

## Inside Spain Nr 167

19 November - 19 December 2019

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### Summary

UN climate change summit puts Spain in the spotlight.  
Court rulings further complicate formation of new government.  
Former Socialist Premier of Andalusia jailed for corruption.  
Spain declines in PISA education tests.  
Yet another record year for tourism forecast.

### Foreign Policy

#### UN climate change summit puts Spain in the spotlight

The two-week long UN summit on climate change made little progress on stopping rising temperatures, but Madrid's successful hosting of it under Chile's leadership increased Spain's profile on this issue.

Spain stepped in to host the annual meeting known as COP25, given the maximum publicity due to the presence of Greta Thunberg, the Swedish teenage environmental activist, after Chile withdrew because of massive protests in its capital against the government's policies and stark inequalities.

The main failing was over implementing the 2015 Paris agreement, which has so far failed to stem the rise in global carbon emissions. The EU, however, except for Poland, committed to reducing emissions to net zero by 2050.

Madrid was a fitting city for the conference as Spain can claim to be in the vanguard of the fight against climate change (see Figure 1). With Peru, the country heads the coalition of social and political drivers that is mobilising UN member states to work towards sustainable economic change, and it has the EU's best national ecological transition plan, according to the European Climate Foundation's assessment of drafts submitted to the European Commission. Acting Prime Minister Pedro Sánchez wants to introduce a climate change bill –if he manages to form the next government– to make all towns with over 50,000 inhabitants create low-emission zones.

**Figure 1. Spain and the fight against climate change**

Spain and the UN's 2020 Agenda	21 <sup>st</sup> out of 162 countries in implementation of sustainable development goals (SDGs). Score of 77.8/100, similar to Canada, Iceland and Switzerland
Environmental Performance Index (EPI)	12 <sup>th</sup> out of 180 countries (1 <sup>st</sup> in water and sanitation, 13 <sup>th</sup> in biodiversity and habitat and 20 <sup>th</sup> in air quality)
Renewable energy	12 <sup>th</sup> in renewable energy production capacity, 5 <sup>th</sup> in installed wind capacity and 10 <sup>th</sup> largest producer of photovoltaic energy, International Renewable Energy Agency
Environment in Spain	1 <sup>st</sup> country worldwide in biosphere reserves and 2 <sup>nd</sup> in UNESCO parks

Spain has good reason to be in the forefront, although not everyone is on board, as shown by the attempt of the Madrid City Council, run by the conservative Popular Party since it ousted the leftist mayor in May's municipal election, to become the first European city to scrap a major urban low-emissions zone, on the strange grounds that traffic jams are part of the city's cultural identity. A judge ruled in favour of keeping the zone after environmental groups appealed against the decision.

The country suffers long summer seasons, estimated at five weeks since the 1970s, with more intense and frequent heatwaves. Other effects are less rainfall. World Health Organisation figures show that air pollution causes more than 30,000 deaths per year in Spain, and around 1,400 people die every year because of high temperatures, a figure that could rise to 12,000 by the middle of the century.

Spain is also under threat from rising sea levels in low-lying coastal cities, such as La Coruña, San Sebastián and Malaga.

The growth in renewable energy in Spain is reflected in a 3.2% drop in greenhouse gas emission since 2017, higher than the EU average, according to Eurostat. Spain's emissions in 2018 accounted for 7.7% of the CO2 emitted by EU countries, less than Germany (22.5%), the UK (11.4%), France (10%) and Italy (10%).

Spain is the leading European country in terms of investment in renewable energy, which generates 19% of Spain's power. According to Bloomberg's State of Clean Energy Investment study, US\$3.7 billion was invested in the first half of this year, 235% more than in the same period of 2018. The country's coal industry is being run down (see Figure 2).

**Figure 2. European Union coal industry workers**

	Coal Power plants	Mines	Total workers
Poland	13,000	99,500	112,500
Germany	10,900	24,700	35,600
Czech Republic	3,600	18,000	21,600
Rumania	3,600	15,000	18,600
Bulgaria	2,700	11,800	14,500
<b>Spain</b>	<b>3,300</b>	<b>3,400</b>	<b>6,700</b>
UK	4,100	2,000	6,100
Italy	2,400	300	2,700
Sweden	100	0	100

Source: European Commission.

The Elcano Royal Institute and IDDRI organised a think-tanks workshop on the geopolitics of climate governance.<sup>1</sup>

### Spain 9<sup>th</sup> in Global Diplomacy Index

Spain remained in 9<sup>th</sup> place out of 61 countries in the Lowy Institute's Global Diplomacy Index, with the same number of posts (215) as in the last edition.

The ranking is based on embassies and high commissions; consulates and consulate-general provided they are headed by a dedicated home-based head with accreditation in the host country, permanent missions at multilateral organisations such as the UN, EU and NATO and representative offices in countries where there is no formal diplomatic relationship, provided they are headed by a dedicated home-based head (see Figure 3).

<sup>1</sup> See the think-tanks statement at

<http://www.realinstitutoelcano.org/wps/wcm/connect/d503523b-1706-42f9-9e31-b76042d5be4c/New-geopolitics-of-climate-governance-Statement-IDRI-Elcano.pdf?MOD=AJPERES>

**Figure 3. Top 10 countries in Global Diplomacy Index**

	Total posts	Embassies/High Commissions	Consulates/Consulates-General	Permanent missions	Other representations
China	276	169	96	8	3
US	273	168	88	9	8
France	267	161	89	15	2
Japan	247	151	65	10	21
Russia	242	144	85	11	2
Turkey	235	140	81	12	2
Germany	224	150	61	11	2
Brazil	222	138	70	12	2
<b>Spain</b>	<b>215</b>	<b>115</b>	<b>89</b>	<b>10</b>	<b>1</b>
Italy	209	124	77	8	0

Source: Lowy Institute.

## Domestic scene

### Court rulings further complicate formation of new government

Two court rulings related to Catalan independence threw a potentially big spanner in the efforts of caretaker Prime Minister Pedro Sánchez to form a new government, five weeks after the Socialists were the most voted party in the fourth general election in as many years but far from an absolute majority in parliament.

The European Court of Justice ruled that Oriol Junqueras, the jailed leader of Catalan Republican Left, the largest pro-independence party in the national parliament and whose passive support Sánchez needs to form a minority government, should have been given immunity to take up his seat in the European Parliament. He was elected in May and sentenced in October to 13 years for sedition, for his role in holding an illegal referendum on independence in 2017 and unilaterally declaring secession.

Two other top Catalan separatists were elected as MEPs in May and the ruling may affect them too. Former Catalan President Carles Puigdemont and Toni Comin fled to Belgium before Spain could detain them. Their extradition is being sought.

Junqueras, the former Catalan Vice-President, was not allowed to swear an oath on the constitution in Spain, as Spanish law requires, while on trial and in provisional detention.

The ECJ said that if Spanish courts had wanted to keep him in detention to prevent him from travelling to the European Parliament for his inauguration, they should have requested that Parliament waive his immunity.

Junqueras's defence team immediately filed an appeal to Spain's Supreme Court over the legitimacy of his trial and conviction. Legal experts said the ruling does not mean Junqueras will be released, nor does it necessarily mean a change to his sentence, as it is concerned with putting MEP status above national rules.

In another ruling, a Catalan court barred Quim Torra, the ultra nationalist Catalan President, from holding office for 18 months after he refused an order to remove secessionist items from public buildings during the campaign for April's general election. He will appeal the sentence and if he loses it will have to step down.

The pro-independence movement hailed the ECJ ruling as a victory and the other ruling could make Torra another 'martyr' for secessionists, if the ban is upheld.

King Felipe formally asked Sánchez on 11 December to form the first coalition government since the 1930s. Whether he will be able to do so or be forced to call yet another election depends on obtaining the abstention of the ERC in the investiture vote.

Sánchez hopes parliament will hold an investiture vote by the end of the year but that looks most unlikely as the Catalan Republican Left (ERC), the largest of the two pro-independence parties, is still locked in negotiations with the Socialists that are dragging on.

He has already struck a deal with the radical left Unidos Podemos (UP) to form a minority government, but their 35 seats only give the two parties 155, 21 short of a majority. Sánchez also has the backing of other regional parties but needs the ERC's 13 seats to clinch it. The Popular Party, the far-right VOX and Ciudadanos (Cs), which between them have 150 seats, have all said they will not actively or passively back Sánchez. Pablo Casado, the PP's leader, said facilitating a Socialists-UP government 'would be lethal for Spain and suicide for the party'.

Holding a legally-binding referendum on independence is a red line that the so called 'constitutionalist' parties (Socialists, PP, VOX and Cs) will not countenance. As it is, the right-wing bloc is already accusing Sánchez of selling out to the secessionists just for sitting down with the ERC.

Not until the first investiture vote is held will the clock begin to tick towards another election. If Sánchez fails to win an absolute majority at that vote, as seems more than likely, a second vote has to take place within 48 hours when only more 'yes' than 'no' votes are required. If a government is not formed two months after the first vote, a fresh general election is automatically triggered.

A German-style grand coalition between the PP, the Socialists and Cs would give Spain the stable government that it so badly needs (218 of the 350 seats), although this would

leave the opposition to such a government in hands of populists on the right (VOX) and the left (UP).

The Socialists and the ERC are drawing up a document that would enable the Catalan separatists to justify in the eyes of their supporters abstaining in the investiture vote, while the Socialists want to ensure they are not heading down a path that leads to independence or be seen to be crossing red lines. Great care is being taken over the document's language.

The talks so far have not gone down well with all the Socialists' 'regional barons'. Emiliano Garcia-Page and Javier Lambán, two prominent figures and the Premiers of Castilla la Mancha and Aragon's regional governments, respectively, harshly criticised the negotiations with the ERC.

Even if Sánchez does manage to form a government, few analysts believe it will last the full four-year term. The ERC is an unreliable partner. Its goal is independence and it makes no bones about it. The party backed the non-confidence motion in June 2018 that ousted the PP and brought Sánchez to power, but it voted against the Socialists' budget in February 2019 that triggered April's snap election.

The latest survey by the Catalan government's research unit showed a gulf between the region and the rest of Spain on how to resolve the independence issue. While 62% of Catalan respondents believe the region does not have enough autonomy, only 12% do so in the rest of Spain (see Figure 4). More than 40% of Catalans want negotiations without limits compared to 17% outside the region (see Figure 5).

**Figure 4. Relations between Catalonia and the rest of Spain: do you believe Catalonia has obtained...? (%)**

	Catalonia	Rest of Spain	Total
Too much autonomy	8.5	51.1	44.5
A sufficient level	24.6	26.1	25.9
An insufficient level	62.4	12.0	19.9

Source: Centro de Estudios de Opinión (Catalan government).

**Figure 5. What is most needed? (%)**

	Catalonia	Rest of Spain	Total
Dialogue and negotiations without limits	42.4	17.2	21.2
A tough policy by the national government	4.2	26.9	23.4
Dialogue and negotiations within the framework of the constitution	38.1	48.4	46.8
A unilateral policy by the Catalan government	11.2	1.7	3.2

Source: Centro de Estudios de Opinión (Catalan government).

The survey also confirmed that the Catalan situation dominated last month's general election. As expected it was the independence issue that drove people to abandon in droves their usual party allegiance and vote for the far-right VOX (see Figure 6), which more than doubled its number of seats in parliament to 52 to become the third largest party, but it also influenced those who voted for the PP (56.4%) and Ciudadanos (66%).

**Figure 6. Did the Catalan situation influence your decision to vote or not in the 10 November general election and for which party? (%)**

	Yes	No
Socialists	32.5	66.3
Popular Party	56.4	42.4
Ciudadanos	66.0	32.9
Unidas Podemos	28.6	70.7
VOX	70.3	28.6
Catalan Republican Left	86.7	13.3
Junts per Catalunya	86.5	11.5
Overall	43.9	54.6

Source: CIS.

VOX won a seat on the committee responsible for running parliament, raising its national profile. The influential committee decides when bills are admitted for debate.

### Former Socialist Premier of Andalusia jailed for corruption

A court in Seville sentenced José Antonio Griñán to six years in prison after finding him guilty in Spain's biggest and longest-running corruption case and banned his predecessor Manuel Chaves from holding public office for nine years for abuse of power.

The ERE case –the Spanish term for a layoff programme– involved the misuse of €680 million of public funds between 2000 and 2009 intended to help companies make severance payments. Some of the payments went to people who never worked for the companies involved. A total of 19 people were convicted.

According to anti-corruption prosecutors, the €680 million was handed out fraudulently through a 'totally opaque grants system' that operated free of 'all the established control mechanisms'.

The sentences were an embarrassment for Pedro Sánchez, the caretaker Prime Minister, although the scandal predates his tenure as the Socialists' leader. He had engineered and won a non-confidence vote in 2018 against the former Popular Party (PP) Prime Minister Mariano Rajoy, following the Gürtel kickbacks-for-contracts trial which jailed 29 former high-ranking party officials and business associates including Luís Bárcenas, the party's treasurer, for a combined 351 years behind bars.

Andalusia, one of Spain's poorest regions, has long been a Socialist stronghold. The party lost power to the PP and Ciudadanos in the region's elections in December 2018 after 36 years in office.

The PP was quick to accuse Sánchez of failing to control corruption within his own party, although the two scandals are very different. While the Gürtel case was 'an efficient system of institutional corruption via mechanisms to manipulate contracts' according to the judges, the ERE scandal was a system of public aid which was irregularly diverted to companies and workers. At least 141 of the 6,000 workers who received the funds did not work for the affected companies.

Unlike in the Gürtel case, no one in the ERE trial was accused of having enriched themselves. Bárcenas was found guilty of taking €1.24 million in bribes and evading more than €11.5 million in taxes.

### Spain declines in PISA education tests

Fifteen-year-old students scored Spain's worst results in science and dropped a little in mathematics in the latest results of the OECD's Programme for International Student Assessment (PISA), held every three years.

The score in science was 483, down from the best result of 496 in 2012, and 481 in mathematics compared with 486 in 2015 (see Figure 7). Spain's scores were similar to those for Hungary and Lithuania.



The results for the third of the tests –reading– were deferred for Spain because some of the data showed ‘implausible student-response behaviour’. Results for mathematics and science appeared to be less affected by this.

**Figure 7. PISA scores for science and mathematics**

	Science	Mathematics
China (1)	590	591
Estonia	530	523
Finland	522	507
Poland	511	516
UK	505	502
Germany	503	500
US	502	478
France	493	495
Portugal	492	492
<b>Spain</b>	<b>483</b>	<b>481</b>
Italy	468	487
OECD average	489	489

(1) Four provinces in eastern China that do not represent the country as a whole, but the size of each compares to that of a typical OECD country.

Source: OECD PISA 2018.

As in previous tests, there were comparatively few top performers in Spain, while the level of low performers was similar to the OECD average in mathematics. Some 5% of those tested were top performers compared with 20% and 33% for Belgium and South Korea, countries with a similar income level to Spain.

As well as the worrying trend of no improvement, the results showed considerable differences across Spain’s 17 regions. For example, a science student in Galicia (510) scored considerably better than one in the Canary Islands (470, see Figure 8). PISA experts say a difference of 30 points is the equivalent of 37 weeks at school. The difference between Spain and China in mathematics is 110 points!

**Figure 8. PISA results by Spain's autonomous regions, 2018 and 2015**

	Science		Mathematics	
	2018	2015	2018	2015
Galicia	510	512	494	494
Castile and León	501	519	506	506
Asturias	496	501	492	492
Cantabria	495	496	495	495
Aragón	493	508	500	500
Navarre	492	512	518	518
Catalonia	489	504	490	500
Basque Country	487	483	499	492
Madrid	487	516	486	503
La Rioja	487	498	497	505
Castile-La Mancha	484	497	479	486
Spain	483	493	481	486
Balearic Islands	482	485	483	476
Murcia	482	484	474	470
Valencia	479	494	473	485
Extremadura	473	474	470	473
Andalusia	471	473	467	466
Canary Islands	470	470	460	452

Source: OECD PISA 2018.

As well as the worrying trend in regional differences, the likelihood of repeating a course is four times greater among poor than better-off students, the second highest gap among OECD countries.

Compared to the average student across OECD countries, students in Spain reported being bullied less frequently, were more satisfied with their lives, expressed more positive and fewer negative feelings, and their sense of belonging at school was the strongest across all PISA-participating school systems. Yet, according to students' reports, the disciplinary climate in language-of-instruction lessons was far from ideal, and the share of students who had skipped school or lessons in the two weeks prior to the PISA test was clearly larger than the OECD average.

School principals reported more staff shortage and more material shortage than the OECD average; and principals of disadvantaged schools more often reported staff shortage than principals of advantaged schools.

Education policy has long been a political football in Spain, to the despair of parents. The opposition Socialists refused to back a pact with the ruling Popular Party (PP) in March 2018 because they wanted to separate themselves from ‘the right’, while in 2011 the opposition PP did the same because they did not want to hand a victory to the ruling Socialists.

### Births at lowest number since records began in 1941

More people died in the first six months of 2019 than were born, entrenching a trend that began in 2015, according to provisional figures from the National Statistics Office (INE).

Deaths (215,478) outstripped births (170,074, the lowest figure in 78 years) by 45,404 (see Figure 9).

**Figure 9. Births and deaths, 2008-2019**

	2008	2012	2014	2015	2016	2017	2018	2019 (1)
Births	518,503	224,782	208,375	204,910	200,255	190,962	181,366	170,074
Deaths	384,198	217,634	204,464	226,190	210,300	221,700	227,786	215,478
Natural growth	134,305	7,148	3,911	-21,280	-10,045	-30,738	-46,420	-45,404

(1) Provisional figures.

Source: INE.

Only three regions (Madrid, Murcia and the Balearic Islands) recorded more births than deaths. The decline in births was due to the low fertility rate (1.26) and the drop in the number of women of child-bearing age.

Demographers believed that births would rise after the worst of Spain’s economic crisis was over, but this has not happened. Employment prospects have improved, but many jobs are precarious and family-friendly policies to enable employees to more easily balance family and work leave a lot to be desired, particularly compared to those in Nordic countries financed by much higher taxes than in Spain.

The average age of women having their first child was just over 31 in 2018 for the first time.

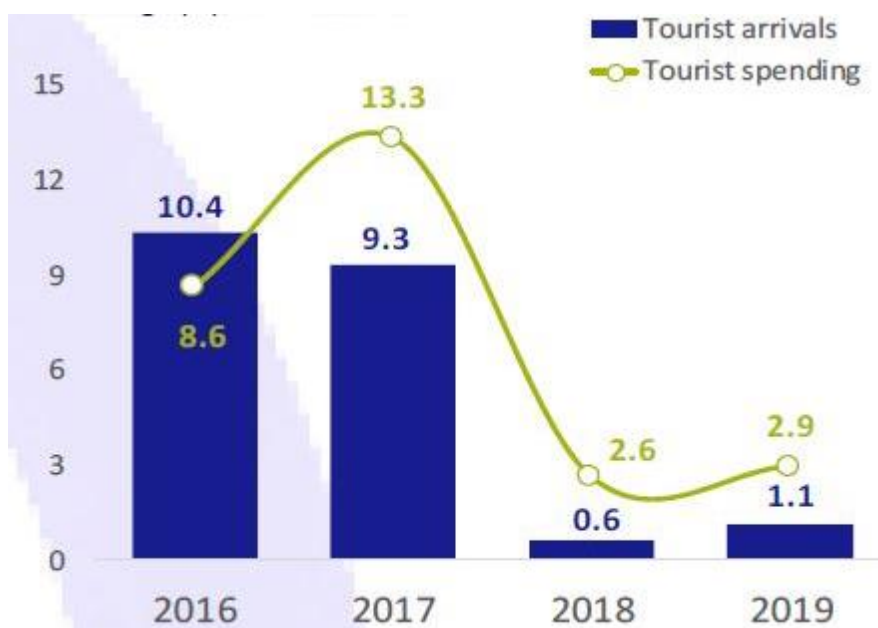
## The economy

### Yet another record year for tourism forecast

The tourism industry, a cornerstone of the economy, is set to notch up another record this year, with 83.4 million arrivals (82.8 million in 2018) and revenue of €91.9 billion (€89.9 billion), according to Reyes Maroto, the acting Tourism Minister.

The number of tourists increased 1.1% year-on-year between January and October to 74.4 million. Tourism spending rose 2.9% to €82.2 billion (see Figure 10).

**Figure 10. Tourism in Spain, January 2016-October 2019 (YoY % change)**



Source: Círculo de Empresarios, based on INE, 2019.