



Interview ▶ Pere López, president of the Social Democratic Party

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The Social Democratic Party has always been very vigilant and critical of government action. Its president and leader of the opposition, Pere López, takes stock of the current situation of the country and the near future it faces.

–What is your assessment of the current state of Andorra?

–The situation is very worrying, because the economic context for the families has been progressively complicated. We have been warning for some time that Andorra is currently experiencing the worst historical moment in terms of purchasing power. Statistically, living in Andorra has never been so expensive, and the worst part is that the prospects are not for the better. In addition, we are not talking about issues that are timely, such as fuel prices that have now gone up a lot. The situation is structural, due to the model of the country that has been built.

For many years, there has been a policy aimed at foreign investors to attract youtubers, motorcyclists and artists to the country, and no policies have been put in place so that working people can live in dignity. It is the conclusion of many years of underestimating this situation, of not making long-term policies, and of making decisions that are always current and to plug holes.

–Which element do you think is more urgent to act on?

–I think that the most urgent aspect and what conditions it practically everything economically speaking is the house. That is, the wages and pensions, which have been around for years, are exacerbated by very high housing costs. This is a topic that has not been talked about and has many interests behind it. When the house goes up, it's a two-sided coin: Someone pays for the most expensive house, but there's someone who makes more money than before. There has been no will to do politics, because it is not true that housing policy is so difficult or so complicated. In fact, the recipes are very clear, universal, and even easy to be able to achieve results in a good time. What's more, not only has progress been made in making housing more affordable, but this situation has only made it more obvious and more serious. We are seeing an increase in luxury housing projects, which have benefited from tax and transfer reductions to make them even more attractive and profitable. Everything is designed for foreign investors, but housing is not being built for working people, which in the end is a serious complication because housing has become a product of investment and speculation.

–And how do you think the problem should be solved?

–The first steps are very clear. On the one hand, there must be public intervention in housing, in the sense that there must be publicly owned properties that guarantee a maxi-



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President of the Social Democratic Party

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imum price so that all middle-income families can live in a more comfortable way. Then we need to bring transparency to the housing market and address the problem of vacant flats. We need to know who the owners are, to make a record of the property that clarifies the situation of these properties so that they can go on the market. And then there are fiscal policies that are going to encourage a price cap on housing prices. That

is, based on an analysis of the characteristics of the dwellings, there are public measures such as bonuses or tax reductions for all those dwellings that are rented at a lower price than this published benchmark; and on the contrary, that all those above it cannot receive a single euro of public aid. What does not make sense is that it helps to rehabilitate some homes with public money and then they go on the rental market with prices of

1,500 or 2,000 euros per month.

Therefore, reference prices should be set below which administrative and fiscal assistance should be provided, with a series of support measures to promote them. We value these measures that promote energy improvement, but as long as they are linked to certain parameters and limiting prices. The fact is that if the cost of housing and living in general is not limited, all other

measures are virtually meaningless. That is to say, wages can be raised, yes, but if this does not mean having more purchasing power but means paying more expensive rents, it does not work. And this is the problem that has been ignored, that has been underestimated, and that has a lot of interest behind the people who have the most responsibility today.

–Do you think that people are being expelled from the country for housing prices?

–Well, in Andorra many families can't live there or don't arrive at the end of the month, and the prospect is that they can go up even more. So, if you're unlucky you can't renew your contract, you can't find a home in any way, I'm not saying it costs the same as before, but it doesn't cost 20, 30 or 40% more than you had, and that's evidence. At the moment, there is an exclusion towards higher parishes, and sometimes this involves complexity and has associated costs. And because of the inflation we ha-



«Andorra is experiencing the worst historical moment in terms of purchasing power, and the prospects are not going to get better»

ve, there are people who are going directly to live in La Seu d'Urgell or Orçanyà. And it will continue to be so if the policies being pursued in Andorra do not change, promoting flats for non-residents, for people who see the country as a second home, to spend a few days there or directly as an investment.

–Last Tuesday, the government presented a series of measures to alleviate the population's loss of purchasing power. What do you think?

–It seems to us that the government has not understood anything of what is happening, because structural problems such as housing or the cost of living, are not attacked or wanted to be attacked. As I said before, putting in more income is welcome, and a 3% pay raise is better than nothing. The problem is that they promised to bring the minimum wage to 1,300 euros, and right now, with all the current aggravating factors, it reaches 1,200 euros. These are actions that show that the government has no direction: they have had a speech denying reality, and now it has come out in a hurry and without any dialogue. The unions learned of the measures an hour before the government convened a press conference to make it public, but we, as the main

opposition party, so far, the only information we have is the one we were able to see on television. Nobody called us and nobody told us what we wanted to do.

It is clear that the government has failed in its policies, and now the only recourse left to them at the gates of a demonstration and to respond to the proposals being made by the Social Democratic Party is to come up with improvised measures which do not solve the underlying problems facing the economy of our country today.

–So you'd say they're insufficient?

–Measures do not attack where they are going to attack. If you do not solve the cost problem, you do nothing. In fact, I can even understand that some employers do not feel very comfortable raising the wages of their workers when they know that this money is not for them or to improve their quality of life, but will be used to pay more costs. Therefore, either the cost of living in the country is controlled, or in the end there will be no wage policy to fix it. There is a model problem, and it is not a matter of taking action now, which I insist is better than doing nothing, but if the structural and underlying problems are not addressed, this is insufficient now and it will be even more than six months.

–These measures have been estimated at around eight million euros. Given that the pandemic bill is still pending, do you think it puts the state's economic balance at risk?

–Well, we don't know if it's exactly these eight million euros because, as I said, we haven't received any information at this time. We will ask for an economic study of all these actions, but it is clear that the state is in a very weak position. And this weakness stems from the fact that we do not have a strong enough tax model, because those who have more do not pay more. For example, when companies distribute results to their shareholders and owners, they do not tax that portion on personal income tax as well as wages. All of this is a major disincentive and makes the state very limited in its actions. This situation of weakness is based on a very unfair tax model, where only the average and high payroll are taxed, but the great fortunes and results of companies and wealth companies are not. There is a lot of money being leaked in this regard, and this means that the state, at a time as

complicated as the current one, cannot take powerful measures, such as the seven-cent-per-liter bonus of the fuels to professionals, which when compared to those driven by residents of at least 25 cents, is even ridiculous.

–Talk about tax reform that has been debated for some time. Do you think that this reform will lead to the next general election campaign?

–Yes, it will surely be one of the topics that will be the focus of the future election campaign. It remains to be seen how the whole pension debate will be closed, but it is clear that the state is not sufficiently funded today, because the results of the paralytics have had to be systematically used to compensate for these fiscal deficits. Citizens must see that in this country, whoever has the most is not exactly the one who pays the most, and until those who have the most financial capacity do not meet the appropriate contributions, it is impossible to have a strong state that can make the necessary decisions at certain times. Today, it is clear that the state is very weak. The measures are announced in a spectacular way, but when it is scratched it is seen that they really have a very poor and very insufficient content, and this is due to the fact that there is not enough income to be able to move forward. But this revenue can be easily improved by removing these existing tax privileges.

–A few weeks ago, the measures of the CASS regarding the pension system were also published. How do you see the proposals? Is it inevitable to retire later?

–The pension debate is underway in the commission that was set up. In relation to the model presented by the CASS, we have already said publicly that we disagree with a large part of the measures contained in this document. In particular, we are especially opposed to postponing the retirement age. The PS proposal maintains the retirement age at 65 because we believe it is perfectly possible. That in Andorra, which has an important part of the labor market working in very demanding sectors such as tourism, trade or construction, which are people who work long hours, who have a physical job and who often have very complicated schedules, it seems inadmissible that a postponement of the retirement age should be considered, in general.

–The debate on the portfolio of services is also very lively these days. How do you rate the proposal?

–It is a very technical issue, but we have met with the health schools and what they have told us is that this document is awful. That is to say, they directly claim that apart from the title and the statement of the reason, the rest is useless and must be changed from top to bottom. I understand that it can be complicated for the government, because in the end it is a document that the previous minister left on the last day, with a hypothetical agreement with the schools that has been shown not to exist. And these are not small changes or adjustments, but from what we have all been told, and in a very broad way, this document presents many problems and it would be almost easier to rewrite it. In the end, when you see a press conference with all the health schools in the country saying



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that this document generates more expense and puts the development of the service at risk, it is worrying at the beginning and shows that there is a problem. I hope that a solution can be found and that we can move forward, and if we want to be counted on, we will be on the side of both health professionals and the government, because it is an issue that concerns us all.

–At the same time, parliamentary groups are also working to reach a state pact on health. Is it progressing positively?

–I would say that the State Pact for Health is absolutely stalled, because the working document was made with Minister Benazet, and no meetings were held. Some aspects were agreed that could be worked on, but with the change of holder in the portfolio and the short time left in

the legislature, I really find it complicated. In any case, it is worth mentioning that we have accepted the three state pacts that the Government has offered us, both the European Union, the health pacts and the pensions, while they have not wanted any of the two that we have proposed, which is housing and justice. And these are two issues that seem very important to us, as is being shown.

–You're back from Strasbourg now. How do you think Andorra is viewed in the European environment?

–Andorra, like all countries, is subject to different periods of evaluation and review, and therefore, Andorra's vision depends on many topics. For example, the latest review in Andorra, where a report has been obtained on compliance with the European Social Charter, has been very negative for the country, in the sense that many shortcomings have been put on the table, and it has been reported that the Government has not answered much of the points contained in the report, and we think it is a matter of great importance. Andorra is part of many bodies, but politically, the Council of Europe is by far the most important.

The Council of Europe is conducting review processes on many issues, and I would like my country to always come out in the best possible way. And when it is not possible to comply with some of the precepts, let me explain why, but not answering a piece of information seems to me to give a very bad image of our country.

–Could the completion of the partnership agreement improve this image?

–The negotiation of the association agreement is being very complicated. We have been negotiating for seven years, and it is true that during this time very important things have happened in the European Union: the Brexit referendum and all this very long negotiation that it has required and the problems that are causing its implementation; the covid, and in this sense, the pull now forward of the Next Generation funds; and the war that has been going on for two months at the borders of the European Union and all the problems for the supplies that it generates. Among all this, it is clear that the negotiations with Andorra, within this whole series of problems, have been falling back on the scale of priorities, because all these issues are more important and we

must accept and understand them. In addition, it should be borne in mind that many fundamental issues have not yet been addressed, and these are issues that concern the population such as the movement of people, or how liberal professionals will look after this agreement.

–It has been a few weeks since the general election was called. Do you think we are already in pre-campaign?

–Sometimes it looks like it should arrive right now, and sometimes it doesn't. If we look at Mr. Espot and all the things he is doing these days, it seems that we are indeed in pre-campaign. The presentation the other day, to put it in some American way, of some measures with a speech, in our opinion very far from reality and without having consulted the unions or the parties of the opposition, shows that perhaps Mr. Espot is in pre-campaign. But in any case, the social and political dialogue is broken, and the Government would do well to try to ensure that this end of the legislature is not in vain and that there is only tension between the sides.

We have seen employers and unions make very strong accusations these days, and I think the government is responsible for sending the information to the employers and not to the unions. And surely, if there is no dialogue at the political level, a complicated end to the legislature can also be predicted in this sense, because there is a government that seems to want to do marketing by the end of the legislature.

–So, they haven't expressed a desire to advance the election?

–No, we weren't told anything. And in fact, in the Board of Presidents, where session calendars are being held, the political orientation debate is not expected to take place before the summer. In the beginning, it will be summer, so it will be difficult for there to be a political debate and for elections to be called the next day.

–And in the event that elections are actually called, do you want to aspire to be the PS candidate again?

–We have a process of primaries that will be convened, in principle, in the steering committee on May 14th. And with that in mind, I'm going to have some lunch and some meetings in the coming days to finish my assessment and make a decision. ≡

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