

## **Inside Spain Nr 186**

21 July - 20 September 2021

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### **Summary**

Spain evacuates 2,200 people from Afghanistan, praised by EU and US.  
Government hits target of fully vaccinating 70% of population.  
Protracted talks begin with Catalan secessionists.  
Staycation rescues key tourism sector from fall in international visitors, inflation surges.  
Minimum wage to rise 1.6% to €1,125.

### **Foreign Policy**

#### **Spain evacuates 2,200 people from Afghanistan, praised by EU and US**

Spain flew 2,206 Spanish citizens, vulnerable Afghan nationals and other evacuees out of Kabul on 17 flights, the 11<sup>th</sup> largest number (see Figure 1), bringing to an end almost 20 years of involvement in Afghanistan at the cost of 102 lives (62 of them in an air accident).

**Figure 1. Evacuations from Afghanistan by country (1)**

Countries evacuating	
Qatar	40,000
United Arab Emirates	36,500
UK	15,000
US	5,400
Germany	5,437
Italy	5,011
Australia	4,100
Canada	3,700
France	3,000
Netherlands	2,500
<b>Spain</b>	<b>2,206</b>
Belgium	1,400
Turkey	1,400
Sweden	1,100

(1) Citizens of the countries and Afghan nationals except for the US, whose number only includes US citizens.

Source: Reuters, 30/VIII/2021.

The Torrejón air base near Madrid was turned into an EU hub for Afghans who worked with its institutions over the years. These flights were organised by the EU's foreign service. Those on them were hosted for a few days and then distributed to EU countries. US flights carried people to military bases at Rota and Morón de la Frontera in southern Spain, following the signing of a Memorandum of Understanding between the two countries. These people were headed for resettlement locations in the US and third countries.

Ursula von der Leyen, President of the European Commission, praised Spain's assistance. 'In a time of need, Spain has shown its humanity and its sense of solidarity', she said. 'Spain is an example of what the soul of Europe is in its best expression'. She and Charles Michel, the President of the European Council, visited Torrejón. President Joe Biden thanked Prime Minister Pedro Sánchez in a phone call.

Sánchez said Spain would do all it could to get those who worked for Spanish troops or in cooperation projects out of Afghanistan, along with their families. The Foreign Minister, José Manuel Albares, visited Pakistan seeking its help in evacuating Afghans.

The first 350 Spanish soldiers arrived in Afghanistan in 2002 during the Popular Party (PP) government of José María Aznar, in response to NATO activating Article 5 of its founding treaty (mutual defence) after the September 11 attacks in New York and Washington. At its height under Socialist Prime Minister José Luis Rodríguez Zapatero (2004-11), Spain had more than 1,500 military personnel stationed in Afghanistan. Over 20 years it sent some 27,000 troops to the country.

In 2005 Spain assumed command of the Herat base and took charge of the provincial reconstruction team in Qala-i-Naw, handing the area over to Afghan authorities in September 2013.

The evacuated Afghans were given a special 15-day residency permit on arrival. Those who requested international protection (the number is not yet known) were given an appointment at the nearest police station in the region to which were transferred so that the request can be formalised. In 2020 just 34 Afghans requested protection in Spain, 0.04% of the total, compared with 182 in 2019 and 101 in 2018.

While the number in protection is far higher, Spain should be able to absorb them without too much strain, as the number of refugees in the country in relative terms is low (see Figure 2).

**Figure 2. Countries hosting the most displaced people per 1,000 inhabitants, end of 2020**

Rank out of 30 countries	Refugees hosted per 1,000 population
1. Turkey	42.9
2. Sweden	24.7
4. Germany	13.8
7. Greece	7.5
9. France	6.1
14. Italy	3.4
17. UK	2.0
21. Spain	1.2
30. Czech Republic	0.2

Source: UNHCR.

The welcome given to Afghans contrasted sharply with the situation in Spain's North African enclave of Ceuta where hundreds of unaccompanied minors were among a surge of 10,000 people who illegally entered Ceuta in May from Morocco by scaling a border fence or swimming around it, and whose return last month was suspended pending a court decision.

The Moroccan authorities, angered by the Spanish government's decision to allow Brahim Ghali, head of the Polisario Front that leads the fight for the disputed Western

Sahara's independence from Morocco, to be treated in a hospital for COVID-19, turned a blind eye to those crossing into Ceuta.

International human-rights groups accused Madrid of violating the children's rights by repatriating them. Spain is legally obliged to care for young migrants until their relatives can be located or until they turn 18 years old. Last month, groups of 15 children began to be repatriated under a 2007 agreement between Spain and Morocco for assisted returns, once children's cases had been considered. All the adults who crossed illegally have gone back to Morocco.

A total of 786 migrants died in the first eight months trying to reach the Canary Islands by sea, 443 more than in the same period of 2020, according to the International Organisation for Migration.

Morocco's Ambassador to Madrid, Karima Benyaich, was expected to return to her post this month after Rabat recalled her in May. The two governments were seeking to get relations back on an even keel.

### Saudi Arabia seeks to move the WTO headquarters from Madrid to Riad

Saudi Arabia is reportedly seeking to have the headquarters of the World Tourism Organisation (WTO) relocated from Madrid, capital of the world's second-largest tourism destination country (before the pandemic), to Riad.

The petition, yet to be officially confirmed, has set off alarm bells in the government, which views it as an unfriendly gesture. Saudi Arabia would need the votes of two-thirds of the 159 countries represented at the WTO annual assembly later this year to win the day. The WTO, with 152 employees, is the only UN organisation based in Spain.

Saudi Arabia received 20.3 million tourists in 2019, the last 'normal' year compared with Spain's 83.7 million.

## Domestic Scene

### Government hits target of fully vaccinating 70% of population

Spain became the first of the world's 50 most populated countries to vaccinate 70% of its population against the pandemic (see Figure 3), fulfilling the goal set by the government for the end of August, while slashing its 14 day incidence rate from almost 600 per 100,000 people two months ago to 83 on 20 September, well below the 'high risk' level of 150.

**Figure 3. Share of people fully vaccinated against COVID-19 (%)**

	%
Portugal	81.8
United Arab Emirates	80.3
<b>Spain</b>	<b>76.5</b>
China	67.1
Italy	65.6
UK	65.1
France	63.7
Germany	62.6
US	53.9

Source: <https://ourworldindata.org/covid-vaccinations>.

The only other country that came close to Spain's vaccination level was Canada (67% at the end of August), according to Oxford University's Our World in Data website. 'We have achieved it thanks to the strength of the national public service, the effort by health professionals, the work from public agencies and the great awareness from citizens', Prime Minister Pedro Sánchez tweeted.

Before the arrival of the Delta variant, the government thought 70% would give Spain herd immunity, but now 90% is needed.

The vaccine roll-out got off to a slow start because of delivery delays and logistical delays and then gathered a brisk pace. In April, 13% of Britons were fully vaccinated as against only 7% of Spaniards. Spain's daily COVID cases are running at around 3,400 and deaths 70 compared with the UK's respective and comparatively larger figures, taking into account each country's population, of 30,000 and 200. The UK's seven day incidence rate is more than six times higher than Spain's 47.

A key driver, once the initial problems were solved, was Spaniards' trust in the public health system, one of the highest in Europe. Also, vaccine hesitancy is low in Spain. According to a study by Imperial College London published in June, 79% of people in Spain trust COVID-19 vaccines, compared with 62% in the US and 56% in France. The relatively high share of young adults (under 30) living at home in Spain also drove vaccinations as they wanted to protect their parents and older relatives, underscoring the high degree of solidarity between generations.

The 14-day cumulative number of cases per 100,000 people was below 100 in all but six of the 17 regions (see Figure 4).

**Figure 4. Coronavirus (COVID-19) 14-day cumulative number of cases per 100,000 people by region**

	21 June	19 July	20 September
Andalucía	173	425	72
Aragón	83	767	101
Asturias	72	653	22
Balearic Islands	40	652	113
Basque Country	107	494	113
Canary Islands	94	342	68
Cantabria	89	603	113
Castilla y León	80	908	63
Castilla-La Mancha	67	249	101
Catalonia	92	1,298	103
Extremadura	60	413	87
Galicia	40	448	62
Madrid	82	493	92
Murcia	49	285	93
Navarre	102	908	90
La Rioja	145	463	70
Valencia	42	516	58
Spain (1)	92	599	83

(1) Including the North African enclaves of Ceuta and Melilla, as at 20/IX/2021.

Source: Health Ministry.

### Protracted talks begin with Catalan secessionists

The central and Catalan governments began talks on trying to resolve the stand-off over independence for one of the richest regions. The talks come four years after the unconstitutional referendum on secession and a unilateral declaration of breaking away from Spain, which the Popular Party (PP) government met by sending in riot police (a public relations disaster), a temporary imposition of direct rule from Madrid, and the pardoning in June 2021 of nine separatists after three-and-a-half years in jail.

The Socialist-led minority government's willingness to sit down with secessionist politicians and the pardoning, in the face of polls that showed a majority against this, has reduced tensions. Yet no one is any doubt that the road ahead will continue to be a bumpy one (see Figure 5).

**Figure 5. The long and winding road to talks between the central government and Catalan secessionists**

Date	Events
2006 August	Catalan Parliament passes new autonomy statute, approved in a referendum in the region and ratified by the Congress and Senate in Madrid
2010 June	Constitutional Court rules there is no legal basis to recognise Catalonia as a nation and that the Catalan language should not take precedence over Castilian Spanish. This followed a challenge by the Popular Party, the ombudsman and five regional governments
2010 July	Massive demonstration in Catalonia against the Constitutional Court's ruling
2012 September	Catalan Premier Artur Mas meets Prime Minister Mariano Rajoy in a bid to obtain a fiscal pact. Fails and calls an early election in the region
2012 November	Artur Mas's CiU party wins the election but with 12 fewer seats in Parliament. He remains Premier thanks to the support of the openly pro-independence Esquerra Republicana de Catalunya (ERC), which captures 11 more seats
2014 November	Artur Mas defies the Constitutional Court and holds an informal, non-binding referendum on secession. More than 80% in favour but only 2 million out of an estimated 5.4 million eligible voters took part. The public prosecutor brings charges against Mas and two of his Ministers for holding the referendum
2015 September	Pro-independence alliance Junts pel Si headed by Artur Mas wins Catalan election and teams up with anti-capitalist CUP to form a government. But CUP refuses to retain Mas as President. Pro-independence parties win 48% of the vote (72 seats) and anti-independence parties 39% (52)
2015 November	Catalan Parliament approves declaration of sovereignty and the right to decide
2015 December	Constitutional Court annuls the declaration of sovereignty and right to decide
2016 January	Carles Puigdemont becomes new Catalan Premier with the goal of calling a legally binding referendum on independence
2016 August	Constitutional Court suspends independence roadmap approved by the Catalan Parliament

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Date	Events
2016 September	Carles Puigdemont announces an independence referendum in September 2017 with or without Madrid's permission
2016 October	Public prosecutor brings charges of disobedience against Carme Forcadell, President of the Catalan Parliament, for allowing the pro-independence roadmap to be put to a vote in July
2016 December	Constitutional Court blocks plans to hold an independence referendum
2017 March	Artur Mas, former Premier of Catalonia, and three of his Ministers banned from public office over the 2014 non-binding informal vote
2017 September	Catalan parliament fast-tracks a referendum law and the regional government formally calls a referendum on secession from Spain. Catalan government officials arrested over the unconstitutional referendum
2017 October	Catalan officials said that almost 2.3 million people voted in the referendum (40% of voters eligible for the plebiscite), with 2 million voting 'Yes', a similar turnout to the informal consultation in 2014. Carles Puigdemont declares independence and the central government imposes direct rule. Puigdemont flees Spain to avoid arrest on charges of rebellion and misappropriation of public funds
2017 December	Pro-independence parties win a slim majority in the Catalan election, called by the Spanish government. The anti-independence Ciudadanos is the largest single party in the regional parliament
2018 April	In a preliminary decision, a German court rules against extraditing Carles Puigdemont on rebellion charges
2018 May	Pro-independence parties change the law to enable fugitive Carles Puigdemont to be re-elected Premier, but it is struck down by the courts. The ultra-nationalist Quim Torra is elected new Catalan Premier thanks to the abstention of MPs from the anti-capitalist CUP
2018 June	Madrid ends direct rule after the new Catalan government is sworn in
2018 July	A German court decides that Puigdemont can be extradited on a charge of misuse of public funds for organising the illegal referendum but not for the much more serious charge of rebellion. Pedro Sánchez, Spain's new Prime Minister, meets the Catalan Premier Quim Torra for the first time
2019 February	Twelve Catalan independence leaders go on trial, nine of whom have been in prison for up to 15 months and face charges of rebellion which carries a sentence of up to 25 years in jail
2019 October	The Supreme Court finds all 12 guilty and sends nine to prison. Oriol Junqueras, the former Deputy Premier of Catalonia and leader of ERC, receives 13 years for sedition. All are acquitted of the most serious charge of rebellion

Date	Events
2019 December	The High Court of Catalonia bars Quim Torra, the Catalan Premier, from holding any elected office for disobeying the Central Electoral Commission
2021 February	Pro-independence parties are returned to power in the region's election
2021 June	The government pardons the nine imprisoned Catalan independence leaders
2021 September	The central and Catalan governments begin talks on how to resolve the standoff

Source: the author.

Prime Minister Pedro Sánchez and Catalan Premier Pere Aragonès said after the talks that their positions on independence remained 'very far apart'. 'What is important is there is a political will' to get to an agreement, said Aragonès.

The separatist coalition won power again in February's regional election, but this time the more pragmatic Republican Left of Catalonia (ERC) is at the helm and not the maximalist Junts. ERC, unlike Junts, has seemingly abandoned the idea that independence could be achieved unilaterally. It gives the central government support in parliament, something that will be particularly needed if Sánchez is to win approval for his upcoming 2022 national budget.

Underscoring divisions in the separatist camp, Junts did not participate in the talks. Aragonès stamped his authority by rejecting Junts' nominees to the Catalan delegation as two of them were among the nine pardoned and not members of his government.

Aragonès wants a binding, legal referendum on independence by 2030, when Barcelona hopes to host the Winter Olympics, and a general amnesty for secessionist leaders, which would include Junts' Carles Puigdemont, the Catalan Premier at the time of the referendum. He is a fugitive and subject to trial if he returns to Spain from his self-imposed exile in Belgium.

These are red lines for the national government and, even if they were not, are politically impossible because of the parliamentary arithmetic, which is unlikely to change significantly. A referendum on Catalan independence would require reforming the constitution and that would need the approval of two-thirds of the members of both Congress and Senate, followed by elections, ratification by two-thirds of the new Congress and Senate and a national referendum on the reforms.

The PP, the hard-right VOX and the would-be centrist Ciudadanos opposed the pardons and are an implacable enemy of any concessions to the separatists. Pablo Casado, the PP's leader, attacked the government for seeking to appease secessionists by talking to them.

The national government wants to focus the talks on improving Catalonia's infrastructure, giving it more powers in education and culture and a new fiscal arrangement for transfers

to the common pool for the 17 regions. Catalan nationalists say the region transfers a disproportionate share of its income for the benefit of poorer regions. Such a package would go to a referendum in Catalonia.

Governments have been promising to review the regional financing system, a hot potato, for a decade, but nothing has happened. A new fiscal deal for Catalonia viewed by other regions as more favourable would open up a Pandora's Box of competing demands and trigger problems with those that are more poorly financed, particularly Valencia, Andalucia and Murcia. A bold move by Sánchez would be to offer a German-style federal system, although politically very complicated to achieve.

Shortly before the talks began, Madrid and the state airports authority Aena announced plans to expand Barcelona's airport at a cost of €1.7 billion and the creation of 83,000 direct jobs, but this was quickly put on hold because of differences within the Catalan government and criticism from environmentalists. The plan had been agreed with Catalonia's Deputy Premier Jordi Puigneró at the start of August.

Offering the long-demanded investment was a smart move, and its suspension, until at least 2026, infuriated the Catalan business class, parts of which are pro-independence.

'An investment like this one requires a firm consensus and joint action from both administrations, something that is not present given the change in criteria by the [Catalan regional] government', said Transport Minister Raquel Sánchez.

In a separate development in late July, Puigdemont lost his appeal before the European Court of Justice against being stripped of his European parliamentary immunity in March. The court said there was now no reason why he could not face trial in Spain.

Madrid had previously tried to have Puigdemont extradited for trial but failed because the charge against him did not exist under Belgian law in the same terms.

### Spain, the most supportive of LGBT rights

Spaniards are the most LGBT-supportive among eight countries polled, underscoring its position as one of the most culturally liberal and LGBT-friendly countries in the world (see Figure 6).

**Figure 6. How would you react if your child, sibling or close family member came out as gay, lesbian, bisexual/transgender or non-binary? (%)**

	LGB supportive	Transgender or non-binary supportive
<b>Spain</b>	<b>91</b>	<b>87</b>
UK	85	71
Italy	82	78
Denmark	80	68
Sweden	77	73
Germany	75	66
US	66	57
France	57	47

Source: YouGov, 7-14/VI/2021.

At the political level, the hard-right VOX, which entered parliament in 2019, is the only party to oppose LGBT rights. The centre-right Popular Party (PP) changed tack after the approval in 2005 of the same-sex marriage bill and has approved various bills in defence of LGBT rights.

## The Economy

### Staycation rescues key tourism sector from fall in international visitors, inflation surges

Many hotels survived the summer thanks to Spaniards holidaying in the country, offsetting the fall in international tourists. Their number in the first seven months was down to 9.8 million from 13.2 million in the same period of 2020 and 47.9 million in 2019, before the pandemic.

July's international tourists, however, were up 78% year-on-year at 4.4 million and August's were expected to show a similar or higher rise.

The state-owned chain of Parador hotels had its best August in 15 years (90.2% occupancy, mainly Spaniards).

France overtook the UK as the main source of tourists (see Figure 7). The number of Britons fell 57% to 828,519, compared with 18 million in 2019 (21.6% of all arrivals), as they were subject to restrictions that hindered travel.

**Figure 7. International tourist arrivals, January-July 2021**

	Number	% change year-on-year
France	2,061,814	+1.8
Germany	1,876,988	+6.4
UK	828,516	-65.3
Netherlands	583,053	-11.4
Italy	529,460	-20.7
Belgium	496,031	+3.3
Portugal	420,584	-14.1
Switzerland	367,797	+28.4
Ireland	107,412	-57.3
Total of all countries	9,814,126	-25.8

Source: INE.

Tourist spending in first seven months was €10.9 billion, 23.2% lower than in same period of last year. In a 'normal' year tourism generates around 12% of GDP.

Judging by international flight bookings for September and October, more than 70% higher year-on-year, tourism is now gradually recovering.

Consumer price inflation was running at 3.3% in August, the highest rate since October 2012 and the sixth consecutive month of rising prices. This was mainly due to higher petrol and soaring electricity prices, a hot political issue. Prices in the wholesale electricity market, which sets the amount companies supplying households pay, have skyrocketed from €84.80 per megawatt hour at the start of June to €188.18 on 16 September, and then declined. Average electricity bills have risen 35% in a year.

Electricity prices have also soared across Europe, but Spain has been particularly exposed because it depends on foreign sources for almost 75% of its energy mix, especially its reliance on liquefied natural gas, and it has insufficient energy interconnections with France and the rest of the continent. Spain has also been hit by a heatwave which means less wind power is available (an area where Spain is quite advanced). Many consumers pay variable rather than fixed tariffs, making electricity prices closely linked to the wholesale market.

The government announced measures to bring down prices, with caps on gas prices and cuts in its special electricity tax to 0.5% from 5.1%. The reduction of VAT from 21% to 10% on electricity bills will be maintained in 2022. Prime Minister Pedro Sánchez criticised power companies and announced a €2.5 billion raid on their 'excess profits', as

well as ongoing efforts to claw back €650 million. Power companies said such a move would make it impossible to keep nuclear plants functioning and threatened to take legal action.

In a related issue, the government launched an enquiry into Iberdrola after it drained two reservoirs in order to profit from the high electricity prices. This enabled it to speed up hydroelectricity production.

Teresa Ribera, the Minister for Ecological Transition, called the actions scandalous. 'Water is a scarce resource which is just as important for the wellbeing of families and the economy as it is for generating electricity'.

Iberdrola's draining, however was not illegal as it is allowed to use a fixed quantity of water a year whenever it wishes and regardless of climatic conditions. At one of the affected villages, San Pedro de la Nave-Almendra, the water level was so low that the pumps for extracting drinking water became clogged with mud.

### Minimum wage to rise 1.6% to €1,125

The government and trade unions agreed to raise the minimum wage by €15 to €965 a month retroactive to September with 14 payments a year, a move opposed by the main employers' association (see Figure 8).

**Figure 8. Spain's minimum wage, 2012-21 (€)**

2012	2013	2014	2015	2016	2017	2018	2019	2020	2021 (1)
641	645	645	649	655	708	735	900	950	965

(1) €950 until September and then €965.

Source: INE.

The Bank of Spain's Governor, Pablo Hernández de Cos, said the increase would help to reduce income inequality, but warned that it could affect employing young workers or those over the age of 45 in low productivity jobs.

The government wants the minimum wage to reach 60% of average salaries by the end of 2023 when its four-year term in office expires.

Based on 14 payments a year (extra ones in July and December), Spain's new minimum wage is €1,125 a month compared with Germany's €1,585, France's €1,554 and Portugal's €776.

### Tens of thousands of dead fish wash up on shores of saltwater lagoon

Pollution from intensive agriculture, according to scientists, caused tonnes of dead fish to wash up on the shores of the Mar Menor, a saltwater lagoon on Spain's south-eastern Mediterranean coast in the region of Murcia (see Figure 9).

**Figure 9. The Mar Menor**



Source: BBC.

The regional government blamed hot weather. WWF España, an environmental group, said high levels of chemicals, particularly fertilisers, caused algae to bloom in the waters, blocking sunlight and reducing oxygen in the water to the detriment of aquatic life.

Local residents have complained for years about the problem, but authorities in the region turned a blind eye.