

Mass protests throughout Spain against government cuts

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Thursday's demonstrations in Spain against the Popular Party (PP) government's latest austerity measures were a mass outpouring of anger and defiance.

Well over a million and possibly several million protested in 80 cities, with some estimates of the numbers protesting in the capital Madrid as high as 800,000, and hundreds of thousands protesting in Barcelona.

The protests coincided with parliament meeting to approve a package of €65 billion (US\$80 billion) of wage cuts, spending cuts and tax increases announced earlier by Prime Minister Mariano Rajoy.

Rajoy, aware of the scale of public anger, left parliament after casting his vote for the austerity package—the most brutal cuts since the fall of the Franco regime more than 30 years ago.

He left it to Budget Minister Cristóbal Montoro and Economy Minister Luis de Guindos to defend the plan. Rajoy left in order to instead hold a meeting with the president of Siemens, Peter Löscher.

The measures already outlined by Rajoy include plans to raise value-added tax (VAT) from 18 percent to 21 percent, cuts to civil servants' pay, and further attacks on unemployment and other benefits.

The PP has cut unemployment benefit from 60 to 50 percent of the salary earned previously after a person has been out of work for six months. Money for those caring for dependent family members is to be cut by 15 percent. More than 178,000 people will be deprived of the right to a state pension.

The goal is to cut the public deficit from 8.9 percent of GDP last year to 2.8 percent in 2014.

Montoro warned that without the tax hikes and cuts in spending, public sector wages would not be paid.

"There is no money in the state coffers," he

threatened. "What we have comes from taxes and if revenues don't increase, we are at risk of not being able to meet the payroll."

The measures were later ratified with 180 votes, due to the PP's absolute majority.

The vote against was 131, of which 120 came from the main opposition Spanish Socialist Workers Party (PSOE).

PSOE secretary general Alfredo Pérez Rubalcaba said, "We cannot continue like this, we are causing disaffection." He demanded that Rajoy "get a plane, go to Brussels, and say that the cuts are barbarous". But he made clear that he was not against the cuts as such, only the speed at which they are being imposed.

The Stalinist-led United Left coalition (IU-ICV) and two small Basque and Catalan separatist parties left before the vote took place. Cayo Lara, leader of the IU-ICV, said he did not want to be an "accomplice" of the "brutal" attack against the welfare state. But all he demanded was a referendum on the new austerity measures.

The government also published details that evening of the US\$122.9 billion bailout agreement between Spain and the euro group that is to be handed over to Spain's banks.

Outside protesters denounced the government as robbers, waving flags and banners with images of scissors to symbolise cuts. "There isn't a shortage of money. There are too many thieves," read one banner.

The march included civil servants, firemen, even police and members of the Civil Guard. Firemen wore t-shirts with the slogan, "In danger of extinction."

Civil servants' pay has been cut by up to 7 percent due to their Christmas bonus being slashed, on top of wage cuts of around 15 percent already imposed.

Marchers wore black ribbons for mourning and

banners reading, “You have ruined us.”

“Hands up, this is a robbery,” they shouted.

Armed police guarded the PP’s headquarters, and security fences surrounded the parliament. Later that evening, police fired rubber bullets and charged protesters and were met with bottles and bricks. Barriers made up of plastic bins and cardboard boxes were set up and set on fire.

Police said 15 people were arrested and 39 people were injured.

Demonstrations last week, when Rajoy made his announcement, were also subjected to brutal police attacks. Worse repression can be expected.

On Thursday, the cabinet approved a parliamentary motion categorising “urban violence” as a specific crime, which could empower police to detain suspects preventively before being charged with the offence.

The main unions, the Union General de Trabajadores (UGT) and Comisiones Obreras (CCOO), called Thursday’s protests, but only because it was becoming impossible for them to sit on their members and oppose any struggle against the government. Every day has seen spontaneous protests by civil servants, firemen and others, organised through e-mails, Facebook and other social networks. Civil servants have even spent their lunch breaks protesting outside the PP headquarters. Hundreds have been involved in protests in numerous smaller cities.

No campaign of industrial action has been called.

Nevertheless, such is the depth of public anger that there is open speculation that the PP government may not survive. Jose Carlos Diez, chief economist at Madrid-based brokerage Intermoney SA, told Bloomberg, “They can’t survive for long with this sort of pressure. There is still more fear than anger on the streets but the demonstrations are increasing and as unemployment increases, it will get worse.”

That same day, Germany’s parliament approved the €100 billion (US\$122 billion) package for Spain’s banks, even as the country’s 10-year benchmark bond yields again broke through the 7 percent threshold that forced Greece, Ireland and Portugal to seek state rescue bailouts from Europe and the International Monetary Fund.

German finance minister Wolfgang Schäuble warned, “The danger to the financial sector in Spain can turn into danger for the financial stability of the euro area.”

But, speaking to reporters, Italian prime minister Mario Monti was blunter still in identifying social and political opposition in the working class as a growing cause for concern in ruling circles.

Complaining of the worsening position of Italy’s own 10-year bonds, he declared, “It’s difficult to say to what extent the contagion comes or came from Greece or from Portugal or from Ireland or from the situation of the Spanish banks or of the one apparently emerging from the streets and the squares of Madrid.”



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