

Madrid terror bombings strengthen right-wing on eve of Spanish elections

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Thursday's bombing atrocities in Madrid will inevitably dominate the March 14 general elections in Spain. The outrage they have provoked is expected to benefit the right-wing Popular Party of the outgoing prime minister, José María Aznar, and its candidate to succeed him, Mariano Rajoy.

Widely described as Spain's own September 11, the blasts, which have thus far claimed nearly 200 lives, will be employed to similar effect as the destruction of New York's Twin Towers. On the international front, they will be used to justify Spain's militarist foreign policy and, above all, Aznar's support for the US-led invasion and occupation of Iraq. Domestically, they will be used to legitimise the further erosion of the democratic rights of the working class in the name of combating terrorism.

If further proof were needed of the role played by terrorist outrages in sowing political confusion amongst working people and thereby strengthening the hand of right-wing forces, the events of March 11 have provided it. The coordinated rush-hour blasts at three Madrid rail stations have left the country's people in a state of trauma. This is being used to good effect by Aznar, who has called for three days of mourning for those who died in bombings—the worst in Europe since the Lockerbie airline bomb that killed 270 in 1988.

The millions of Spaniards who have taken to the streets to protest the bombings are expressing their entirely justified anger and revulsion over Thursday's mass homicide. They have a legitimate concern over their safety and security, and correctly see those responsible for the bombings as criminals who should be brought to justice.

The cruel irony is that the government, with the support of the opposition Socialist Workers Party (PSOE) and the media, will seek to exploit these feelings to intensify the very policies of imperialist war and neo-colonialism—cynically presented, under the banner of the “war on terrorism,” as a defense of democracy and civilization—that foster the conditions of oppression and poverty upon which terrorist outfits depend to draw their recruits.

The Madrid atrocity is a tragic demonstration that the eruption of imperialism, led by the US, undermines the safety and security of the working masses in every part of the world—in the imperialist centers of North America, Europe and Asia, as well as in the Middle East and the rest of the “Third World.” Inevitably, the human cost is paid overwhelmingly by innocent people who have no hand in the reactionary policies of their governments. This is perhaps nowhere more clear than in Spain, where the overwhelming majority of the population is opposed to the government's support for Washington's war in Iraq.

Aznar portrays himself and his party as the most steadfast bastion against terrorism, whether that of Al Qaeda or the Basque separatist organisation ETA (Euskadi Ta Askatasuna—Basque Homeland and Freedom). For some time, he has been successful in manipulating popular outrage at ETA's bombing campaigns.

Aznar, who will be standing down after the elections, had already

insisted that he intends to finally crush the proscribed ETA and to resist calls for greater separation by maintaining the regional autonomy as defined by the 1978 constitution—the Carta Magna.

The Popular Party is aided by the fact that even before the events of March 11, all the main political parties and the media agreed that the “war against terror” and the unity of the Kingdom of Spain were the two main issues to be debated at the exclusion of all others. Its opponents—the Socialist Workers Party, the Stalinist-led Izquierda Unida (IU—United Left) coalition, and the nationalist parties—would all rather debate terrorism and regionalism than unemployment, health, education, the environment, attacks on democratic rights and the other key issues that concern the majority of the population.

But the artificial suppression of difficult political issues is not the same thing as resolving them. Whatever the scale of the Popular Party's expected victory, it will emerge from the election as the ruler of a nation beset by pronounced social and political divisions for which it has no answer, other than repression.

One of the main issues underlying the elections and of central concern to different factions of the Spanish ruling elite is what side to take in the increasingly bitter division between America and Europe. The disagreements within the Spanish bourgeoisie on this question are becoming more open because of the approaching expansion of the European Union.

Aznar represents that section which believes the interests of Spanish capital are best served by a close alliance with the United States. This, it is hoped, will help Spain become a leading player in what US Secretary of Defence Donald Rumsfeld terms the “New Europe.”

The PSOE and the nationalists speak for those who are convinced a closer alliance with Europe is a better means of advancing the interests of Spanish imperialism.

Last year, Aznar supported the Anglo-American intervention in Iraq against the opinion of most of the Spanish population. He has aligned his country's foreign policy closely with Washington, yet to this day he has not provided any substantial public case for his support for the invasion of Iraq.

He travelled around the world, assisting Bush in patching together a motley coalition in support of the colonial war. As he did so, on February 15 last year, over two million protesters brought all of the major cities of Spain to a standstill. Since then Aznar has made 16 trips to the US.

In repayment, Bush placed the Basque separatist organisation Batasuna (the political arm of ETA) on Washington's list of parties sponsoring terrorism.

The Spanish government also sees the US as guarantor of political stability in Latin America, where it has large investments. Spain and the US are together the biggest investors on that continent. There are also 35 million Spanish-speaking people living in the US.

Two banks, which are the most profitable in the euro zone, now dominate Spain: Santander Central Hispano (SCH) and BBVA. The first

is very active in Brazil. The second has two-thirds of its assets in Mexico, after buying up that country's largest private bank. Both banks have \$25 billion invested in Latin America. SCH, BBVA and Telefonica make up half the capitalisation of the Spanish stock market. One third of their profits comes from Latin America.

Additionally, Washington is spending hundreds of millions of dollars upgrading its facilities at its naval base in Rota, on Spain's Atlantic coast. It is rumoured that the US is discussing moving its fleet from Italy to Spain, although this would encounter a number of problems.

Aznar is also hoping that the power of the US will open doors for Spanish interests in the Middle East and areas of Morocco where Spain also has sizeable investments.

Spain's special relationship with the US, however, comes at the expense of its standing in Europe, and sections of the ruling elite are becoming extremely concerned by this. At the beginning of this year, Aznar voted against a new European Constitution, which would reduce Spain's voting power to more closely reflect its population. This put him in direct conflict with France and Germany and allied him only with the East European applicant states and Britain. Máximo Cajal, a retired Spanish ambassador and former envoy to Paris, summed up the concerns this raised in the *Financial Times*:

"The problem with the transatlantic relationship is that it leaves us exactly in the middle of nowhere. Spain used to punch above its weight in Europe. It was regarded as a credible, predictable and loyal partner. Aznar is a Eurosceptic and he deliberately went about breaking that trust. It will take a long time to repair the damage done."

The PSOE's opposition to the Iraq war has nothing to do with any concern for the rights or welfare of the Iraqi people. It should be remembered that the PSOE was in power in 1991 when it lent Bush's father a supporting hand in the first invasion of Iraq. It is, rather, rooted in concerns over Spain's own imperialist interests.

Since Aznar announced his commitment to the Bush administration's preparations for war against Iraq, the PSOE has attacked the Popular Party for abandoning the "bipartisan" consensus on foreign policy that is "as old as Spain's transition to democracy." PSOE leader José Luis Rodríguez Zapatero has promised to bring Spain out of the "isolation" into which it has been led by Aznar. "I want to be president of a government that will take Spain out of the Azores trio. I want to see my country allied to Lula, Kofi Annan, Lagos and Jacques Chirac," he declared.

Sections of the press and, in particular, the influential liberal newspaper *El País* support Zapatero's campaign. *El País* declared that Aznar had falsified the case for war and systematically "deceived" the Spanish people. It demanded that Aznar substantiate his claims of Iraqi weapons of mass destruction.

If the Popular Party, as expected, wins the election on March 14, it will have accomplished a feat that would appear, on one level, as incomprehensible, given the hostility amongst the Spanish population to the war in Iraq and the widespread disaffection with the government's economic and social policies. But while the anger that poured onto the streets of Spanish cities last year certainly reflected a deep dissatisfaction at the conditions confronting the mass of ordinary working people, this does not automatically provide the means to redress those conditions.

In the aftermath of the demonstrations, the working class was once again confronted with the lack of a political alternative to represent its interests, in either domestic or foreign policy. Moreover, certain internal factors have benefited the Popular Party. During Aznar's eight-year premiership, Spain has received massive European Union subsidies. This, together with the holding down of wages by the trade unions, has helped Spain attract global investment.

Under the Popular Party, since 1996 the Spanish gross domestic product (GDP) has averaged four percent growth per year. Even last year, Spain's

GDP grew by 2.4 percent, in comparison with 0.5 percent in the euro zone. This boom enabled Spain to balance its budget by 2001, the only member of the EU to have done so. Last year, Spain created half of the new jobs in Europe and took in almost 1,000 immigrants a day.

Cheap labour, cheap credit, generous tax concessions and low land prices has attracted large inward investments, with several transnational corporations building subsidiaries in Spain. Spain is now the fifth largest automobile manufacturer in the EU.

In the same period, Aznar privatised nearly every publicly owned enterprise, slashed taxes twice, and cut public spending from 48 percent of GDP to 40 percent. These policies were used to increase the wealth of the upper layers, and to give a better-off section of the petty bourgeoisie and certain more privileged sections of skilled workers a perceived interest in the government's economic counter-reforms, or at least to defuse opposition to them.

In certain key areas, Aznar has acted to preserve subsidies and carried out other protectionist measures that have helped maintain a level of support for his government. While he has lobbied to open up the energy sector in the EU, for example, he has not done so at home. Spain also has the biggest EU fishing fleet, and Aznar is lobbying hard to prevent any reform of the Common Fisheries Policy.

The economic boom has also meant that welfare cuts—though extensive—have not had to be as savage as many big business figures would have liked. A surplus of nine billion euros will make it possible to guarantee pensions for some time yet. But by 2020, pensions will have increased from 9.4 to 17 percent of the GDP. Attacks on welfare and pension provisions must, therefore, become more stringent in the near future.

Spain is now posed with a deepening crisis due to the ten new countries set to join the existing 15 members of the EU in May this year. This will involve the incorporation of 75 million more people, almost half of them in Poland.

Most of the new member countries (Poland, the Czech Republic, Slovakia, Hungary, Slovenia, Estonia, Latvia, Lithuania, Malta and Cyprus) are former Stalinist states that have been busy reintroducing the market economy since the collapse of the Soviet Union in 1991. They are all competitors with Spain for EU funding and investment by international corporations seeking access to the European market.

Most of the new countries are poor. For example, the second richest, the Czech Republic, has an average gross domestic product less than a third of its neighbour, Germany. The incorporation of such a huge, skilled, low-wage work force will undermine Spain's position within Europe as the provider of cheap labour.

Minimum monthly salaries in Spain are second to lowest (after Portugal) within the present EU countries: 526 euros, compared with 1,154 in France and 1,105 in the United Kingdom. Now Spain will have to compete with countries such as the Czech Republic and Slovakia, where wage rates are a seventh of those in Spain.

Spain, Portugal and Greece benefited enormously from joining the EU. In order to bring their economies closer to the economic standards of the big powers so that trade could be regularised and a common currency established, huge subsidies were conceded to help their development. According to a report just released by La Caixa Bank, EU subsidies were worth nine billion euros in 2002 alone, or 1.3 percent of Spain's GDP.

Some 55 billion euros of EU structural and cohesion funds for the years 2000-2006 are coming to an end. As the ten new EU entrants arrive, only the Spanish provinces of Galicia, Extremadura and Andalusia will retain their favoured "objective one" status. This presently allows the authorities to subsidise new industries by up to 40 percent. In Galicia, there will have been 11.7 billion euros worth of investment between 2000 and 2006, half of which has been paid by the EU, leading to a big growth in the rail network and in motorways. The biggest business is the auto industry, with

Citroen in Vigo being the largest exporter in the region.

Previously, Aznar attempted to tackle Spain's problems by bringing in skilled immigrants and creating millions of casual jobs (a low birth rate means that the country's population could fall to 30 million within a couple of decades from the current 40 million). But the *Financial Times* still denounces the labour market in Spain as the most rigid in the EU. It describes collective bargaining as "tortuous." If Aznar's party is to carry out the demands of its backers for further economic reforms, then social conflict with broad layers of the working class is inevitable.

Insecurity in employment is already a cause of enormous discontent. A two-tier workforce exists—one which is still highly protected and unionized, while the other is low-paid and on temporary contracts. The 2.4 million jobs created in the 1990s were predominantly short-term posts that left the "old" economy relatively untouched. Part-time jobs make up 30 percent of all jobs. According to the National Statistics Institute, 4.2 million people are in temporary jobs. The average length of temporary contracts in Spain is just 10 days. Such posts are called "contratos basura" (rubbish contracts). Foreign firms are responsible for a great number of these jobs.

Aznar has attempted to break down the resistance of the organised workers to defend their conditions on a number of occasions. In 2002, he introduced new legislation to reform unemployment benefits and confronted a general strike on June 20, which forced the government to make a U-turn and abandon nearly all of its proposed "decretazo", or decrees.

These included legislation to reform labour relations. Recently, the government said it would introduce the legislation again, whether the trade unions accept it or not.

While unemployment has been reduced from 23 percent to 11.3 percent, Spain still has the highest jobless rate in Europe, and it is set to worsen.

An exodus of transnationals out of Spain has already begun. Corporations such as Samsung, Alcatel, Ericsson, Bayer and Phillips are preparing a move into cheaper areas such as China and Slovakia. SEAT (Sociedad Española de Automóviles de Turismo), the Spanish car manufacturer, which since 1986 has been part of the Volkswagen group, is also beginning to move production out of Spain.

By far the biggest factor weighing in favour of the Popular Party is the bankruptcy of the political opposition. Zapatero has stated that he will not form a government unless his party, the PSOE, receives a majority of the vote, and that he will not govern in coalition. He wants to convey the message to the employers that he will not be prisoner to any radical demands of either the nationalists or the Stalinist-led Izquierda Unida. He has made great efforts to meet the employers and reassure them that the PSOE is not "anti-business."

Manuel Azpilicueta, the president of the Circulo de Empresarios, a business leader's forum, stated recently, "The Socialists are more in tune with the thinking of business people on economic policy than a few years ago." He added that he welcomed PSOE proposals on tax reform, investment in new technologies, and the promotion of part-time job contracts.

Workers have no confidence in the policies of the PSOE, which left government in 1996 in the middle of a financial corruption scandal that ended with many of its leading ministers in jail. The intervening years and the continued advocacy by the PSOE of pro-market policies have done nothing to erase this memory.

In the final analysis, whichever party wins the elections and forms a government after March 14, none of the many problems confronting working people will be resolved. On the contrary, as the special circumstances that have kept a modicum of stability recede, and business seeks to load the burden of its crisis onto the backs of working people, the necessity for the development of a genuine international socialist party, independent of all sections of the bourgeoisie, will become more clear.



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