

## Spanish business leaders maintain silence

By Mark Mulligan in Madrid

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Spain is in the grip of election fever. With less than a week to go before polling day on March 9, the campaign is receiving blanket media coverage, while politicians on the hustings talk themselves hoarse. But the country's business community remains quiet.

Unlike in other western countries, Spain's corporate figures will not publicly endorse candidates. Nor is it acceptable to criticise the government during an election campaign. And, if Spain's business leaders are natural allies of the opposition Popular party (PP), they are discreet in their support.

The reasons for this seeming political impartiality at election time are manifold, say experts. Culturally, it is considered bad taste in Spain for business leaders to make public their grievances with government policy. Most lobbying efforts are channelled less directly, through business associations or private meetings.

However, this public neutrality is also motivated by fear, according to Fernando Casado, general manager of the Family Business Institute in Madrid.

"There is still quite a bit of political intervention in the Spanish economy," he says. "It's not in any chief executive's interest to favour one side or the other. It could cost you business."

Leaders in heavily regulated sectors such as energy and telecommunications are particularly vulnerable.

Ignacio Sánchez Galán, chairman of the electricity utility [Iberdrola](#), politely declined when asked recently to compare government energy policies to those of the opposition.

Coming soon after the socialist prime minister José Luis Rodríguez Zapatero had given his tacit blessing to [EdF](#) of France to launch a bid for the Spanish generator, his silence was an exercise in control.

César Alierta, head of the telecoms group Telefónica, has also been non-committal. Asked recently about his voting preferences, he simply stated his commitment to the "Telefónica party".

Bankers also tread cautiously at election time. Emilio Botín, chairman of [Santander](#), studiously talked up the faltering Spanish economy at his bank's results presentation last month, partly to avoid accusations of political favouritism. Francisco González, his counterpart at rival [BBVA](#), did the same in spite of having close ties with the PP.

"The banking community is generally very careful when it talks about the economy," says a senior executive at a large Spanish company. "However, during election campaigns they are particularly sensitive to their comments being interpreted in a political context."

This discretion, however, should not be confused with inaction, says José Ignacio Gafo, of the Instituto de Empresa business school in Madrid.

Business associations, working with large law firms, have helped push through important changes to tax and investment rules in the past four years.

The Confederation of Spanish Business Organisations, an umbrella group covering virtually every company in the country, is known to wield considerable clout with legislators. Unesa, which represents gas and electricity utilities, is an effective lobbyist for the sector. However, their work goes largely unheralded.

Lobbying efforts have also traditionally been conducted in a social setting. "Spanish business people tend to do their lobbying at lunch or at the tennis club," says David Bach, an academic who specialises in lobbying.

But globalisation is slowly shaking up this convention.

Economic deceleration, after a 10-year boom, is also giving rise to new pressure groups, most recently the G14, an association of Spanish property companies that is quietly lobbying politicians to help it through a the housing market slump.

But, as one might expect, it has refrained from choosing its favourite party.

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