an anarchic market; Marxism, focused in the relations of production; and political society, as proposed by Wolin, who argues that the concept of authority bounds together the ensemble of practices constituting a paradigm. (Onuf 1989, 17-20)

This concept of political society should include rules and rule. Rules are the backbone of society, because they guide (but do not determine) social conduct, thereby giving it social meaning. Rule, or politics, emerges when rules have the effect of distributing advantages unequally. The conception of inter-American relations or prevalent in the Western Hemisphere and the conception of Iberamerican relations are the result of the existing conditions of rule, maintained through rules and practices. Actors reproduce conditions of rule through their actions. Conditions of rule are dependent for their reproduction on the practices of actors.

Rey Koslowski and Friedrich V. Kratochwil argue that fundamental change occurs when actors, through their practices, change the rules and norms constitutive of international interaction. Reproduction of the practice of international actors depends on the reproduction of practices of domestic actors (individuals and groups). Therefore,

fundamental changes in international politics occur when beliefs and identities of domestic actors are altered, altering the rules and norms that are constitutive of their political practices too. (Koslowski and Kratochwil 1994, 216)

I thus regard the relations between the United States, Latin America, and Spain as a set of rules that guide the interaction among these actors. These rules derive sometimes from principles, and sometimes from practices. These practices become so entrenched that they acquire a normative character. That is to say, the actors feel bound to continue to do things in a certain way out of custom. I will thus analyze how the rules of interaction emerged. To explain the impact that the investments of Spanish firms in Latin America had in this triangular relation, I will compare the set of rules existing prior to the biggest wave of investment in the mid-1990s. Then, I will show how these investments reinforced a new rule, mainly on the Spanish-Latin American side of the triangle. Although I will be looking at the state as the main actor, the rules do not apply solely to them. There are other subnational and supranational actors involved, which participate in the relationship, contributing to reinforce the rules with their practices.

On all three sides of the triangle, the instruction rules of the relationship are informed by liberal principles such as freedom, equality, respect for the rule of law, and the use of peaceful means for the solution of conflicts. In the following sections, I will review the directive rules that the agents devised to guide their interactions. These are the rules that bring down the higher principles to more concrete terms. They have causal value, because they tell agents what to do, as well as the implications derived from not complying with the expected behavior.

III. UNITED STATES-SPAIN.

Since the 19th century, the Spanish governments felt pushed aside from European affairs, and left behind in terms of economic development. Belonging in the West, in terms of values and economic development, became the guiding principle for most Spanish administrations, with the notorious exception of the dictatorship of Francisco Franco, who regarded Western liberal values as alien to the Spanish tradition of “Hispanic corporatism”.

The isolation of Spain during Franco’s regime was only partly ameliorated by the US-Spanish bilateral defense agreements of 1953. These agreements need to be understood in the context of the Cold War. They gave the United States access to Spain’s territory, but did not comprise a commitment on the part of the United States to defend Spain in the event of an attack against its territorial sovereignty or integrity. Spain gained mainly from the payment of a fee from the United States, and from the growth of investment from US firms in Spain that followed the normalization of relations between the two countries.

After democratization in the late 1970s, a good relationship with the United States became an integral part of Spain's strategy to be fully accepted in the West. The democratic administrations of Spain wanted to renegotiate the relationship with the United States. Spain considered NATO as an alternative to the bilateral agreements, because it would provide a way to distance itself from the United States, in order not to feel or be perceived as a US satellite in Western Europe. NATO had little to gain from Spain's membership, because, thanks to the bilateral agreements, the United States already had access to Spanish territory, Spain's main asset. However, membership in NATO was an important issue for Spain, because it would manage to commit its allies to defend its territory, and because Spain could put the Gibraltar problem on the discussion table of the Western alliance, thus putting the pressure of the allies on Britain to solve the issue. (Portero, 476) Moreover, by channeling Spain's relations through NATO, Spain would participate actively in the management of strategic issues on a regional scale, thus enhancing Spain's international role. (Powell, 433) Most importantly, however, was the perception by the early democratic Spanish administrations that NATO membership would pressure the European Union member states to accept Spain's membership. (Portero, 480)

Active participation in both NATO and in the European Union were thus essential aspects of Spain's ascension into the industrialized, developed, and modernizing Western world. These institutions embodied three main principles, liberal political values, economic development and modernization, as well as collective security (multilateralism), and even the promotion of democracy and human rights, in the eyes of the first democratic administrations in Spain. These became the highest principles that articulated Spain's interaction with the United States in particular, since democratization. The thesis that NATO also embodied the same Western liberal values was not well received by the Socialists in Spain, who initially lobbied against Spain's incorporation. They regarded the United States government as a strong supporter of Franco's dictatorship, and NATO as an instrument of US imperialism. (Portero, 486-488)

However, after the failed coup attempt of 1981 in Spain, the Socialists reconsidered their position. They began to believe that membership in NATO would help consolidate the transition to democracy. Most importantly, they began to think that membership in the Western European community of states involved putting aside Spain's neutrality by taking some of Europe's defensive burdens. Membership in NATO was thus a show of solidarity toward Western Europe. (Portero, 489) Moreover, the Socialists also became convinced that from within NATO, Spain would be able to participate in the "big" decision-making processes that concerned global strategic issues. Spain joined NATO in 1983, thanks to the efforts of the Centrist Administrations of Adolfo Suárez and Leopoldo Calvo Sotelo, and membership was ratified by the first Socialist Administration of Felipe González. (Portero, 492) To overcome the suspicion that Spain's incorporation in NATO rose among some members of the European Union (EU), the Socialists pushed for Spain's incorporation to the Western European Union (WEU), which took place in 1988. The Administration of

Felipe González thus tried to show Spain's commitment to the construction of a unified Europe. In his view, Europe had to move beyond a free trade agreement to include a collective security organization. (Portero, 508)

During his tenure as President, José María Aznar (People's Party) sought strong diplomatic ties with the United States as a way of promoting stronger economic relations between the two countries and as a means to increase Spain's profile in international relations. Aznar's support went as far as to send Spanish troops to Iraq after the second Gulf war, ignoring opinion polls -shortly before the Madrid train bombing an opinion poll conducted by Spanish Real Instituto Elcano of international relations showed that around 80% of Spanish people opposed the presence of Spanish troops in Iraq-. (El Mundo, 2004) As a gesture of appreciation, the administration of George W. Bush gave Aznar the rare honor granted to foreign dignitaries of speaking before the U.S. Congress. In his address, Aznar restated that Spain and the United States constituted a community of values: "We want to occupy a position in the first line of defense of democracy and the rule of law alongside friends and allies, in good times as well as in times of difficulty. We share with you values and principles. And let me say that our commitment to freedom is unwavering." (Aznar)

José Luis Rodríguez Zapatero (Socialist Party) tried to distance himself from the United States and during his inauguration speech before the Spanish Congress he only listed the United States as his fourth priority, behind Europe, Latin America and the Mediterranean: "...It is time to reach a consensus again... that should have never been lost. This consensus must make clear, in the following order, our commitment with Europe; must make Latin America and the Mediterranean our preferential centers of attention; and must maintain with the United States a relationship as a friend and partner, based on loyalty and mutual frankness..." However, he also stated that Spain's foreign policy under his presidency would continue to rest on the promotion of the same values: "International law, reform and strengthening of international peace instruments, and must make development aid an integral part of our foreign policy". (Rodríguez Zapatero, 2004: 14) He emphasized his commitment to a democratic Iraq, international peace and security, but only within the framework established by multilateral institutions, in particular the United Nations. (Rodríguez Zapatero, 2004: 14-16)

IV. LATIN AMERICA-UNITED STATES.

The relationship between the United States and Latin America has been shaped by two main directive rules since the end of WWII, security cooperation and economic relations based on neoliberal economic policies, and a third one, good governance, since the end of the Cold War. There was also an additional instructive rule with important implications, the rule of hegemonic influence by the United States over Latin America. This rule was contested on economic grounds, but not on strategic and security grounds,

during the Cold War. It was, however, contested on strategic and security grounds, but not on economic grounds, in the 1990s. Before the end of the Cold War, the United States understood hemispheric security as the prevention of the emergence of communist regimes in the hemisphere. Since the 1990s, the main security concerns involved narcotics, illegal migration, and international crime and terrorism. Economic relations emphasized free trade and investment.

Inter-American security relations were still based in 2003 on the Inter-American Treaty of Reciprocal Assistance signed in Rio de Janeiro in 1947. This was a collective security agreement, on the basis of which every signatory agreed to participate in the defense of any other signatory that was attacked by an outside state. (Smith, 124) However, since the end of the Cold War some Latin American administrations raised their concerns about the appropriateness of this agreement to rule inter-American security relations in the new context. The collapse of the Soviet Union and the end of the Cold War eliminated the fear of an outside intervention in a member country.

Moreover, the securitization of new threats, like narcotics, terrorism, and immigration, led many scholars to conclude that the Inter-American Security System was obsolete to deal with the new security issues. None of the Latin American countries or the United States have so far tried to reshape the hemispheric security arrangement. This may indicate that none of them perceives the existence of hemispheric threats, and prefer to deal with security issues on a bilateral basis. The Colombian guerrilla conflict is a very good example of this. (Varas, 239)

This perception also helped understand the lack of support in Latin America for the planned US-led attack against Iraq in 2003. For the Latin American leaders, Iraq did not constitute a hemispheric threat, and thus they were hesitant to endorse the attack. On the other hand, Washington took for granted the support of Latin America on its main security concerns, like it did during the Cold War conflict, and failed to court the Latin American leaders for support in its potential attack against Iraq.

In the economic terrain, although the United States encouraged Latin American governments to implement economic policies based on free trade, equal treatment to foreign investors, and the removal of the state from production of goods and services throughout the Cold War, the support given to protectionist measures by the ideas coming from CEPAL-ECLAC and the dependency school, frustrated the efforts of the US government. It was not until many Latin American countries faced a serious economic recession in the 1980s that they adopted the policies of the so-called "Washington consensus". (Smith, 207-209)

This was a set of policies promoted by the United States government, as well as the International Monetary Fund, the World Bank, and the groups of creditors operating

through the Club of Paris and the Club of London. These policies emphasized price stabilization, fiscal cuts, trade liberalization, privatization of state-owned enterprises, and other free-market reforms. Initially, these reforms were effective in stabilizing the region's economies in the early 1990s and brought growth from increased investment, much of it from abroad. With the exception of the Administrations of Hugo Chávez in Venezuela and Fidel Castro in Cuba, no Latin American government challenged this economic program since its implementation. (Tulchin and Espach, 10; Smith, 325-327)

The United States also emphasized good governance and transparency since the 1990s. As the Latin American governments implemented the neoliberal economic reforms, the US government also pressured them to devise policies to foster the transparency of the political processes and state functions, the respect of the rule of law, and the participation of every social group in politics, to prevent the exclusion of minorities and the spread of corruption. The US government and some US-based NGOs took this to be the necessary political corollary to the neoliberal economic reforms. The respect of the rule of law was particularly important in the eyes of the US government because it was regarded as a crucial policy to attract foreign investors, in particular those coming from the United States. The US government believed that the Latin American governments had to set clear laws in every economic sector, so that the rules of the game were clear from the beginning, and foreign firms were not subject to subsequent arbitrary changes of policy by the Latin American governments. (Tulchin and Espach, 2; and Muñoz, 2001, 75)

A really important and thorny issue among the scholars who study Inter-American relations is the degree of autonomy-dependency that Latin America has vis-à-vis the United States. They tend to disagree on the degree of "control" or "hegemony" that the United States exercised over Latin America. In the 1970s and 1980s, when the United States participated actively in the domestic affairs of some Latin American countries on strategic grounds, many scholars argued that Washington played a hegemonic role over the entire Western Hemisphere, with the exception of Cuba. With the end of the Cold War and the disappearance of the Soviet threat, the United States government became less likely to intervene in the domestic affairs of Latin American countries. (Muñoz, 1996, 9-11) The Soviet Union, however, also had strong interests in Latin America, and intervened very actively in the domestic affairs of some countries. Thereby, it is hard to conclude that the Cold War was a clear period of uncontested US hegemony over Latin America, because US influence was contested by local governments and also by the Soviet Union. This is not to say, however, that the United States did not play an active role in the region.

Moreover, from the late 1960s to the mid-1980s, the Latin American governments followed the principle of "diversification of dependency". They wanted to reduce reliance on the United States by expanding external contacts, especially with Western Europe. However, Western Europe only had a marginal interest in Latin America, limited to the Central American peace process and the redemocratization efforts in South America. This

lack of European involvement may have facilitated the active presence of the United States. (Muñoz, 2001, 76) With the end of the Cold War, however, the Latin American governments increased their efforts to draft a special relation with the European Union. In the 1990s, the international context was quite different, and by diversifying its international relations, the Latin American governments were looking for new economic partners, rather than looking for new strategic allies. This policy of diversification was related to the new liberal economic policies implemented after the crisis of the 1980s. The promotion of free trade required the opening of new markets to export to. Since the European Union was in the 1990s one of the more protected markets of the world, and one with the highest purchasing power also, the Latin American governments began making efforts to make the European Union open up to Latin America. (Muñoz, 2001, 76)

Although by 2003 the European Union was still a closed market for many Latin American products, negotiations between the EU and Chile, Mexico and MERCOSUR were quite advanced. (Muñoz, 2001, 77) The reason for this change of approach was to be found in an addendum to the membership of Spain and Portugal in the European Union, which expressed the common interest to develop and strengthen relations between the European Union and all of the Latin American countries. As explained earlier, Spain wanted the European Union to adopt Spain's foreign policy toward Latin America, and the Spanish Administrations made significant efforts to turn the attention of the European Union toward that region, calling for the celebration of periodic EU-Latin American summits, the signing of free trade treaties with Chile and Mexico, and the inclusion of Latin American countries in the Cotonou agreements, which gave the products of some developing countries preferential access to the European Union. (Grugel, 191-198)

V. LATIN AMERICA-SPAIN.

The relations between Latin America and Spain since the 1980s have been based on the promotion of democracy, human rights, cooperation for development, security, and multilateralism. All of these could be placed under another umbrella: Spain wanted to bring Latin America into the Western liberal culture where it sought to insert itself. The consolidation of democracy in Spain after the death of Francisco Franco in 1975, and the process of democratization that almost every Latin American country went through in the 1980s, put democracy and human rights issues in the forefront of their relationship. Moreover, the economic crises of the 1980s in Latin America led the Iberoamerican community to devise programs of development cooperation.

The transition to democracy in Spain and in Latin America after the mid-1970s brought to government several administrations that espoused a liberal conception of politics, based on the respect of individual rights. This instructive rule was put in place through the promotion of democracy and human rights, which became a crucial aspect of Spain's foreign policy towards Latin America after 1976. This principle was embodied in

the creation of the “Comunidad Iberoamericana de Naciones”, which substituted the previous “Hispanidad” and “Comunidad Hispánica de Naciones”. The latter terms had been used by Francisco Franco’s Spain in its interactions with the Latin American countries. They were used to gain support for Francisco Franco’s regime and as an instrument to create a Spanish political, economic and cultural sphere of influence and, eventually, maybe the unification of the Hispanic world, with Spain playing a leading role. (Del Arenal, 29-33)

The prominent role of the king of Spain, Juan Carlos I, in the Comunidad Iberoamericana de Naciones was indicative of the institutionalization of this new relationship at the level of the state, above particular political affiliations. The principles guiding the interaction were interdependence, credibility, continuity, indiscrimination, and community. (Del Arenal, 110-113) These principles were qualified by three more, “vínculo” –nexus- (common Hispanic heritage), bridge (between Europe and Latin America), and integration (promotion of Latin American integration, with Spain playing a prominent role). (Del Arenal, 116-117) The Socialist administration of Felipe González renounced the idea of Spain serving as a bridge between Europe and Latin America. For the Socialists, Spain had a European and a Latin American identity, and the pursuit of active foreign policies on both fronts was complementary. However, the Administration of José María Aznar picked it up again. (Del Arenal, 136)

The governments of Latin America also pursued the promotion of democracy and human rights in their interactions, as well as in their interactions with other countries, especially with the United States and Western Europe. They had the support of many government institutions and NGOs from the United States and Western Europe, the Spanish among them, who played a strong role promoting democratization in Latin America, beginning with the Central American peace process in the 1980s. The European Union, the governments of the EU countries individually, and the United States since the Administration of Jimmy Carter, expressed their support for Latin America’s democratization. (Van Klaveren, 120-121)

In 1991, the Santiago Commitment and its associate resolutions on democracy mandated an immediate meeting of the Organization of American States (OAS) Permanent Council following the rupture of democratic rule in any country in the Americas, and the adoption of measures to return that country to democratic rule. The Rio Group also followed a similar line of action. All Latin American countries showed more concern with the international legitimacy of their political regimes. As an example, the Latin American community of states did not take sides in the Panama-US conflict of 1989 because, although they did not sanction the US intervention, they did not sympathize with the regime of Manuel Antonio Noriega. They did not recognize the dictatorship of Raoul Cedras in Haiti, who deposed the first democratically elected government of Jean Bertrand Aristide, and condemned Alberto Fujimori’s coup in 1992. In 1994, the OAS forced President

Joaquín Balaguer of the Dominican Republic to negotiate with the opposition to prevent international delegitimization after the controversial elections, and the Mexican government accepted for the first time international observers in 1994. Spain supported democracy and human rights in Latin America directly in Central America in the 1980s and in the Southern Cone in the late 1980s. Moreover, through its position in the OAS, Spain sanctioned all of these democratic overtures. (Van Kleveren, 127-128, Grugel, 141-149)

The administration of Felipe González also emphasized the principle of economic development, and proceeded to speed up political, economic, scientific, technological, and cultural cooperation between Spain and Latin America. (Del Arenal, 133) For Felipe González, Spain could contribute to the democratization of Latin American countries through policies of economic cooperation and modernization, and by encouraging the moderation of the Latin American left, through the Socialist International and indeed through his own party, the Spanish Socialist Party (PSOE). (Grugel, 143) This last policy was very important, because it involved convincing the Latin American left to abandon the more radical Marxist discourse of the Cold War, and adopt liberal social democratic values and policies.

The early impetus for the inclusion of development programs in the Spanish-Latin American relationship came first from the Administration of Adolfo Suárez. In 1976, Spain joined the Inter-American Development Bank (IDB) and created Fondo de Ayuda al Desarrollo (FAD), public credit for developing countries, and the Comisión Interministerial para la Ayuda al Desarrollo in 1977. (Del Arenal, 188) The former Instituto de Cultura Hispánica became Centro Iberoamericano de Cooperación in 1977 and, Instituto de Cooperación Iberoamericana in 1979. Moreover, Spain's overseas development aid (ODA) grew tremendously. In 1985, under the Socialist administration of Felipe González, the government created the Secretaría de Estado para la Cooperación Internacional y para Iberoamérica (SECIPI) to coordinate Spain's development aid programs. In 1986, the government created the Agencia Española de Cooperación Internacional (AECI) as an autonomous institution, within SECIPI, to deal exclusively with development aid. (Del Arenal, 190-191) Since 1988, Spain also began to sign bilateral "Tratados Generales de Cooperación y Amistad" with each Latin American country. (Del Arenal, 193) In 1993, 45.49% of Spain's development aid went to Latin America. (García-Calvo Rosell)

Spanish non-governmental organizations (NGOs) were very active in the development of cooperation programs. In the 1980s, Spanish NGOs created "Coordinadora de ONG para el Desarrollo". 75% of them operated in Latin America. Universities, as well as institutes and research centers, began to cooperate more closely with their Latin American counterparts. The Consejo Español de Estudios Iberoamericanos, and the Casa de América after its creation in 1992, played an important role in promoting academic and intellectual cooperation between Spanish and Latin American institutions. (Del Arenal, 153)

Cooperation in security matters was very important for Spain. The political and social sensitivity of the actions of the ETA group in Spain put the fight against terrorism on the top of the Spanish political agenda. Many ETA members tried to seek refuge in Latin America. Therefore, the Spanish government tried to obtain the cooperation of the Latin American governments, receiving some ETA members upon request, or accepting to deport some others who were found to reside in a Latin American country.

The last rule that guided Spain's relations with Latin America was multilateralism. The Spanish democratic administrations believed that they could gain international salience by participating in multilateral institutions. Moreover, cooperating with like-minded states, who promoted the same values, such as democracy, human rights, and economic development, could legitimize Spain's policies. That is why Spanish authorities tried to integrate Spain in Latin American multilateral institutions like the IDB and the OAS, and pushed actively for the celebration of annual Iberoamerican summits since 1992, which brought together the leaders of Portugal, Spain, Latin America and the Caribbean, to strengthen ties and to develop cooperation programs. (Grugel, 137-138) Moreover, the Spanish government pushed the European Union to pursue a Latin American foreign policy along the same lines as Spain's, to strengthen their own Latin American policy. (Del Arenal, 204-205)

The administrations of José María Aznar and José Luis Rodríguez Zapatero coincided to promote democracy, human rights, cooperation for development, security, and multilateralism in their interactions with Latin American countries. In a speech given at a joint session of the Chilean Congress and Senate, Aznar brought up every single of these issues, and Zapatero underlined them during his inaugural speech at the Spanish Congress. (Moncloa, 2003b and 2004) Both showed their desire to incorporate Latin America to the "Western community" in which both felt Spain already belonged.

However, Spanish Foreign Affairs Minister during Zapatero's administration, Miguel Ángel Moratinos, accused the Aznar administration of giving legitimacy to the military coup against Hugo Chávez of Venezuela in April 2002 by failing to condemn it. This accusation generated a hot debate between Spain's two leading political parties. If this was true, it would indicate the challenge of promoting democracy vis-à-vis other ideological or material interests. (El Mundo, 2004)

VI. THE INFLUENCE OF SPANISH DIRECT INVESTMENTS.

With the wave of direct investments made by Spanish firms in Latin America since the late 1980s, but mainly since the second half of the 1990s, Spain's policy toward Latin America incorporated a new directive rule. The Spanish government began to demand from the governments of Latin America that they respect the spirit of the neoliberal reforms they undertook since the late 1980s. That is, they should not intervene in the markets in those

sectors where the former state-owned firms had been privatized. They should also set regulations that were fair to both the consumers and to the firms. Very importantly, Madrid also encouraged Latin American governments to control fiscal spending, to maintain macroeconomic indicators stable, and to service their debt payments.

Between June 25th and July 4th, 1999, the Spanish Prime Minister, José María Aznar, toured several countries in Latin America. On his trip, he visited the countries that had undergone political unrest, Paraguay, Ecuador, and Venezuela. He also went to Trinidad and Tobago, where one Spanish firm, Repsol-YPF, participated in a major project to produce oil and natural gas. He also went to Rio do Janeiro, in Brazil, to attend the European Union-Latin American summit. In all of these places, he conveyed the message explained earlier. (La Moncloa) He repeated the same message on several occasions when meeting with Latin American political leaders. On 8th October, 2000, Aznar received Mexico's President, Vicente Fox, in Madrid. The investments of the Spanish firms were an important part of their talk. Fox promised that Mexico would pass laws that protected foreign investors, and promised further privatizations, encouraging Spanish firms to participate. (Aznárez)

On 10th July 2001, Aznar met with Gustavo Noboa, President of Ecuador, in Spain to discuss several issues, mainly the status of Ecuadorian immigrants in Spain. They linked immigration to the economic crisis in Ecuador and Aznar accepted to refinance Ecuador's debt and manifested his will to support Ecuador's structural reforms, but called for a firm commitment from the authorities of Ecuador to carry the reforms through. (El Mundo, 26) He also emphasized the importance of good governance and transparency. If the rules of the game were clear, firms would know what to expect. For the Spanish executive, the protection of the investments of the Spanish firms was guaranteed when there was economic and political stability. In a speech before a joint session of the Chilean Congress and Senate, he stated: "Chile is also a prosperous country, a country that is open to the exterior, a country that attracts foreign investment because it provides legal protection. This is clearly shown by Spanish investment that, in the last ten years, has shown its continuous trust in the Chilean economy and in the progress of the country". (Moncloa, 2003b)

Rodríguez Zapatero continued to promote the investments of Spanish firms in Latin America. During his meetings with Latin American heads of government he underlined the importance of Spanish investment in Latin America for bilateral relations. In January 2005 he visited Brazil, Argentina and Chile and during a press conference, he was asked several times about his role in the relations between Spanish firms in Argentina and the government. His answer was: "my role as government will be to bring them together so that the interests of Argentina and the logical and reasonable interests of the Spanish firms reach a point of understanding". (Moncloa, 2005)

Therefore, since the late 1990s, the Spanish government enunciated very clearly new directive rules that expected the Latin American governments to follow, in order to protect the security of the Spanish firms in Latin America. These rules specified policies to achieve economic and political stability. They were very similar to the rules that guided the interaction between the United States and Latin America, and facilitated a better understanding of Washington's Latin American policies in Madrid and of the Spanish Latin American policies in Washington. Since the late 1980s, the United States had begun to accept Spain as a significant player in Latin America. After Spain consolidated its democratic reforms and reasserted itself as a member of NATO, the United States recognized Spain's role there. President George Bush of the United States said in 1988 and 1991 that Spain played a "very special role" in Latin America. (Del Arenal, 132)

Spain and the United States thus began to put behind their different perspectives with regards to the problems of Latin America. These differences were very important in the 1980s, when Spain, along with the European Union, condemned Washington's policy of armed conflict and favored a solution that tackled directly the root of the economic problems of the region. The convergence of the directive rules that guided the relations of Spain with Latin America with the directive rules that guided Latin America's relations with the United States in the late 1990s (that is, Spain's new emphasis on the protection of foreign direct investment since the late 1990s, and the emphasis of the United States in the fight against terrorism after the attacks of September 11th), led to further cooperation between the governments of Spain and the United States, in Latin America and outside. In Latin America, for instance, Aznar tried to convince the Presidents of Mexico and Chile to vote in favor of the UN resolution that would authorize the US-led strike against Iraq. (Hayward, 20A)

VII. CONCLUSION.

The unchallenged acceptance of Western liberal values by the governments and societies of the countries of Latin America, the United States, and Spain, facilitated the relations among them, especially since the end of the Cold War. This made it easier for the three parties to devise the directive rules that spelled out the ways to implement their liberal views. In the relations between the United States and Spain, the directive rules were liberal political values, with special emphasis on the promotion of democracy and human rights, economic development and modernization, and collective security (multilateralism). In other words, Western liberal values. The directives in the relation between the United States and Latin America were security cooperation (multilateral on paper, but bilateral in practice), economic relations based on neoliberal economic policies, and good governance. The directive rules guiding the relations between Latin America and Spain were the promotion of democracy and human rights, cooperation for development, security, and multilateralism and, since the big flow of Spanish investments into the region, protection of investments and the implementation of neoliberal economic reforms. The relations between

Spain and Latin America were facilitated by an additional and strong directive rule telling Latin American leaders to diversify their international relations, away from the United States.

Important conclusions can be drawn, with important implications for each of the three sides of the triangle. For Latin American countries, the acceptance of democracy and human rights as an important component of their relations with third parties helped legitimize domestic governments and get outside support to deal with domestic problems, at least from the Western community of states that share the same values. The ability of Latin American governments, for instance, to attract foreign aid, can be further strengthened by their international legitimacy and standing. Moreover, if Latin American governments can tie their economic problems to the sustainability of their democratic processes, they may be able to get concessions from international financial institutions or from donors.

For the United States, the ability to link up with like-minded countries that pursue similar policies in Latin America, like Spain, for instance, can help Washington clean up its image from previous decades of intervention in which the United States put some of the Western liberal political values behind security concerns. The United States is right to side with the European Union in its promotion of good governance and respect for democracy and human rights in Latin America. In the eyes of the Latin Americans, the Europeans have a cleaner record and a higher moral standing.

For Spain, cooperating with the United States in its Latin American endeavors may help Madrid gain the support of the United States when dealing with different issues in other parts of the world. Becoming a member of the Western community was its way of rising to international prominence. A close alliance with the United States, forged through cooperation in Latin America and in Europe, where Spain plays a more prominent role, may help Spain play a more prominent role in international politics.

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