

## Spanish frustration with Germany grows as austerity bites

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When Spaniards talk about Germany and Germany's leader these days, it is hard to miss the touch of frost.

In newspaper columns, opinion polls and everyday conversations, there are signs of growing discontent with Berlin.

Surveys highlight a widespread feeling in Spain that Germany has become too powerful in Europe, and at the same time too reluctant to help the recession-blighted countries on the continent's periphery.

[Angela Merkel](#), the German chancellor, has emerged as a particular lightning rod, criticised and ridiculed in equal measure for her role as champion of austerity. Her popular standing in Spain has dropped sharply, amid accusations that her policies are worsening [Spain's unemployment problem](#).

Just over a year ago, Spaniards named Ms Merkel as their most admired leader in Europe. Now she is ranked below the leaders of France, Italy and the UK.

"The countries in southern Europe have one problem right now, and it is called Merkel," says Manuel Conejero, the owner of a small construction business in downtown Madrid. "The Germans lost two wars at a very high cost to them. Now they are intelligent enough to win this new war without firing a single shot, while other countries are left wounded."

Analysts say that Spaniards know only too well that the harsh spending cuts and painful tax raises pushed through by [Mariano Rajoy](#) were agreed and implemented in Madrid. But many see Spain's prime minister in much the same way as he is usually depicted by [Peridis](#), a popular cartoonist with the El Pais daily: as a tiny figure cowering in front of an oversized German chancellor.

Manolo Perez, who runs a fruit shop in the centre of the capital, says: "I think Germany is making things worse here because they are telling us to tighten the screws through budgets cuts and austerity."

Ms Merkel's standing has suffered not least because she is compared with a famous predecessor, argues Charles Powell, the director of the Real Instituto Elcano, a think-tank in Madrid. "Spaniards expected Angela Merkel to be more like Helmut Kohl," he says.

"There is this memory of Kohl sacrificing German interests for the sake of European interests. There is that kind of disappointment and perhaps also surprise at how critical some German actors have been of Spain's economic performance."

It is little wonder that Spain's current economic policies are so closely associated with Germany. From the moment the Rajoy government took office in late 2011, it has made a conscious effort to replicate some of the strategies that helped Germany overcome its own recession a decade ago, including labour market reform and a [strong focus on export growth](#) and competitiveness. Spain is now also trying to emulate a key feature of the German education system, by encouraging more teenagers to opt for vocational training after leaving school.

In the eyes of the government, these policies are already paying dividends: unit labour costs have fallen, competitiveness is rising and exports have increased sharply. The recent performance led analysts at Morgan Stanley, the US investment bank, to declare earlier this year that Spain "is on the way to becoming the euro area's next Germany".

Yet for all the ideological overlap, tensions have also been creeping into relations between the two governments. Spanish officials say they were looking for more support from Berlin at the height of the crisis last year, and they are now keen to see faster progress on banking union than Germany will allow. Mr Rajoy has called on Berlin to do more to [encourage domestic consumption](#), a move that Madrid hopes would further boost Spanish exports.

"The Spanish are looking for a more expansionary policy in Germany," says Andrés Ortega, an adviser to the previous Spanish government who runs a political consultancy in Madrid. "They want more intervention from the European Central Bank and a greater German commitment on banking union. And they want to move towards some form of eurobond."

The Germans, meanwhile, says Mr Ortega, "are not too confident that we are making the reforms that we need".

Thomas Stehling, director of the Madrid office of the Konrad Adenauer Foundation, a think-tank with close ties to the ruling Christian Democrats, detects "a little bit of disappointed love" between the two sides. "There is a danger that we enter a process in which one side says, 'We are disappointed because you didn't help us', and the other side says, 'We are disappointed because we don't see that our help is having an effect'."

For all the recent tensions, most officials and analysts agree that the fundamental relationship between the two countries remains intact.

Germany and its social and economic model are still widely admired in Spain, while German officials are at pains to emphasise that Madrid has done more than any other country on the periphery to restore its economic strength. The Spanish debate about rising German power has – unlike in Greece, for example – been relatively free from references to Nazi Germany and Hitler.

The absence of any historical enmity – Spain is one of the few countries in Europe never to have been at war with Germany – clearly helps, as do the bonds built up through migration and tourism. “Don’t forget that every year millions of Germans spend the happiest weeks of the year in Spain,” remarks one German official.

Ultimately, the frustrations that have built up over the past year simply reflect a new European reality for Spain, says Mr Ortega: “Now we are decision-takers, not decision-makers, in Europe.”

By Tobias Buck in Madrid