

## Inside Spain Nr 165

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### Summary

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### Foreign Policy

#### Borrell urges the EU to be more dynamic in foreign policy

The 72-year-old Josep Borrell, Spain's acting Foreign Minister, who will become the High Representative of the Union for Foreign Affairs and Security Policy on 1 November, called for the bloc to have a stronger voice in international diplomacy and be more assertive.

'The EU has to learn to use the language of power', he told the Foreign Affairs Committee of the European Parliament, which gave him the green light. 'This is not the world the EU wanted. But I am convinced we have what it takes to face this challenging environment. We need partners, but many of them are disengaging from the rules-based system and others are applying rules in a selective and self-serving way'.

He warned that if the 28 governments did not act together in the face of the increasingly powerful China and a US pursuing President Donald Trump's 'America First' agenda, the EU would become 'irrelevant'.

The first foreign trip of Borrell, a former President of the European Parliament and veteran politician in Spain, will be to Kosovo, one of the six Balkan states that aspire to join the EU.

Kosovo is a particularly tricky issue as Spain, influenced to some extent by the Catalan separatism debate, is one of five EU countries that does not recognise the former Serbian province's independence. Borrell is an outspoken critic of the Catalan independence movement.

Other priorities for his five-year term are stronger EU arms export controls, a policy to stabilise Libya and maintaining EU sanctions on Russia.

### King Felipe to make state visit to Cuba

King Felipe and Queen Letizia will make the first official visit to Cuba in November by a Spanish king. The king's father King Juan Carlos travelled to Cuba twice but it was to attend an Ibero-American summit in 2016 and the funeral of Fidel Castro.

The visit is for the commemoration of the 500<sup>th</sup> anniversary of the founding of Havana. It will come at a time when the communist country is facing increasing hostility from the Administration of US President Donald Trump.

Spain and its former colony have improved ties in recent years within the broader normalisation of relations between the EU and Cuba. The island has undertaken very modest reforms to open up its society, modernise its centrally-planned economy and attract more foreign investment.

Prime Minister Pedro Sanchez made the first official visit by a Spanish Prime Minister to Cuba in three decades last November.

### Domestic scene

#### Supreme Court's jailing of Catalan separatists sparks violent protests, shapes upcoming general election

The Supreme Court's jailing of nine Catalan separatist leaders for their role in organising an illegal referendum on independence in October 2017 and a unilateral declaration of secession by the region's parliament triggered violent protests and looked like shaping the outcome of the general election on 10 November.

The seven judges unanimously found the nine guilty of sedition and sentenced them to between nine and 13 years in prison. Three others were fined. The sentences provoked outrage in the independence camp and opened a new and worrying phase in the most serious institutional crisis in Spain since the failed coup in 1981.

More than 100 flights were suspended after Barcelona's international airport was blockaded by angry protestors. In the city, police clashed for five nights with masked demonstrators (predominantly young people), organised by an anonymous online platform called *Tsunami Democràtic*, who set rubbish bins and cars on fire, hurled petrol bombs and committed acts of vandalism. With tensions running high, the Spanish football league called for the Barcelona home game against Real Madrid on 26 October to be moved from Camp Nou to Madrid.

The longest jail term went to Oriol Junqueras, the leader of the Catalan Republican Left (ERC) and a former Deputy Premier of Catalonia, who was sentenced to 13 years and banned from public office for a similar period. Junqueras had already spent two years in pre-trial detention. Other separatist leaders who received jail sentences for sedition were:

- Dolors Bassa, former Catalan Labour Minister (12 years)
- Jordi Turull, former Catalan Government Spokesman (12 years)
- Raül Romeva, former Catalan External Relations Minister (12 years)
- Carme Forcadell, former Speaker of the Catalan parliament (11.5 years)
- Joaquim Forn, former Catalan Interior Minister (10.5 years)
- Josep Rull, former Catalan Territorial Minister (10.5 years)

The charge of rebellion demanded by the chief prosecutor, which carried sentences of up to 25 years, was rejected. Absent from the trial was Carles Puigdemont, the former and fugitive Catalan Premier, who spearheaded the push for independence and went into self-imposed exile in Belgium two years ago. A new arrest warrant was issued against him for sedition and misuse of public funds.

An earlier warrant was withdrawn after a German regional court ruled last year that Puigdemont could only be extradited on a charge of misuse of public funds and not for rebellion. The court rejected the argument that the Spanish charge of 'rebellion' could be equated with the German penal code's charge of 'high treason' as there was not sufficient violence to justify the charge.

Reactions to the sentences across the political divide underscored the chasm on the Catalan independence issue. Pedro Sánchez, the caretaker Socialist Prime Minister, welcomed the news: 'Today brings an exemplary legal process to an end. Today confirms the failure of a political process, on an international level as well'. Quim Torra, the Premier of Catalonia, rejected the Supreme Court's ruling as 'unjust and undemocratic', and demanded amnesty for the convicted leaders. 'Threats, prison and punishment are not going to solve anything. This is the legacy of the [Franco] dictatorship, not a sign of democracy'. Sánchez ruled out granting pardons.

The government was at pains to explain, particularly to the international community, that the rule of law prevails in Spain and that the country is a fully-fledged and tolerant democracy. Ministers spoke in videos in Spanish, English, French and German. Videos of foreigners praising life in Spain were also released.

This public relations exercise was in stark contrast to the failure of the previous Popular Party (PP) government to explain its policy on Catalan independence, especially the decision to send in police to prevent people from voting in the October 2017 referendum, which turned into a public relations disaster when images of baton-wielding police charging peaceful voters went around the world.

The Supreme Court took the unusual step of issuing a lengthy statement in English.<sup>1</sup> It concluded that the national government had a clear right to protect Spain's 'territorial integrity' and questioned the democratic value of a vote called outside the law 'without the slightest guarantees of transparency'. It said 'no European constitution exists that recognises the 'right to decide' in the form repeatedly promoted by the defendants'.

Torra vowed to achieve a referendum on independence by the end of 2021. He compared the push for independence with the civil rights movements in the US of Martin Luther King and Rosa Parks. Sánchez refused to meet with Torra until he explicitly condemned the violence.

His call, however, was rejected by ERC, the other party in the ruling Junts per Catalunya coalition, in a rare public display of disunity and deepened the divisions in the pro-independence camp. ERC said now was not the moment to set deadlines.

Conservative parties meanwhile called for tougher policies to curb the secessionists including the reinstatement of direct rule.

The only legal way to trigger a plebiscite that results in the independence of any region in Spain is through a constitutional amendment, which would require a large majority in favour of it in the national parliament, new elections and approval in a referendum held throughout the country.

Talks between the national and Catalan governments on granting more autonomy to the region, started by Sánchez after he came Prime Minister in June 2018, proved to be a dialogue of the deaf. The positions of both sides are now even more entrenched.

The general election on 10 November, the fourth in as many years and a record number for an EU country in such a short period, will gauge the impact of the Catalan trial on national political life.

A poll of polls by Kiko Llaneras at *El País* showed the conservative Popular Party and the far-right VOX gaining ground. The Socialists would again be the largest party but with only three more seats in the 350-seat parliament than the 123 they took in April. Unidas Podemos, which failed to agree a government with the Socialists after the April election, would win 28 seats, down from 42. The PP would increase from 66 to 96 seats and VOX from 24 to 34, making it the third largest party. Ciudadanos (Cs) would be the most punished party, plunging to 20 seats from 57. Pollsters predicted similar success for VOX ahead of April's election, but in the end it fell short of the mark.

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<sup>1</sup> See: Supreme Court of Spain, 'Special Proceedings 20907/2017', <http://www.poderjudicial.es/cgpj/en/Judiciary/Supreme-Court/Judicial-News/Press-Release--Special-Proceedings-20907-2017>. The background to the Catalan conflict is available in this updated document published by the Elcano Royal Institute, <https://especiales.realinstitutoelcano.org/catalonia/>.

In these circumstances, it will be as fraught to form a government as it proved to be after April's election, to the considerable frustration of Spaniards, fed up with so many elections. The Socialists and Podemos are far from the majority of 176, even with the forecast eight seats of the new party Más País, formed from a split in Podemos, and would need the support of smaller parties including those in favour of Catalan independence or the acquiescence of the right.

The three parties on the right would also not have a majority. An agreement between the Socialists and Cs (the parties are not that far apart: they agreed a pact after the 2015 election) would have provided a much needed stable and majority government (180 seats) after the April election, but was rejected by Cs leader Albert Rivera as he moved the party to the right and set his sights on overtaking the PP. Cs obtained only nine fewer seats than the PP in that election. That now seems a huge mistake.

Rivera has taken stock of the apparent fading fortunes of Cs, and says he is now more open to striking some kind of deal with the Socialists. But that would seem to be too late.

While the Supreme Court's verdict was applauded by supporters of Spain's 1978 Constitution, some legal experts, including the International Commission of Jurists, said the convictions for sedition were disproportionate. Moreover, the Court itself said the illegal referendum for self-determination was a 'device' to pressure the national Government to negotiate a plebiscite. In which case, the sentences look inordinately long, even if that is what the law mandates.

In another contentious issue, the secessionists' accusation that the trial was politicised was fed by allowing the far-right VOX (the only party to do so) to take an active part in the legal proceedings and to question the defendants personally. Spanish law allows private individuals and groups to do this in any kind of trial. Lawyers called after the Catalan trial for this legal provision to be scrapped.

The imprisoned Catalans will appeal against the sentences to Spain's Constitutional Court and the European Court of Human Rights, a process that could take several years. The nine could be out of prison on day release much earlier than their sentences indicate if they qualify for what is called *tercer grado*, as they have already spent up to two years in prison.

Support for independence appears to be waning. A survey in June and July by the Catalan government's own pollster, the CEO, before the sentences, found support for it at 44% (and only 35% when other options are offered). That compares with a record high of 49% in December 2017.

The Catalan government has the option of calling a snap election (not due until December 2021) in order to gauge if it has more or less support for independence. Pro-independence parties retained their majority in the December 2017 election, which was called by the previous PP government after Madrid dissolved the Catalan parliament and imposed direct rule, following the illegal referendum and the proclamation of independence. They won 70 of the 135 seats (two less than in 2015) on 47.5% of the

vote and a record voter turnout of 80%. The anti-independence parties mustered 57 seats, five more than in 2015, of which 36 were won by Ciudadanos, up from 25. This was the first time a non-nationalist party had won the most seats in a Catalan regional election, but not enough to govern on its own or in coalition.

### More than 132,000 people of Sephardic descent request Spanish nationality

Four years after a law lapsed this month, 132,226 descendants of Jews expelled from Spain in the late 15<sup>th</sup> century or forced to convert to Catholicism have requested or already been granted Spanish nationality.

The law was passed in order to atone for the 'historical wrong'. As the deadline of 1 October approached, Sephardim around the world rushed to apply for Spanish citizenship. By the end of August 60,226 had applied, followed by almost 72,000 in September alone.

Applications came from Mexico, Colombia, Venezuela, Argentina, the US, Israel, Panama, Ecuador, Brazil, Turkey, France, the UK, Serbia, Peru, Chile, Morocco and Afghanistan, to name just a few of the countries.

The long and costly process included taking tests in Spanish language and culture, proving Sephardic heritage and establishing or proving a special connection with Spain.

The law grants dual citizenship rights for Jews with Spanish ancestry. Under the previous 1924 law the government had discretionary powers to award Sephardic Jews nationality but candidates had to give up their previous citizenship and they had to be residents of Spain.

### Political paralysis hitting education reforms

The lack of a fully functioning government since April's inconclusive election has paralysed education reforms including reducing the high number of temporary teachers (25% of the total), ongoing and improved training for teachers and updating scholarships for the children of poor families.

The European Commission said the political instability was holding up eight reforms, as well as making it more difficult to tackle the serious problem of early school leavers. Spain's early school leaving rate of 17.9% is the highest in the EU, though well down on more than 30% in 2006.

Teachers in state schools are civil servants and must pass an open competition. These competitions have always attracted numerous applications. During the financial crisis, they were scarce, with posts covered through short-term contracts. The high share of interim teachers (who are assigned to a different school each year) makes it difficult to build stable and cohesive teams in schools. In 2018 a competition for teachers in upper secondary level (including vocational education and training) took place, with 23,689 jobs available. The results of this competition were lower than expected, particularly in certain

subjects, which meant that many of the offered positions could not be covered in certain regions.

The early school-leaving rate is the main black mark on an otherwise relatively good performance of meeting the EU's targets for 2020 (see Figure 1). The EU's target for this rate is below 10% in 2020. Furthermore, there are wide differences in the rate in Spain by gender and foreign or native-born. The rate for males is 21.7% compared with 14% for females, while that for the native-born is 14.9%, half that for the foreign-born (32%).

A similar pattern occurs in tertiary educational attainment, although the overall rate (40%) has already met the EU's target of at least 40%. That rate for women in Spain is 48.6% (36.1% for men) and 46.3% for the native-born (29.3% for the foreign-born).

**Figure 1. Key indicators, Spain (%)**

Education and training 2020 benchmarks	Spain		EU average	
	2009	2018	2009	2018
Early leavers from education and training (age 18-24)	30.9	17.9	14.2	10.6
Tertiary educational attainment (age 30-34)	40.7	42.4	32.3	40.7
Early childhood education and care (from age 4 to starting age of compulsory education) (1)	98.4	97.4	90.8	95.4
Proportion of 15-year-olds underachieving in: (2)				
Reading	19.6	16.2	19.5	19.7
Maths	23.8	22.2	22.3	22.2
Science	18.2	18.3	17.7	20.6
Employment rate of recent graduates by educational attainment (age 20-34 having left education 1-3 years before reference year)	73.0	75.4	78.3	81.6
Adult participation in learning (age 25-64)	10.8	10.5	9.5	11.1
Other contextual indicators				
Public expenditure on education (% of GDP)	4.6 (3)	4.0 (3)	5.2	4.6 (3)

(1) Latest data 2017.

(2) Latest data 2015.

(3) Latest data 2017.

Source: Education and Training Monitor 2019, European Commission.

### Spain moves up the Gender Equality Index

Spain is ranked 9<sup>th</sup> out of the 28 EU countries in the latest Gender Equality Index drawn up by the European Institute for Gender Equality (see Figure 2), up from 11<sup>th</sup> in the 2017 index. Its score rose to 70.1 out of 100 from 68.3.



**Figure 2. 2019 Gender Equality Index**

	Score out of 100
1. Sweden	83.6
3. France	74.6
5. UK	72.2
<b>9. Spain</b>	<b>70.1</b>
EU average	67.4
13. Germany	66.9
15. Italy	63.0
28. Greece	51.2

Source: European Institute for Gender Equality.

The Index has six core domains –work, money, knowledge, time, power and health– and two additional domains: violence against women and intersecting inequalities.

## The economy

### Tourist industry under threat from Thomas Cook collapse

The collapse of Thomas Cook, one of Europe's biggest travel groups, last month threatens the viability of large parts of Spain's tourist industry, a mainstay of the economy.

Cook's aircraft, grounded since the company went under, transported 3.6 million tourists to Spain last year, particularly to the Canary and Balearic Islands, and a larger number of people who had Cook's holidays but flew on other airlines.

The Spanish Confederation of Hotels and Tourist Accommodation says 1.3 million autumn and winter visitors will be unable to fly into Spanish destinations, resulting in the shutting down of at least 500 hotels.

The government has responded by announcing a package of measures worth €300 million, including emergency credit lines, a reduction in airport fees and plans to spend €500 million in improving tourism infrastructure.

The company employed more than 20,000 people in Spain, 3,400 of them in the Balearic Islands alone.

The In Destination Incoming agency, based in Palma, Majorca, has gone into liquidation, reportedly announcing debts of a €57 million.



Spain has enjoyed record international tourism arrivals for the past six years (82.8 million in 2018), but this year the number could be down. The industry generates 12% of GDP.

The number of airline passengers arriving in the Balearic Islands and the Canary Islands between 1 and 24 September was 9% lower than in the same period of 2018.

## Corporate scene

### Cellnex set to become UK's largest wireless infrastructure operator

Cellnex's €2.2 billion purchase of Arqiva's telecoms subdivision will add 8,300 sites to its network, making it the main independent operator of wireless infrastructure in the UK. The deal brings its total sites across Europe to 53,000.

Cellnex already has some UK-based sites following a strategic agreement with BT last year, in which it obtained the rights to operate and market 220 high towers located throughout the UK.