

Politicians cover up austerity measures planned after Spanish elections

Vicky Short, Paul Mitchell
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Next Sunday, November 20, Spain is holding a general election, four months earlier than scheduled.

Prime Minister José Luis Zapatero was forced to bring the election forward by a collapse in support for his ruling Socialist Workers Party (PSOE) government, due to its imposition of austerity measures and wage and welfare cuts that have resulted in widespread hardship.

Unemployment is around 23 percent, with half of under-25-year-olds without work. Anger at the worsening social conditions was at the core of the May 15 movement, which saw tens of thousands of *indignados* (indignant ones) occupy central squares in cities and towns throughout Spain.

In May, the PSOE received its worst result in history in regional and local elections, losing many of its traditional strongholds. The most recent polls suggest the PSOE will be crushed in the election, giving the People's Party (PP) a majority.

The early elections were announced in August, as the danger of a debt crisis in Spain intensified. Credit rating agencies downgraded the creditworthiness of a number of regional governments and banks, and interest rates on government bonds peaked close to the 7 percent limit that triggered the emergency rescues of Greece, Ireland and Portugal. On August 17, as the sovereign debt crisis threatened to explode and the European Central Bank was forced to intervene, Zapatero reportedly told a meeting of trade union and business leaders that “things were very bad” and the economy was “at the edge of the abyss”.

The aim of the elections is to divert and suppress popular opposition to austerity measures. The PSOE and PP leaders declared they would do whatever was required by the international financial markets to slash

the total public deficit from 9.2 percent of GDP in 2010 to 6 percent by the end of this year and 3 percent by 2013. Since then, they have colluded to steamroller legislation through Congress to further impoverish working people—including an unprecedented change to the Spanish constitution limiting public spending deficits for all future governments, and a labour reform law that attacks working conditions, wages and permanent employment.

The election campaign has been kept low-key by both parties, which are covering up the full extent of the austerity measures being planned after the election. Commentators point to the fact that there are virtually no signs of a general election taking place in a few days' time—with no posters or leaflets and little campaigning in the streets.

Last week, the only televised debate took place between the PSOE's Alfredo Pérez Rubalcaba—party leader following Zapatero's decision not to run for another term—and the PP's Mariano Rajoy.

The debate was a farce. Neither leader spoke in any detail about the deep economic crisis facing the country or their proposed solutions. This is because both parties fully agree on the need for cuts and austerity measures dwarfing anything imposed so far and use all means necessary to force them through.

When Rubalcaba pressed Rajoy about his spending plans, Rajoy—acting as if he were already prime minister—refused to answer and threw back at Rubalcaba figures about the spending cuts already carried out by the PSOE.

Both leaders hardly referred to the eurozone crisis, which threatens to engulf Spain in as dramatic a fashion as it has in Greece and Italy over the last few days.

The Spanish press criticised the debate, but only for lacking spontaneity and passion. They blamed this on

its predetermined format and themes—the parties had agreed beforehand what questions the candidates should and should not get asked.

El País wrote of “prepared scripts, parallel arguments.... Monday night’s encounter was not so much a debate, as a calculated performance at which the two major parties allowed a journalist to be present. In the future we may well ask what meaning there can be in a set of rules that serve the propaganda purposes of the parties, and not the media’s duty to inform.”

El Mundo published a cartoon showing a Spaniard switching his TV off, turning to his wife and asking her, “After seeing the debate, who do you think will run Spanish policy for the next few years?” “[German Chancellor] Angela Merkel,” replies his wife cheerfully.

The international business press was more scathing about the debate. Under the headline, “Spain’s party leaders indulge in navel-gazing as crisis rages,” the *Financial Times* (*FT*) said that “in two hours of political wrangling...the two bearded politicians focused obsessively on domestic matters and scarcely referred to the eurozone sovereign debt crisis that has already claimed victims in the form of Greece, Ireland and Portugal and may yet cripple Italy and Spain.”

The *FT* accused Rajoy’s manifesto of being “maddeningly vague,” even though “the PP has won the backing of business by promising labour reform, job-creation incentives, a clean-up of the banks, and an era of competent government.... While this might restore the long term future, the short term (which is what the bond markets are interested in) bristles with economic and political dangers that would have been unthinkable before the collapse of Lehman Brothers three years ago.”

The article ended, “In their television debate, neither Mr Rajoy nor Mr Rubalcaba explained how they would successfully combine the economic austerity policies demanded by the EU and the International Monetary Fund with the economic growth and generous funding of public services that their crisis-weary voters want.”

Bloomberg Business Week also drew attention to the way the leaders of the two parties had avoided giving details about their plans. However, it hopes that Rajoy is only hiding what he has in store. It quotes Ken Dubin, a political science professor at Carlos III University in Madrid, saying, “Rajoy did what he had

to do, which was to not make any significant huge mistake.... He managed to not take any of Rubalcaba’s baits to clarify more uncomfortable pieces of his non-specific electoral programme.”

On the eve of the debate, the media published results of several snap polls showing that the PP is likely to win the elections with its biggest majority ever. For the PP to receive a massive vote is an extraordinary situation. It can only mean one thing: whole swathes of the Spanish working class are divorced from official politics, thanks to the pro-business policies of the PSOE, the betrayal of the trade unions and the absence of any genuine socialist alternative in Spain.

In an article on November 11, “Spanish conservatives head for power by default,” the *Guardian* states that there is such an overwhelming feeling that the PSOE is going to be thrashed that the PP “has barely bothered to draw up a manifesto, claiming that it does not want to make promises it cannot keep.”

It noted that during the televised debate, “neither candidate had any substantial ideas of how to revive the moribund economy and get people back to work.”

However vague the PP’s manifesto is, it gives a taste of what it will do once in power. The PP makes it clear that it will stick rigidly to the targets demanded by the global speculators, the European Union and the International Monetary Fund by cutting public spending and privatising state-owned companies, as well as strengthening the state against protests.

The fear of the financial institutions is that by not stating clearly what its programme is and without the “socialist” cover of the PSOE, the PP will not be able to carry out the deep cuts they are planning. Moreover, the more conscious elements within the ruling elite know that a massive win by the PP, populated by the heirs and supporters of the Franco dictatorship, threatens an explosive conflict with the working class.



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