

Spain: Aznar government seeks opposition agreement to austerity program

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The Popular Party (PP) won an overall majority in the March 12 general election in Spain, the first time a right-wing party has done so since the end of Franco's dictatorship. Since then, Prime Minister José María Aznar has been seeking the backing of the opposition Socialist Party (PSOE), the Stalinist-dominated United Left (Izquierda Unida—IU), the regional-nationalist parties and the trade unions on a program to slash public spending, curb wages and control strike activity.

Speaking at a press conference in Cairo, where he was attending the Europe-Africa Summit, Aznar said, “We have a sufficient majority, we can be self-sufficient, but we don't want to be. We want to share and achieve a total sum of wills that will serve to achieve the reforms that we have to carry out for everyone's benefit.”

During talks with Slovak Prime Minister Mikulas Dzurinda, in which Aznar promised Spanish support for Slovakia's entry into the European Union and NATO, Aznar reiterated the “Spanish recipe” for progress: “More liberalisation, more reforms, more competitiveness and more opening up of markets”.

The sort of “reforms” Aznar's government has in mind were indicated in an April 9 article in *ABC* newspaper, which is close to the government. It listed 15 “challenges” to the Spanish economy, including economic liberalisation, opening up Spain's economy to international investors, controlling the deficit and the national debt, maintaining financial stability, reforming the welfare state, curbing overspending by regional government and increasing defence expenditure. *ABC* also stressed the need to maintain social peace and keep the number of working hours lost to work stoppages at present levels (similar to those achieved under Franco's fascist dictatorship) by preserving the current pacts with the trade unions.

Reform of Spain's labour market and the welfare state was considered paramount, given *ABC*'s assertion that “the European model of social protection, the most advanced in the world, is no longer sustainable at its present levels”. Spanish employers are determined to eliminate what they call “the rigidity of the labour market in Spain”.

Meeting these goals will require further attacks on living standards, working conditions and social provisions, with an accompanying assault on democratic rights. The PP

government knows that this will provoke resistance from an already struggling working population, and will require the full collaboration of the other parties and the trade unions.

New figures published three weeks ago in two reports on poverty by the charity Cáritas/Foessas Foundation show that 8.5 million people in Spain live on less than £140 a month. Around 30,000 households receive an income of just over £50 a month. Unemployment among the poor is 57 percent and 40.3 percent have only a very low level of working activity.

There are already signs of growing militancy among workers. Last month 20,000 of the 47,000 teachers in the public education sector in Catalonia demonstrated in Barcelona to demand more resources for higher education. Two days later 11,000 students demonstrated in the centre of Barcelona in defence of public universities, against privatisation, for an increase in resources, the protection of grants and the elimination of interest on student loans. A general strike was called for by the Mobilising Platform in Defence of the Public University in reaction to a preliminary report proposing drastic changes in university education.

On March 22, engine drivers and assistants at the national railway company “Renfe” called a series of 12 strikes, to continue into May, in opposition to the introduction of one-driver trains, for better wages and a national agreement covering all drivers.

Thousands of agricultural workers have been blocking roads in protest against cuts in subsidies. Employees at the Justice Department have been taking action for better conditions. A seven-day wages strike of luggage handlers at Tenerife delayed flights, while at Palma Airport cleaning staff staged demonstrations in support.

Aznar has set out in detail the issues on which he wants to achieve a pact with the other political parties and trade unions—employment legislation, the courts, the financing of the autonomous regions, terrorism, training, foreign policy and pensions. In this, he is knocking on an open door.

The two main opposition parties, the PSOE and IU, have both indicated their agreement with the call for a social and political pact with the PP. In the aftermath of their defeat at the general election, both parties have been plunged into crisis.

The PSOE is trying to distance itself from IU, whom it

blames for the disastrous election results. PSOE General Secretary Joaquin Almunia resigned on the evening of the election, and the electoral pact with IU was immediately abandoned, prompting *El Pais* to note, “It took ten days to forge, and little longer to ensure that even the ashes disappeared.”

Manuel Chaves, the PSOE's provisional general secretary until its congress in July, declared, “There is no break because there is nothing to break from, since the pact was for government. Having lost the elections, the validity of the agreement has ended.”

Accusations and counteraccusations have been flung between leaders of the two parties, but both organisations blame their defeat on the apathy and disinterest of the voters, and now advocate a further lurch to the right as the answer to their unpopularity.

Chaves described the mood in the PSOE as one of “pessimism, orphanhood, vacuum—which we are also transmitting to the people”. In order to “be in a position to win in the year 2004” he outlined a range of issues upon which agreement had to be reached with the PP government: the financing of the autonomous regions, the courts, terrorism, foreign affairs, the European Union and immigration.

A new layer is emerging within the party who see as their mission the transformation of the PSOE along the lines of Tony Blair's New Labour in Britain. A group of 15 deputies, drawn from those elected for the first time on March 12, have met to discuss forming a group before the PSOE congress in July, to put forward policy proposals and their own candidate for general secretary. They aim to exclude the outgoing leadership and want to open the group to non-parliamentary members of the party who have not been “burnt” by past experiences. The talk is of “new ideas”, “new projects” and “modernity”. They have not yet decided on a name, but “Young Turks” and “New Way” have been bandied about.

The IU was almost obliterated in the election and this has provoked bitter infighting among the component parties of the coalition. After some upset, they have agreed to the sacking of two thirds of IU's staff—47 of the 62 workers.

The strongest disagreement was over cuts in state subsidies, which are paid to political parties according to the votes they receive. Such subsidies are especially important for the Stalinists of the Communist Party (PCE). Accusations abounded that money was squandered on parasitic expenditures, favours for cash, and the subsidising of leaders' extravagant lifestyles.

Political horse-trading is continuing with the Catalan nationalists. Xavier Trias of the CiU, the moderate Catalan nationalist party which holds power in the province, confirmed his willingness to back Aznar, but made this conditional on demands for greater regional self-government and an increase in funds from central coffers. The nationalist parties are all in a state of disarray and have been plunged into a struggle for

survival. As well as having their subsidies slashed, they are being threatened with fines and further cuts unless they reduce their massive regional debts.

The trade union federations have been quick to indicate their willingness to continue their collaboration with the Aznar government. On March 22, just 10 days after the elections, Antonio Gutierrez, general secretary of the Comisiones Obreras (Workers Commissions)—which is linked to the Communist Party—rushed to meet Aznar at the latter's request.

Gutierrez, who was due to retire as general secretary 20 days later, left a meeting of the Executive Committee of the European Confederation of Trade Unions he was attending in Lisbon (Portugal) in order to discuss with Aznar. Cándido Méndez, the general secretary of the other main trade union, the UGT, linked to the PSOE, stayed at the conference in Lisbon, but met Aznar one hour after he arrived back in Madrid the next day.

The talks culminated in a meeting between the unions, the government and the employers' federation the following week. Behind all the declarations of “achieving full employment” and “making jobs more secure”, the real purpose of the negotiations is to make dismissals cheaper, reduce unemployment benefits and decentralise collective wage negotiations, with a view to devolving them to the regions.

Of every hundred wage workers in Spain, 33 have only a temporary employment contract. Several strikes have taken place over this issue, disrupting the four-year social pact between government, employers and unions. The PP is seeking to create a new “indefinite contract”, involving severance payments of 20 days' pay for every year worked instead of the current level of 45 days' pay, with a new provision setting a maximum of 12 months. Other agreed subjects for discussion include raising the retirement age and enabling employers to divide salaries into a fixed part and variable (productivity) payment.

During the previous four years, Gutierrez signed a score of agreements with the PP government and the employers. At the union's congress, where he said his farewells, praises were rained on him by all three present and past PP Labour Ministers who attended - one of whom, Javier Arenas, is presently PP general secretary. Also in attendance was the leader of the Employers Federation, José Maria Cuevas.



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