

Former Spanish prime minister lays out his right-wing agenda

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5 December 2009

Last month Spain's ex-Popular Party (PP) prime minister, José María Aznar, gave a lecture to the London School of Economics (LSE) outlining his proposed solutions for the economic crisis. There was nothing in it that every other bourgeois politician has not already said. All are agreed that the working class has to pay for the crisis.

The lecture was based on a report published in July by the Foundation for Analysis and Social Studies (FAES), a right-wing, think tank established by Aznar in 2002 and which he now leads. His ideas are expanded in a recently published 200-page book "España puede salir la crisis" (Spain can come out of the crisis).

Aznar spoke for just over 20 minutes and even this was vague, filled with trite declarations and false claims, particularly in regard to wages, unemployment and inequality figures. The main thrust of Aznar's speech was a lionizing of his government's supposed achievements between 1996 and 2004 in contrast to the present Socialist Party (PSOE) government.

Aznar was in fact driven out of office because the Spanish working class had refused to accept his right-wing economic and social agenda. Soon after coming to power, the PP froze the wages of civil servants and passed an austerity budget that cut expenditures and gave tax handouts to the rich. In 1997 he announced the sale of the nation's remaining minority stake in Telefonica, the petroleum group Repsol, as well as Endesa, Argentaria and the tobacco corporation Tabacalera, all run by people close to him. The sale of these "golden shares" has since been declared illegal by the European Union.

Aznar boasted of these achievements during his lecture, achieved on the basis of cheap labour and a huge rise in temporary contracts. This boom was fuelled by huge EU subsidies and a speculative construction bubble that has now burst with devastating consequences. In 1993 unemployment stood at 25 percent. By 2007 it had fallen to 8 percent (three years into the PSOE government), but nearly 20 percent of the country's jobs were linked to construction and real

estate. In addition, a recent study in the Basque Country, one of Spain's richest regions, found that under 35-year-olds spend an average of a staggering 79 percent of their monthly income on housing.

Against this background the government faced several general strikes and was forced to withdraw some of its most controversial policies, such as the attempt to reduce dependence on domestic coal when thousands of miners blocked highways and held mass demonstrations. Anger came to focus on his support for the war against Iraq in 2003, which was met with massive protests involving hundreds of thousands—some of the biggest in Europe. Things came to a head in 2004 in the general election immediately following the Madrid terror bombings. With the PP's attempt to attribute the bombings to the Basque separatists of the ETA exposed, the widespread understanding that the bombings were a reactionary response to the Iraq war galvanized millions to vote Aznar out of office.

The Spanish Socialist Party (PSOE) was the undeserved beneficiary of this popular sentiment. It tried to defuse political tensions and restabilise social relations in Spain by implementing some limited democratic and social measures while continuing with the central thrust of the pro-business policies of the PP. The PSOE presided over continued rampant speculation, an aggressive campaign against the Basque separatist group ETA, and fully participated in the war in Afghanistan.

The PSOE has also sought to rehabilitate the PP and reach a rapprochement with it. But the PP has responded to its 2004 defeat by waging political war against the government of Jose Zapatero, denouncing its election as a "coup" and mobilizing its extreme rightist base and the Catholic Church in a "moral crusade" in defence of family values.

Aznar arrogantly declared at the LSE meeting, "At FAES, we believe in the free market as the most powerful tool for human development; we hold respect for individual rights and liberties as essential; and we are strong advocates of the Atlantic alliance, this is, the partnership between Europe and

America as the best way to preserve democracy, freedom, our security and prosperity.

“Our purpose is to create, promote and disseminate ideas based on political, intellectual and economic freedom; ideas that can offer policy alternatives to socialism.”

Aznar’s boast of “alternatives to socialism” was made under conditions of the greatest crisis of global capitalism since the 1930s. This accounted for his repeated efforts to refute any connection between that period and today. In comparison with 1929, Aznar claimed, “The world is now six times richer, bank deposits are now guaranteed, the monetary system is not based on the gold standard, and the rate of return outside the banking sector is now about 10 percent, while in 1929 it was roughly 0.5 percent.”

The only possibility that the crisis would become a new Great Depression, Aznar continued, was if the same “errors” were repeated—the growth of protectionism, interventionism and huge public debt—as if these were mere policy choices. In reality, such tendencies are the inevitable product of capitalism in decline, and their re-emergence today is already visible across the globe.

Having spent much of his speech praising the free market and its capacity for self-reform, Aznar went on to advocate “better” state intervention.

“We have the opportunity to learn from experience, and react with better regulation, better public policies and an efficient undertaking of the roles entrusted to the government,” he declared.

Later he insisted, “You all know that the cost of a banking crisis is lower the sooner it is detected and the sooner the intervention takes place. Therefore, supervisors should have the capacity to intervene pre-emptively, gradually and with legal certainty when the solvency of financial institutions or the stability of the system is threatened. Also, international crisis management should be reinforced by pre-agreed and binding commitments by the governments in which an international bank operates.”

Aznar in essence wants a free-market with one important caveat: when the fundamental interests of the banks and the financial oligarchy are threatened, then state intervention is indeed required to shore up their vast wealth at the expense of working people.

The crisis, Aznar said, presented great opportunities. Governments must not miss the opportunity to implement “reforms.” He criticised the easing of credit and increased public spending undertaken by the PSOE in an effort to shore up the economy.

A reporter from the *World Socialist Web Site* reminded Aznar that both the PP and the PSOE were parties of the financial elite and both in fact agreed on the need to implement labour reforms predicated on making the working

class pay for the capitalist crisis. “Why should workers pay for a crisis for which they are not responsible,” the WSWS reporter demanded, “and how will such reforms be implemented given the militant traditions of the Spanish working class?”

Aznar refused to answer. He is more open in his book, however. Aznar praises the US for its flexible labour market, which he claims will allow it to recover faster from recession, while Europe has the great problem of an economic model based on social protection. Instead, Aznar advocates less public spending, reduced social contributions by companies, decreased taxes on businesses and less state interventionism.

His lecture concluded by insisting, “We should avoid losing the momentum for implementing the necessary reforms under the mirage that the worst part of the crisis is behind us.”

That Aznar is presented to an audience at the London School of Economics has a lot to say about the disintegration of reformism and liberalism. The LSE was founded in 1895 by Beatrice and Sidney Webb with a bequest of £10,000 from the estate of Henry Hunt Hutchinson, a lawyer and member of the Fabian society. It advocated a type of evolutionary collectivism, carried out by enlightened sections of the ruling elite, in direct opposition to Marxist socialism and the class struggle, ideologies that then dominated the European workers’ movement.

The society laid many of the foundations for the Labour Party. Today it is a vanguard “think tank” for the free-market nostrums of New Labour. It has been active in British government proposals to introduce compulsory ID cards and was at the forefront of the campaign to introduce tuition fees for UK universities. The LSE is popularly known as the “investment bank nursery,” due to the fact that 30 percent of its graduates end up in such institutions.



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