

Podemos pressures Socialist Party to form new government in Spain

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27 January 2016

“Our will is not to enter a government led by the PSOE”. These were the words of Podemos leader, Pablo Iglesias, after the May 2015 regional elections. Nine months later, following the general election on December 20, Podemos is stepping up the pressure on the Socialist Party (PSOE) to form a government.

A coalition government including the PSOE and Podemos is one of the possibilities emerging from the inconclusive result of the December 20 election, which shattered Spain's decades-old two-party system. It produced a hung parliament, with 123 seats going to the ruling Popular Party (PP), 90 to the PSOE, 69 to Podemos, 40 to the right-wing Citizens party, two to the Stalinist-led United Left (IU), and 25 to various regional nationalist parties.

As a result, no party can form a government by itself, and a political crisis has erupted. A report on Spain to be published next month by the European Commission is likely to warn that continued failure to form a government “could slow down the agenda of reforms and trigger a loss of confidence and a decline in market sentiment.” Such concerns have forced King Felipe VI to intervene, to an unprecedented level for the monarchy in modern times, to broker a solution and arrange another round of talks with all the party leaders today.

The previous talks ended up on Friday with PP acting Prime Minister Mariano Rajoy declining the King's formal offer to form a new government, saying he had been unable to secure backing from the PSOE for a grand coalition between the PP, PSOE, and Citizens. On the same day, Iglesias emerged from his talks with the King to tell reporters he was ready to form a “progressive government” with the PSOE and IU, in which PSOE leader Pedro Sánchez would be prime minister and he would be deputy prime minister.

Iglesias followed up this offer with an article, “The Government of Change”, on Sunday for the pro-PSOE *El País*. He wrote, “for the first time it is possible to form a pluralist and progressive government in Spain, sufficiently detached from past practices to ensure the implementation of a social rescue programme during the first 100 days of government”. He asked the PSOE to recognise that “we cannot fail those 11 million voters which, under no circumstances, want the PP to continue ruling.” To PSOE voters, he said a PSOE-Podemos government would be “the best guarantee that their party would not fail them again.”

To facilitate a deal with the PSOE, Podemos has also retreated from its demand for the holding of an independence referendum in Catalonia. The party's number two, Iñigo Errejón, has said that the party is still in favour of a referendum, but is open to alternatives. Iglesias has proposed the creation of a new ministry of “plurinationality” headed by Xaiver Domenech, leader of the Podemos' Catalan faction, En Comú Podem.

Despite intending to occupy a subordinate position to the PSOE, as deputy prime minister, Iglesias has said that Podemos should have half the ministries in a coalition government. He also said he “does not believe in” backing Sánchez as PM “without entering the government.”

This was a reference to Portugal, where the pseudo-left Left Bloc and Communist Party support a minority Socialist Party (PS) government from the outside. The PS has pushed through a €2.2 billion state bailout of failing Bank Banif and submitted a 2016 State Budget to the European Union (EU) for approval that will impose further austerity on Portuguese workers.

While Iglesias has expressed support for the Portuguese PS government, calling its policies “firm

and brave,” he clearly does not intend for Podemos to stay outside a similar government, in Spain, playing the role of BE in Portugal. It is willing to seek a position within a PSOE-led government, providing it with “left” cover as it moves to attack the working class.

After the experience of BE in Portugal and above all the imposition of austerity in Greece by a government led by Syriza, a key Podemos ally, now it is Podemos’ turn to come forth frankly as a defender of bourgeois order, hostile to the working class. It is exposing itself as a political ally in all but name of the PSOE, a longstanding party of finance capital that has supported numerous NATO wars and ruthless austerity measures negotiated with the European Union.

Podemos is attempting to mask the reactionary character of its planned alliance with the PSOE behind the fig leaf of a few symbolic proposals to do away with the most widely unpopular and outrageous austerity measures. It is still calling for a handful of limited and ambiguous measures, such as preventing banks from evicting borrowers “without lining up alternative accommodation.”

In Greece, the Syriza-led government also proposed a similar series of social measures and passed some of them, but within weeks imposed savage cuts in public expenditure and pensions, privatizations, and tax hikes demanded by the troika (European Union, International Monetary Fund and European Central Bank) and continues to do so.

Iglesias has supported Syriza since it was first elected in January 2015, defending its austerity measures as “sadly, the only thing it could do”.

On Sunday evening, Iglesias and Sánchez had a 20-minute phone call during which, according to *El País*, the two leaders disagreed over the time frame for beginning negotiations. Iglesias is insisting on starting them as soon as possible and Sánchez wants to wait. Sánchez also reproached Iglesias for his announcement on Friday following his meeting with the King.

Despite Podemos’ aggressive courting of the PSOE, however, major obstacles still exist to the formation of a PSOE-Podemos government. Sánchez’s room for manoeuvre is virtually non-existent. Iglesias’s proposal to become deputy PM and Podemos having half the ministries is based on the fact that Podemos won 20.7 percent of the popular vote (5,189,463) just short of the PSOE’s 22 percent (5,530,779). Recent polls also show

that a majority of PSOE supporters prefer a pact with the Podemos rather than the PP, and that Podemos would beat the PSOE into third place should new elections be called.

A PSOE faction led by the party’s Andalusian leader, Susana Díaz, is calling for a grand coalition government with the PP, however. Top PSOE leaders including former Prime Minister Felipe González and former deputy Prime Minister Alfredo Pérez Rubalcaba are vehemently opposed to any deal with Podemos, which they have branded “a threat to Spanish unity”. There is talk of Sánchez being deposed and a split in the party.

These factions of the PSOE are pointing to the fact that if Sánchez did agree to form a government with Podemos and IU, the PSOE would still be 15 seats short of a majority. Citizens has said it would oppose any government that included Podemos, meaning that the PSOE would need agreements with two or more nationalist and pro-independence parties from Catalonia and the Basque Country.

The new Catalan regional government is pressing ahead with its “road-map” for secession from Spain over the next 18 months and creating new Catalan state bodies including a tax office and “public bank”. It is also wooing the European Union and financial institutions to put pressure on Madrid with promises that an independent Catalonia would be better placed to comply with the troika’s demands.



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