## Right-wing victory in Spanish general election

Vicky Short 17 March 2000

The right-wing Popular Party (PP) won an outright majority in the March 12 Spanish general election. The size of the victory went far beyond pre-election predictions or expectations, including those of PP Prime Minister José María Aznar.

The PP won 183 out of the 350 seats in the Congress, an increase of 27 from 1996, when it ousted the Socialist Party (PSOE). Its vote was 44.54 percent as opposed to 38.79 percent four years ago. In the Senate the PP increased its overall majority by a further 15 seats. This is the first time that the right wing has formed a majority government since the end of the fascist Francoite dictatorship in 1976.

The PP's gains were at the expense of the PSOE and the United Left (IU). The PSOE lost 16 seats in Congress (down from 141 to 125) and 20 in the Senate (down from 81 to 61). This is the lowest figure for the PSOE since 1979, when it obtained 121 seats. It lost one and a half million votes.

By 11 p.m. on March 12 the PSOE's new general secretary, Joaquín Almunia, had tended his resignation. IU compounded recent electoral debacles by seeing its share of seats in Congress reduced from 21 to 8 and its percentage of the vote fall from 10.54 percent to just 5.46 percent.

The Catalan and Basque nationalist parties maintained their vote, with the former slightly down and the latter slightly up, but both lost their influence over the government as coalition partners in the last minority PP administration.

Turnout was 69.98 percent, down by 7.4 percent as compared to 1996.

The PSOE general secretary implied that the voters were to blame for his party's disastrous performance. In his resignation statement Almunia declared: "We have not succeeded in mobilising, as we wanted, the left voters, the progressive [forces]. Although they are the majority in society."

Almunia also said that the Socialist Party—which governed Spain from 1982 until 1996—needed to undergo deep reforms: "The Spanish left and all the progressive [forces] need to initiate the twenty-first century with a new project, with new ideas, with new people."

IU leader and general secretary of the Communist Party, Francisco Frutos, expressed himself in a similar manner. In a brief statement recognising the "unmitigating defeat" for IU and the electoral pact with the PSOE, he said: "There is a conservative consolidation in economic, social and political

thought, which will force us to reflect profoundly."

Rodriguez Ibarra, the president of the PSOE in Extremadura, made the thinking behind the projected reorientation clear. Paraphrasing Felipe Gonzalez (former PSOE leader and prime minister), Rodriguez declared that the PSOE had "created a middle class which has interests which we have not yet discovered". He emphasised that the renovation of the party had to take place through finding a new political strategy to attract these layers.

The two organisations had attempted to reverse their failing fortunes at the polls by striking up a last-minute electoral pact. IU is a coalition of PSOE dissidents, nationalists and middle class radicals, led by the Communist Party. It ditched every one of its mildly reformist demands—opposition to NATO, the 35-hour week by law, opposition to the EU economic criteria and to privatisations, as well as its support for a negotiated solution to the Basque question which included ETA. This was supposed to mobilise those who had abstained in the European, municipal and autonomous elections last summer, but it failed miserably.

The electoral debacle has plunged both parties into a profound crisis. PSOE president in Aragon and its candidate for the Senate, Juan Alberto Belloch, has called for the resignation of the entire executive of the PSOE as "the first necessary step to begin a profound renovation of the party". The A Coruña mayor, Francisco Vázquez, called for "a profound revision of our project for Spain, to adapt it to the [present] times". The IU is in dire economic straits. According to Europa Press, it has already lost £500,000 in state subsidies and has large pending debts.

The PSOE programme endorsed by the IU mirrored that of the PP. It was a development of the pro-business policies that opened the door to the PP in 1996: deregulation of the labour market, incentives to foreign investors, privatisations and cuts in welfare, as well as tax cuts for the rich and casualisation of jobs for working people. A recent Australian Foreign Affairs and Trade report remarked: "The results of the 12 March 2000 national election are not expected to have any significant impact on the major elements of Spain's economic policymaking, as the PP and PSOE have broadly similar agendas and priorities in this regard."

Under the last PSOE government capital movements had been liberalised. In 1994 it passed the Labour Reform Law,

which was strengthened by the PP through the signing of a pact between the trade unions and business in April 1997.

A few days before the elections, Almunia attended a dinner in Madrid with about 100 members of the Spanish Employers Confederation (CEOE) to persuade them they had nothing to fear from his electoral coalition with the United Left. He emphasised that "the pact between the two organisations was transparent and did not deviate from a strict economic plan: inflation, deficit and public debt control, i.e., the requirements of the European Stability Pact". To the employers' request that he explain his government programme, Almunia replied that it was the PSOE "who first privatised and then introduced competition in various sectors [of industry]".

Given the character of its present policies, the rethink now being demanded will undoubtedly be a lurch to the right of enormous scope.

Aznar is a former Falangist. His father was a bureaucrat under the Franco regime and a personal friend of Franco. He was head of the regional government in Castilla-León before being hand-picked by the Spanish conservative's patriarch, former Franco minister Manuel Fraga Iribarne, to head the party. He ran unsuccessfully against the Socialist Party Premier Felipe González in general elections in 1993.

Aznar has sought to distance the PP from its historical roots in the Franco period and is a professed admirer and advocate of the European "Third Way", as set in train by British Prime Minister Tony Blair. But it is the right-wing agenda of the PSOE, the Communist Party and the trade unions that has invested him with legitimacy and respectability, while disenfranchising a whole section of the Spanish population.

Aznar has benefited from the economic boom of the last four years, but only because no one has spoken for the working class and those feeling the sharp edge of government austerity measures, for fear of alienating those benefiting from tax breaks and stock market profits. In tandem with the "social pact" struck by the two Socialist- and Communist-linked trade unions, Union General de Trabajadores (UGT) and the Comisiones Obreras (CCOO), they have helped to hold down wages and maintain social stability.

The reversion of the Basque separatist organisation ETA to bombings, which have taken the lives of two PP military officials and one Socialist Party leader and his bodyguard, also gave Aznar, known for being "tough on terrorism", a boost.

Despite the resounding victory, Aznar showed cautiousness in the first hours after the results came in. In his first speech he stressed, "Our attitude will be one of openness to permanent dialogue with all parts of Spanish society and its political groups."

The incoming PP government faces a period of uncertainty as it prepares to comply with EU conditions to join the euro single currency. Aznar will continue to rely on the cooperation of social democracy, the trade unions and the nationalists in holding down social and political opposition to even more

drastic austerity measures. Hours after the elections, the employers confederation demanded more liberalisation, privatisation and deregulation of the economy, as well as wage controls and cuts in public spending.

Inflation went up in February this year to 3 percent—1 percent above the threshold set by the European Central Bank for the euro countries. The rise has sparked demands for more wage moderation. Average wage increases over the last two years have been just 2 percent. The IMF had praised the unions for their "responsible attitude" in maintaining that low figure.

With its relatively limited economic ties to the Asia-Pacific region, Spain was not badly affected by the Asian economic crisis. It also enjoys a large share of the European Social Fund. Between 1994 and 1999, accrued structural funding amounted to ECU 32 billion.

To remain in line with EU guidelines, Aznar is being asked to further cut the cost of welfare and pensions, slash income taxes, cut subsidies to industries such as shipbuilding, coal mining, defence and steel, and privatise the national airline, national railways and the television monopoly RTVE.

Spain's unemployment rate remains the highest in the EU, standing unofficially near 16 percent. In some parts of Spain, such as the southern city of Cadiz, youth unemployment exceeds 45 percent. The government claims to have created over 1.4 million jobs over the past four years, but most of these are part-time or casual positions, in large part held by immigrants working under virtual slave labour conditions for agribusiness in the south.

The poverty rate of Spanish households stands at 17.5 percent, with single women or households with women as the major breadwinner the worst affected. A quarter of such households live in conditions of severe poverty. Those areas which are the most rural in character suffer the highest incidence of poverty.



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