

Poverty, hunger and inequality grow in Spain

Alejandro López
30 October 2012

There has been a dramatic rise in poverty, hunger and inequality across Spain since the outbreak of the economic crisis in 2008. Spain has now become the country with the most inequality of all 27 countries of the European Union (EU).

The right-wing Popular Party (PP) government and its Socialist Party predecessor have imposed one draconian austerity package after another, introducing cuts in health care, education and social services, raising taxes and passing new labour laws. This takes place amid a recession with rampant inflation and rising unemployment. According to the Bank of Spain, the economy suffered a contraction of 0.4 percent in the first quarter of the year.

According to the latest statistics of Eurostat, social inequality as measured by the Gini coefficient (where 0 expresses perfect equality and 100 expresses maximal inequality), showed that Spain went from 31.3 in 2008 to 34 in 2011. The EU average is 30. Only 16 countries have issued their statistics for the Gini index for 2011. Of these, Spain has one of the highest levels of inequality, only outstripped by Latvia with 35.2.

Another measure of growing inequality is the s80/s20 ratio that measures the total income of the richest 20 percent to that of the poorest 20 percent. The higher the ratio, the greater is the inequality. Spain has grown from 5.5 in 2006 to 7.5 in 2011—the highest level of the 27 member countries of the EU, which has an average of 5.7. In this measurement, Spain outstrips Latvia, which got 7.3 in 2011.

Official unemployment now stands at 25 percent and 53 percent of youth under 25. According to the Survey of the Active Population, 1.7 million homes have all their members unemployed. Of those registered in the public employment office, only 67 percent receive some state aid or provision.

In 2010, social services helped nearly 8 million people to cover the costs of water, electricity and

food—nearly 20 percent more than the year before. After two years, the latest statistics are still unknown, but they would be substantially higher. The PP government has cut by almost half the budget of town halls dedicated to covering basic social services this year.

One social worker said to *El País*, “In my 25 years as a welfare worker I had never seen anything like it.... This year is noticeably worse than last. Public social services were never as overflowing as they are now, and with the cuts, there are no resources.”

The Red Cross has issued a new appeal to raise €30 million (US\$38.8 million) in donations to help 300,000 Spaniards. The appeal states that “A few years ago it was hard to imagine: traditionally strong western National Societies organising soup kitchens for hundreds of thousands of citizens and distributing blankets to new groups of homeless people in their 50s or 60s.

“In Spain, 82 percent of the people supported by the Red Cross are living below the poverty line, and half of the unemployed people currently assisted have been out of the job market for more than two years.

“It’s not just in Spain. In Italy, where demands for food are increasing, the Red Cross chapter will soon launch an in-depth assessment of health and social welfare conditions across the country. In Hungary, demands at its food programs are increasing, and there’s also a program to reconnect homes with electricity cut off because of unpaid bills. Even in Finland, where the economy is faring better than in other euro-zone countries, the Red Cross has set up 44 health and welfare centers to counsel the long-term unemployed.”

The Red Cross’s Bulletin on Social Vulnerability in Spain states that 43.2 percent of people cannot afford to put on the heat in winter, while 26 percent cannot afford a meal with proteins three times a week.

Another glimpse of Spain’s social crisis was

provided when the Catholic charity Caritas revealed that the number of people it helped nationwide increased from 370,000 in 2007 to more than a million in 2011.

The Plataforma de afectados por la Hipoteca (PAH—Platform of Those Affected by the Mortgage), which pushes for a moratorium on evictions, estimates that 300 families are being evicted every day.

The purchasing power of Spanish workers has seen the biggest decline since 1985, as the ruling class aims to bring about an internal devaluation to gain competitiveness in the international markets. A recent study published by the trade union CC.OO reveals that employment no longer prevents falling into poverty.

The study reveals that 35 percent of workers receive a monthly wage equal or inferior to €641.40, the minimum wage. A European average rate of 22.5 percent places Spain second behind Romania.

Among the worst-affected sectors are self-employed workers, with 40 percent at risk of poverty. Eighteen percent of part-time workers are now in poverty.

The report forecasts that there will be 28 percent poverty for the whole of Spain by the end of 2012. This represents a rise of 10 percent age points from 2007.

The National Statistics Institute, INE, points out that nearly a million people have left Spain. Since the beginning of 2011, Spain's population has fallen to 46,117,000 compared to 47,153,000 21 months ago.

On the other side, the ruling class is profiting from this social misery, even as its political representatives repeat that myth that "We have lived above our means" to justify slashing social spending.

Credit Suisse has estimated that the number of millionaires will grow by 110 percent over the next five years, meaning that there will be around 616,000 in 2017. An article published by *ABC* states that the so-called SICAV, collective investment schemes attractive for speculators because they are taxed at 1 percent, have grown by 50 percent in some cases.



To contact the WSWS and the
Socialist Equality Party visit:

wsws.org/contact