

Spain's socialist government expected to pursue decentralization

Regional reforms to be consolidated in second term in office



Spain's Prime Minister José Luis Rodríguez Zapatero won more seats in March 2008 but still not a majority.

BY MIREIA GRAU CREUS

FINANCING FOR SPAIN'S AUTONOMOUS regions is the biggest hurdle that Spanish Prime Minister José Luis Rodríguez Zapatero will have to clear this year.

Zapatero is under pressure from his allies in Catalonia, one of Spain's 17 regions. The prime minister's friends in the Catalan government want the national parliament in Madrid to pass a new financing arrangement – one more favourable to Catalonia – before a deadline of Aug. 9, 2008. This promise for financing of the autonomous regions, agreed to before the current economic downturn, might not be kept because of insufficient government revenue brought about by the current recession. Others are pressing for a delay in any new funding deals. Zapatero is caught in the

middle between Catalonia and some of the poorer regions – and in the national parliament, the vote of every member, including his own Catalanian MPs, is crucial to Zapatero.

His Spanish Socialist Workers' Party does not have a majority on its own and Zapatero needs the votes of every one of his party's MPs and those of at least one minority party as well.

Other regions have conflicting demands, but one thing is certain: Zapatero's socialists have been proponents of decentralization and want that process to continue.

During the socialists' 2004-08 term in office, the conservative People's Party was practically the lone voice opposing decentralization. The conservatives claimed the government was going too far and would weaken "national unity and equality among the Spaniards."

In the campaign leading up to the

election in March 2008, the socialists campaigned on the slogan: "If you don't turn up, they will come back." In other words, unless you turn out to vote, and vote for the socialists, the conservatives will be elected, and that will hurt the country. It aimed to persuade reluctant left-wingers and nationalist voters into casting strategic votes for the socialists, the lesser of two evils.

Zapatero wins more seats

And it worked. The socialists won the election, increasing by five their number of seats, to 169 from 164 in the 350-seat parliament. The conservatives lost the election, but won six more seats than in 2004, climbing to 154 from 148. The political scenario became more polarized than ever: the socialists and the conservatives, with 84 per cent of the vote, control 92 per cent of the seats in parliament.

The remaining 27 seats, eight per cent of the total of 350 seats, are scattered among nine parties, mostly regional

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groups. But despite their loss of seats, the smaller parties are essential for Zapatero's program – their seven seats provide the balance of power he needs for his legislation to pass.

The smaller parties are crucial in policy areas that require more than a simple majority in parliament, especially with regard to the continued development and implementation of regional reforms. The revised statutes of autonomy of seven of Spain's 17 regions, known in Spain as autonomous communities – their regional constitutions – were approved during Zapatero's first term.

The next task is for both the national parliament and the legislatures of the autonomous communities to pass legislation to implement these revisions. In some cases, the procedures to reform the statute of autonomy explicitly require a regional referendum which is called at the very end of the process, once the reform of the statute is approved by the national parliament.

Reforms pose problems

Regional reforms pose one of the biggest problems for the new socialist government. These reforms have to be handled in a special way. According to the constitution, they must be reflected in laws passed by the Spanish parliament. In the political arena, however, most of the negotiating and decision-making takes place in talks between the regions and the central government.

There are five major issues facing the new government:

- reforming the financing system of the regions.
- implementing the transfer of new powers to the regions set out in the new statutes.
- changing country-wide legislation to adapt it to the institutional framework established by the new statutes of the regions.
- proposing changes to the Senate, for it to be more of a territorial forum.
- setting out processes to reform the statutes of the other 10 regions.



Basque regional premier Juan Jose Ibarretxe holds ballot for an autonomy referendum that could lead to independence from Spain.

The first three of these issues are closely linked to the approval of revised statutes of autonomy. They are major issues for the governments of the regions – and in some cases for local public opinion. In November 2007, the president of the Catalan government, José Montilla, warned about the increasing disaffection of some of the Catalan people toward Spain.

Montilla linked this, among other factors, to uncertainty about the implementation of the Catalan Statute, because of the lack of commitment shown by Spanish national institutions.

As Montilla said several days later, in an interview with the influential *El País* newspaper: "Talking about disaffection describes the reality between Catalonia and Spain."

Powers to the regions

The transfer of powers to the regions from the central government is something that can be tackled bilaterally between each autonomous community and Spain's central institutions. However, reforming the judicial system to make the implementation of the new statutes possible is a country-wide issue, as is the system of regional financing.

Resolving these matters requires complex negotiations with different casts of actors.

For Zapatero's government, pressure

is coming from different directions on these issues:

- from governments of the regions at the intergovernmental level, and
- from regional parties and the opposition at the national level, as well as
- from the regions.

There is pressure from within his own party in the regions ruled by the socialists, such as Andalusia, Aragon and the Balearic Islands. The expectations are especially high in Catalonia, where the socialists govern in coalition with the left-greens and the pro-independence party.

The election results gave the Catalan government the potential to exert pressure on Zapatero's government through his own party, as his victory owes a lot to the Catalan socialists. Indeed, 25 socialist MPs were elected in Catalonia – one of the best results ever achieved – despite increasing disaffection toward Madrid.

Four of the five new socialist MPs in the Spanish parliament were elected from Catalonia. When Antoni Castells, one of the leaders of the Catalan socialists and minister of the Treasury for the Catalan government, was asked whether the Catalan socialist MPs in the Spanish parliament would vote according to party discipline or the interests of Catalonia, his answer was unambiguous:

"Between the party and Catalonia, the Catalan socialists would choose

Catalonia.

There will also be the umpteenth attempt to add reform of the Senate to the decision-making agenda. The other major regional issue is the attempt to reform the statutes of the 10 regions that have not yet been amended.

The first wave of legislation is likely to bring two types of revisions to other regions' statutes of autonomy: a rather ambitious one or a modest one. In regional referendums, Catalonia already approved an ambitious revision while Valencia approved a modest one. These reforms will probably set the pace for the reforms to follow. Of the 10 possible reforms, three of them could easily generate conflicts and disagreements: the statutes of the Canary Islands, Galicia and the Basque Country.

Reforms to the regions of the Canary Islands and of Galicia could generate conflict because of ordinary party politics, but the Basque case is quite different.

In a challenge to the central government, the president of the Basque government, the nationalist José Ibarretxe, has said his government intends to call for a referendum for Basque independence in October 2008. Whether or not it is constitutionally possible and politically feasible, the Basque

parliamentary elections will be held in 2009 at the latest. Any of the possible scenarios – whether the referendum is forbidden, whether it is held and won or whether it is held and lost – will have profound effects. They will certainly affect the outcome of the Basque parliamentary elections and probably will also affect the direction taken in the future process to reform the Basque statute.

Challenging Catalonia

The new statutes of other regions will be heavily dependent on the coming ruling of the Spanish Constitutional Court about the constitutionality of several aspects of the Catalan statute. The court's ruling will also affect the approach and schedule for the creation and implementation of the new statutes.


The conservative People's Party expressed its fundamental disagreement with the political approach taken by the Catalan statute by challenging large parts of it before the Constitutional Court. Several aspects of the implementation of the Catalan statute, and other statutes that followed, are on standby, waiting for the court's ruling.

The Court itself has been at the centre of the political debate on territorial reforms. Its members, appointed by the Spanish government and parliament – *de*

facto by the two largest parties – have mirrored the political tensions between the government and the opposition forces. These tensions between the proponents and opponents of territorial reform also exist among the judges of the Constitutional Court.

Thus, the composition of the Court is a crucial factor. Soon, the Court will have to partially renew its composition. The terms of four of the 12 judges will expire, and three of these were appointed by the conservatives. The socialists and conservatives are expected to agree to appoint two judges each. Under this scenario, the conservative judges would be in the minority, meaning that the reformed Catalan statute is more likely to remain intact.

At first glance, it might appear that the Spanish general election of 2008 has reinforced the bipartisan nature of central politics. But minority parties, in holding the balance of power, maintain a key role and have already shown they can fight back.

Zapatero is only the second prime minister in recent history to be elected in the second round of voting. This could mean he will govern Spain from the centre to achieve a broader consensus. 

NIGERIA [FROM PAGE 6]

the Business Resort can get off the ground.

Calabar's airport, the Margaret Ekpo International Airport, was supposed to be a key link in bringing Nigerians and international visitors to Tinapa.

By March 2008, it had only one runway, which is 2,500 metres long. Only four airlines – all from Nigeria – were operating out of the airport. In April 2007, the former governor of Cross River held a ground-breaking ceremony for a 13-kilometre monorail link from the airport to Tinapa. One year later, although feasibility studies and a survey have been completed, construction work has yet to begin.

Governors were innovators

Although Cross River has a greater reputation for honesty than other states in the country, corruption elsewhere, particularly in the Nigerian federal customs

service, has been blamed for the fact that almost nothing is open yet in Tinapa. Even an honest customs service could have reasons to hesitate before opening such a major duty-free zone.

An article by Reuters news agency in December 2007 quoted one senior official as saying the customs service has “a powerful vested interest against duty free trade.” Also, the federal government itself may be reluctant to forego the tax revenue it would lose from an internal duty-free zone, in exchange for a boom to the economy of just one state.

Investment lies dormant

Wherever the fault may lie, one fact is incontrovertible: Tinapa remains a vast but dormant investment. Solving this problem is perhaps the biggest challenge facing Governor Imoke. A year ago, his Cross River state was highlighted by the *Economist* for its “impressive transformation over the past eight years,” brought about by Imoke's predecessor, Governor

Donald Duke.

Duke, the then governor of Cross River, was genial and amiable. He did not become involved in controversies. He was not a crony of then president Obasanjo. Relations between the federal government and the Cross River State were cordial then when the two men were in office because Duke avoided confrontation with Obasanjo. In retrospect, Duke's major misstep seems to have been to take verbal undocumented promises for a duty free zone from then president Obasanjo.

Since his election in 2007, Nigerian President Umaru Yar'Adua, a former chemistry teacher, has demonstrated a style that has won him considerable respect. Opposition figures see him as a breath of fresh air. He will have to summon all of his interpersonal people skills, and then some, to work with Governor Imoke in breathing new life into the Tinapa project. 