

# Spain: Socialist Party government seeks to impose ‘labour reforms’

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The Spanish economy, the fifth largest in Europe, faces economic meltdown. The methods used to force Greece into massive austerity are now being deployed in Spain even as each attack on the working class is greeted in the international markets as inadequate.

Francisco González, chairman of Spain’s second largest bank, BBVA, stated, “The majority of Spanish companies and financial groups are shut out of the international markets” and unable to get credit. José García Zárate, a strategist at economic analysts 4CAST, said the government had “lost all market credibility and nobody is listening to them anymore”.

In response to their demands, Socialist Party (PSOE) Prime Minister José Luis Zapatero declared he would do “whatever it takes” to regain market confidence. He announced €15 billion in cuts on top of a €50 billion cuts package, a public sector wage freeze and the imposition of “labour reforms” that will eliminate what remains of workers’ protection and declared that strikes will not change his course.

When the global economic crisis broke in 2008 Zapatero declared that the government would not single out the victims of the crisis with harsh austerity measures. Now he is demanding that the working class foot the entire bill for the bailout of the financial aristocracy through wage cuts, job losses and elimination of job protection under conditions where unemployment is already at 20 percent (predicted to reach 23 percent by the end of 2010) and as high as 40 percent amongst young people.

The PSOE government is imposing the greatest attack on the working class since the fall of the Franco dictatorship, but even this has not satisfied the employers’ organisation CEOE. When talks between government, unions and employers broke down on June 15, business leaders declared that Zapatero’s proposals did not go far enough. They are demanding the destruction of all forms

of social protection.

They have been bolstered by the declarations of the International Monetary Fund, European Union officials and the United States government, who have held a series of meetings with Zapatero and his ministers and told them to stop prevaricating and rapidly implement austerity measures. They complained that labour reform talks have been dragging on for almost two years between the PSOE, its allies in the General Union of Workers (UGT) and Workers Commissions (CCOO) trade unions and the CEOE employers’ federation.

After a meeting with IMF officials, Zapatero not only reassured them of his commitment to austerity measures but pledged to speed up labour reform and bring in legislation by the end of July. He added that he would finalise drastic attacks on pensions by the same date. On June 16, the PSOE cabinet agreed a decree on labour reform and are now looking to force it through parliament on June 22.

The Economist reported June 17 that the reaction of “ordinary Spaniards” to the decree “was hard to measure” partly because on the day the reform was unveiled Spain was playing its first match in the World Cup. “The government insisted that the timing was coincidental, but to many Spaniards the televising of important sporting events at times of political tension is reminiscent of the Franco era,” the magazine added.

Spokesmen for the main opposition conservative Popular Party (PP) have attacked the proposals for not going far enough whilst issuing hypocritical public statements feigning concern about the effect austerity measures will have on the poorest sections of society. The president of the nationalist Catalan Union (CiU), Artur Mas, said he was prepared to vote in favour despite “room for improvement” and the Basque Nationalist Party (PNV) also said it supported the changes.

Workers have responded to the austerity measures with

escalating struggles. Rail workers held a national strike on May 28 followed by public sector workers on June 8. On June 30 a general strike is to be staged in the Basque region and on September 9 a mass demonstration has been called by the trade unions in Madrid.

Trade union leaders have threatened a general strike on September 29, the day the European Trade Union Confederation (ETUC) has called a European-wide “day of action” However, ETUC General Secretary John Monks has made it clear that September 29 is not a general strike but has been called to put pressure on a EU finance ministers meeting that day. He warned that European countries have no choice but to accept the terms laid down by the EU and the IMF for the repayment of loans.

The Spanish unions have called the September 29 action (three months after the PSOE is expected to force through labour reform) “opportune,” saying it will allow Spaniards to evaluate the impact of the government’s economic programme. By this they hope to gain time to direct the immense social tensions into the safe channels of pressuring the PSOE and the European Union to soften the edges of its brutal attack.

In a joint news conference June 15, the head of the CCOO, Ignacio Toxo, and UGT leader Cándido Méndez declared the strike “is not to change the government” but to make it alter direction. Earlier Toxo had warned, “A general strike would be the worst thing to happen to Spain.”

The sole concern of the trade union bureaucracy is how to rescue capitalism. They supported the election of the PSOE in 2004 and have operated as loyal partners since, helping enforce policies that have led to the proliferation of part-time workers, job cuts, increased retirement age and pay and pension freezes. The bureaucracy has sought to limit strike action to single days or, as in the May 28 rail action, agreeing to operate a skeleton service that reduced its impact and created divisions amongst workers. It has tried to limit the opposition to austerity, arguing that if workers push too far the PSOE will be brought down and the PP returned to power.

The union bureaucracy is concerned that the PSOE will be ineffective in resolving the economic crisis of capitalism. Toxo told journalists, “Both the CCOO and the UGT’s view is to give a full response both to the austerity plan and to any potential labour reform that would be introduced by decree, which would be damaging to our country.”

The inability of the unions to arrive at a public

agreement with the government is not because they are opposed to the cuts. They differ only on tactics. This was made abundantly clear by Toxo’s outburst, when he stated, “I want to believe that until the last minute there’s a possibility of reaching an agreement,” adding, “The government has disappointed me.”

The main force preventing the working class breaking with the PSOE-trade union alliance is the Spanish Communist Party-led United Left (IU). These former lefts are in alliance with the PSOE in government and local authorities throughout Spain and have senior positions within the trade union bureaucracy.

The IU’s support for the September 29 strike and handing all authority over to the trade union bureaucracy is aimed at lodging a formal protest at the labour reforms whilst the PSOE and the financial elite are given breathing space to force through the austerity measures.

IU Head Cayo Lara urges Zapatero to stop acting as a “messenger” for the markets, and to act as a representative of his “social base”. The idea that Zapatero, a functionary of the financial aristocracy, has either a social base in the working class or that the PSOE can be shifted from its present course is aimed at deliberately confusing and disorientating the working class.

The IU’s program is entirely bourgeois and seeks to create illusions that the economic crisis can be resolved without the working class taking control of the banks and big business. The decline in the support for the IU at the last elections was connected to its being viewed as an adjunct of the PSOE. It supported the PSOE’s election and is now working with the trade unions to protect the government from a political radicalisation of the working class as it seeks to rescue capitalism at the expense of the masses.



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