

THE NEW SPAIN

by Gary Prevost

Last October, seven years after the death of General Franco and five years after the re-establishment of parliamentary democracy, Spaniards elected a Socialist government. Felipe González, at forty, became the youngest prime minister in Europe. The Socialist landslide victory brought them an absolute majority in the Cortes, the Spanish legislature, and responsibility for solving Spain's grave economic troubles.

A nine-month balance sheet on the Socialist government reveals a cautious, reformist approach at home combined with some far-ranging diplomatic probes abroad. Long-term prospects for success in either arena are not particularly good, but the past year has shown that the effort will be worth watching.

LEFT, RIGHT, AND CENTER

The Socialist landslide of October, 1982, did not come as a surprise, since numerous polls had shown the Spanish Socialist Workers party (PSOE) running far ahead of its rivals. The revival of the PSOE is remarkable. Though the party has deep roots in the Spanish working class going back to the late nineteenth century, it had been reduced to a tiny exile organization by the time Franco died in November, 1975. Its primary trade union federation, the General Workers Union (UGT), had little organization within Spain. Its chief rival on the left, the Spanish Communist party (PCE), had thousands of members within Spain and considerable influence in the Workers Commissions (CCOO), loose trade union federations that had been built in the final years of Franco's rule. In spite of its weak initial position, the PSOE under the leadership of a young lawyer from Seville, Felipe González, moved quickly to take advantage of democratic openings permitted in 1976-77. With considerable aid from the Second International, particularly the German SPD, the PSOE made a strong showing in the June, 1977, parliamentary elections, winning nearly a third of the seats in the Cortes, or 28.5 per cent of the vote. The PSOE also moved quickly to re-establish the General Workers Union, and the union soon became a formidable rival to the Communist-led Workers Commissions. In fact, the UGT surpassed the vote totals

of CCOO in last fall's syndical elections.

The Union of the Democratic Center (UCD) emerged victorious in the June, 1977, elections and was subsequently victorious in March, 1979. UCD was never really a political party but a loose amalgam of Christian Democrats, moderate social democrats, and liberals. It was patched together by Franco's associates to oversee the transition from dictatorship to parliamentary democracy and to keep political power from the Left, at least in the beginning. However, the UCD fell victim to internal dissension, personal rivalries, and grave economic problems.

The Socialists' 1982 campaign was based on the single theme, *El Cambio* (Change). The program was suited to Spain's particular problems.

González, who had led the party away from its Marxist heritage in 1979, emphasized moral rather than radical reforms. The moral content of the PSOE reform platform was an appeal, above all else, for clean government, without the conflicts of interest that arise when public officials hold private jobs. The moderate program reflected the fragility of Spanish democracy in the face of a continually skeptical military.

The moderation of the Socialist program was best demonstrated in the area of employment. With over two million out of work—16 per cent of the population—the Socialists promised merely to create 800,000 jobs over the ensuing four years. No major nationalizations were envisaged apart from bringing into public ownership the high-tension electricity supply. The PSOE program emphasized numerous measures aimed at helping small and medium-sized businesses, particularly with more flexible credit policies. In foreign policy the only controversial stand was a declaration to hold a referendum on Spain's continued presence in NATO. The foreign policy platform was basically a nationalist one, almost in the manner of France's ex-President Charles de Gaulle. The basic thrust was that Spain should be more active in the international field, defending its historic interests in Latin America in the context of future membership in the European Community.

The victory of the PSOE was complete. With 46 per cent of the vote, translating into 58 per cent of the seats through a complex system of proportional representation, the PSOE has been virtually assured a minimum of four years of uninterrupted rule.

The collapse of the ruling UCD was dramatic. The outgoing prime minister and twelve other ministers lost their seats. UCD fell from its 34 per cent figure in 1979 to only

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7.3 per cent and a mere thirteen seats. UCD has since disintegrated almost completely, failing even to field a slate in the May, 1983, municipal elections. The other major loser in the parliamentary elections was the Communist party, which lost more than half its 1970 vote—from 10 per cent to only 3.9 per cent and four seats. The PCE has been undergoing a serious crisis of identity. It has lost over 125,000 members from its high of 200,000 in 1978. The party's moderation, epitomized in Eurocommunism, has born little fruit. The debates in the PCE are the most spirited of any European Communist party, but the party agonizes over whether to continue its moderate path or return to a pro-Soviet hard line. Santiago Carillo, long-time PCE leader, resigned last November following the electoral disaster. He was replaced by an associate, an examiner from Asturias named Gerardo Iglesias, in the face of a serious challenge from labor leader Nicholas Sartorius.

More surprising than the Socialist victory was the spectacular rise of Manuel Fraga's conservative Popular Alliance (AP), which took second place, rising from a mere nine seats in 1979. The AP received 25.4 per cent of the vote and 105 seats, picking up many of the seats previously held by the UCD. The 1982 election may prove to be the beginning of a two-party system for Spain revolving around the PSOE and AP.

BOLD INITIATIVES

On the foreign policy front González has taken initiatives on Central America, NATO, the Conference on European Security and Cooperation, and the European Community. The unifying theme of these efforts is that Spain must be more aggressive in re-establishing its international posture as it emerges from the long isolation of the Franco period.

The boldest new initiatives have come in relation to Central America. In this region González is attempting to wield his influence as vice-president of the Second International as well as Spanish head of state. In these roles González has declared his support for the Sandinistas in Nicaragua and the Democratic Revolutionary Front (FDR) in El Salvador. In June he attended the Latin American and Caribbean Foreign Ministers meeting in Cartagena, Colombia, to underscore his commitment to playing a role in Latin America. As the only European head of state in attendance, González contributed to the formulation of the Cartagena Agreement, which stressed economic development and dialogue between the nations of the North and the South.

While in Cartagena, González endorsed a peace initiative for Central America and the Caribbean that was presented by Colombian President Belisario Betancúr. González also expressed his support for the efforts of the Contadora Group—Mexico, Panama, Venezuela, and Colombia—to achieve a negotiated settlement in the Salvadoran civil war and the confrontation between Nicaragua and Honduras. The occasion for the González trip was the 450th anniversary of Cartagena and Spain's presence in the region. President Betancúr spoke often during the ceremonies about Spain's potential role in helping to negotiate a settlement in Central America.

What are González's chances of playing a successful mediating role in Central America? Setting aside the important question of U.S. willingness to seek mediation, González does have some good qualifications for the job.

Spain, and González in particular, have good relations with Fidel Castro—something that many other potential mediators lack. Felipe González also carries with him the mandate of the Second International and, in that capacity, speaks for the ruling parties of France, Denmark, Sweden, and Greece, to name only a few. The strong Second International support for the Sandinistas and the FDR gives González some credibility with the revolutionary forces and therefore enhances his potential mediator role.

The chief factors working against successful mediation are Washington's unwillingness to negotiate a settlement in Central America and the relative weakness of Spain's overall economic and political position. Currently the U.S. believes that the only reasonable strategy for stabilizing the region and defending U.S. interests is a military defeat of the FDR/FMLN in El Salvador and the downfall of the Sandinista government in Nicaragua.

The limitations of González's ability to influence the U.S. position was demonstrated during his trip to the United States in June. While in Cartagena, González sharply criticized the U.S. role in Central America, but during his talks with Reagan those criticisms were distinctly downplayed. Numerous commentators pointed out that the muted criticism was a direct result of Spain's vulnerability. A more important tangible goal of his United States trip was to obtain American help for Spain's weakened economy. One project seriously discussed with the administration is a plan to study the feasibility of building a natural gas pipeline from North Africa, through Spain, to Western Europe.

While in New York City, the Spanish prime minister wined and dined business leaders, seeking to convince them that they would find it profitable to invest in a stable Spain. Spain's balance of trade with the United States has worsened since the end of the Franco regime. While Spain hopes for a reversal in this area, the fact of a generalized Western economic crisis allows it little room for optimism. Again on the economic front, the Socialist government must also resign itself to the fact that membership in the European Community is not likely in the immediate future. Too many problems remain unsolved, particularly in agriculture.

NATO AND NATIONALIZATION

González has not limited his diplomatic initiatives to Central America but, rather, has injected himself directly into East-West relations through the Conference on European Security and Cooperation. Spain has been host to the conference since 1981, but the UCD government played little role in its deliberations. However, in June the Spanish leader unveiled a compromise designed to break a two-and-a-half-year impasse. The Soviet Union indicated its acceptance of the plan in early July, signalling a potential victory for Spanish diplomacy.

There is no better example of the cautiousness of the González government in its early months than is provided by the NATO issue. The PSOE campaigned on a pledge of placing Spain's continued presence in NATO on a national referendum ballot. In the fall of 1981 the party helped to organize massive public demonstrations against Spanish entry. Socialist deputies in parliament voted against the UCD-led plan for entry into NATO. However, the practice of the Socialists in office is contradictory to their earlier

public stance. González has never scheduled the promised referendum, and plans for Spain's full entry into NATO have moved forward. New long-term agreements on American bases in Spain have been negotiated. González was quoted as saying during his U.S. visit: "From the very beginning we've always said that we accept our share of the responsibility in the defense of the West." While in the U.S. the Spanish leader gave a boost to President Reagan's plan for deployment of new intermediate-range nuclear missiles in Western Europe by stating that he understood why their deployment may be necessary.

Such conservative positions should not come as a surprise; PSOE leaders were saying privately in 1981 that they had no intention of upsetting the Western Alliance by withdrawing Spain from NATO. The support for the Western Alliance in opposition to Soviet behavior is also consistent with the Spanish leader's longstanding position in the anti-Soviet Second International. However, support for NATO does not come without domestic consequences for the PSOE. Recent polls show that two-thirds of the Spanish population oppose their country's presence in NATO. A coalition led by the PCE organized massive protests against the government position this past spring. The issue provides a handle by which the Communist party can regain credibility in the face of its 1982 electoral disaster. The antinuclear sentiment expressed in the opposition to NATO is also dovetailing with protests against the government refusal to cut back on previously announced plans for expansion of nuclear energy. Such street demonstrations are particularly embarrassing to the PSOE government and threaten to undermine its credibility with its strongest supporters in the working class.

A potential signal of this loss of support to its left came in the May municipal elections, just past. The PSOE's nation-wide share of the vote fell from 48.4 per cent to 43.3, a loss of more than 2.4 million votes. By far the biggest gainer in the municipal elections was the PCE, which increased its percentage from 4.1 in October, 1982, to 8.1, almost 600,000 more votes than it had received earlier. It should be pointed out, however, that these municipal vote totals for the PCE were lower than its 1979 municipal returns.

On domestic issues the new government has moved very cautiously. As the Socialists themselves say, they were not given a mandate to establish a socialist society. The votes were cast in favor of democratization and modernization. The party's main goal is administrative and military reform, but the PSOE is well aware that it must move slowly to appease the ultra-Right. Military and police reforms are modest, mainly aimed at upgrading equipment and making the local police more effective. In deference to the military, few personnel changes are envisaged, in spite of the fact that Franco loyalists hostile to parliamentary democracy remain in many key military posts.

The continued presence of Francoist forces in the military was most vividly demonstrated during the February, 1981, coup attempt. The army wavered for several hours before reluctantly abandoning the rebels under strong pressure from King Juan Carlos. Few of the military people involved in the conspiracy were ever brought to trial.

The court system is the chief target of the administrative reform. Some of its goals include more judges, new jails, a new penal code. These reforms may be far reaching, but

they hardly represent a Socialist program.

Probably the most controversial action taken by the government has been the nationalization of Rumasa, the biggest holding company in Spain. It controls eighteen banks and some four hundred companies, including department stores, hotels, and wineries. The government engineered the takeover, claiming that Rumasa's financial instability was jeopardizing a significant sector of Spain's economy. The decision brought cries of alarm from Spain's private sector, but the nationalization seems to be an isolated case. The PSOE government remains committed to the position that few, if any, nationalizations are necessary for economic recovery. Rumasa is held by the government for now—including a luxury leather shop on Fifth Avenue in New York, but its return to private hands has been forecast. The Spanish position stands in stark contrast to the numerous nationalizations undertaken by the Mitterrand government in France.

The Basque problem will continue to be a difficult one for the Socialists. This administration's approach to the Basque problem differs little from the previous government's. The PSOE goal is the reduction of terrorism directed against police and military officials. The level of violence has not decreased significantly during the Socialists' short tenure in office. The Basque autonomous parliament is seeking to work out some difficult problems, such as the creation of a regional police force, but it is highly unlikely that the PSOE would move to give more power to the autonomous regions. Such a move, though probably desirable in resolving some issues in the Basque region, is not likely to be attempted in the face of stern opposition by the military. The government has expressed willingness to negotiate with the separatist group ETA, but it has not responded, having judged that the PSOE government will not offer anything tangible.

The Spanish government seems content with its pronounced goals of consolidating democratic institutions and gradually recovering from severe economic problems. The Spanish population may be patient with their new government, but there will be definite limits to this strategy. Like other Socialist parties—in France, Greece, and Portugal—the PSOE was placed in power by a disgruntled electorate that was looking for significant changes in the country's economic picture and political landscape. The PSOE's posture is not designed to yield dramatic results. It basically involves a Socialist administration of a sputtering capitalist economy. Such an irony may mean little to those Spaniards who placed such great and idealistic hopes in their new government. While a few diplomatic successes may heighten the prestige of the prime minister, such triumphs will not necessarily prevent him from being a one-term leader.

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