

Spain's Podemos prepares for coalition talks with Socialist Party, Citizens

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Last week, Socialist Party (PSOE) leader Pedro Sánchez announced that Podemos was prepared to take part in talks on the formation of a “progressive, reformist” government including the right-wing Citizens (Ciudadanos) party. The announcement followed a “cordial” two-hour meeting with Podemos leader Pablo Iglesias.

Sánchez said all three parties agreed the main goal was to oust acting Prime Minister Mariano Rajoy's Popular Party (PP) government.

Since elections on December 20 produced a hung parliament, attempts by Rajoy to form a new government and by Sánchez to form a coalition with Citizens failed after no confidence votes in Congress. Deputies have until May 2 to find a solution before a new election is triggered and held on June 26.

Following the meeting with Iglesias, Sánchez declared, “I am serious about this. I don't want elections, I want a government of change that puts an end to Mariano Rajoy and the Popular Party.”

Podemos is playing the instrumental role in the possible formation of a government led by the PSOE, which will be charged with continuing to impose austerity measures on the working class on behalf of big business.

“The main step forward is that, finally, after 100 days of negotiations, Mr. Iglesias has said ‘yes’ to beginning a dialogue with the PSOE and Citizens,” Sánchez stated. To form a new majority administration in the 350-seat Congress, he explained, “The Socialist Party's option is a 199-seat deal, which is what the PSOE, Podemos and Citizens add up to.” He did not elaborate on how the three-way arrangement would function only that “we'll see later on how to materialise that change.”

Only a month ago Iglesias attacked Sánchez for his

“capitulation” to the “oligarchy” and his attempts to form a coalition with Citizens which, he noted, is a thinly disguised rebranding of the PP. Now Iglesias is saying that that he is not asking Sánchez to break the PSOE's pact with Citizens and that he will take part in talks with its leader, Albert Rivera.

For the record, Iglesias said he still wanted a “government like the one in Valencia”—a coalition involving the PSOE, Podemos and Valencian-nationalist Compromís, that ousted the PP in last May's regional elections—and that he would ask Rivera to support or abstain in a confidence vote. To facilitate that outcome, Iglesias said he was prepared to drop the demand he made in January to be appointed deputy prime minister. “If in order to form a progressive coalition government it is convenient that I not be in it, I agree,” he said, adding that, “Sánchez has told me that my presence in that government is causing a lot of rejection in the PSOE. I told him there's no problem.”

During the Sánchez-Iglesias press conference TV cameras focussed in on Iglesias's notebook, which was headed “Positions that have moved.” It showed Podemos was now committed to “deficit reduction”, that is, continued austerity, provided only it is supposedly carried out more slowly. Podemos also agrees to a “less ambitious” tax reform, not targeting the corporations and the rich, and that only the PP labour reforms need be reversed and not those imposed by the previous PSOE government. Podemos will also drop its initial demands for €90 billion in public expenditure to €60 billion.

Iglesias later explained the measures had not yet been discussed, but that Podemos was “working to facilitate dialogue in the context of seeking common points between the programme of the PSOE and ours, which are many.”

Following the press conference Podemos's number two, Inigo Errejón, put in a public appearance to support Iglesias after a two-week absence. His disappearance followed a faction fight inside Podemos over how quickly to join a government and drop the pretence of being a "party of change."

Iglesias sacked Secretary of Organization Sergio Pascual and nine officials of the party's Madrid regional Executive Council who are close to Errejón, resigned, declaring their lack of support for pro-Iglesias leader Luis Alegre. Iglesias responded with an open letter to Podemos supporters, demanding that they respect party unity, and accused unnamed opponents of trying to sabotage the party by claiming there was a split.

Errejón's words are a mending of relations between the two groupings on the basis that Iglesias is prepared to do whatever it takes in order to assume a position of power. He declared his relationship with "Pablo" had "matured" both personally and politically in recent days and that the Podemos leader had made "a gesture of generosity that rebuilds the bridge [with the PSOE] and allows us to move further."

Podemos' direction of movement is ever further to the right.

In reply to a question about Podemos's willingness to enter a coalition that included Citizens Errejón made a few cynical noises.

"I find it very difficult. Citizens can be part of a government agreement and support actively or passively a government of change," he said. "Imagine, a [Citizens] Equality Minister after what they say? A Minister of Labour after calling for easier dismissal? It is not compatible with what we defend."

But having said all that, Errejón declared that Podemos supported "many things" that Citizens said about "democratic regeneration, greater independence of public media, of a fairer electoral system [and] the rules of the House," adding that a PSOE-Podemos government "can be a government that makes democratic regeneration measures with which Citizens can agree."

Citizens leader Albert Rivera welcomed Podemos' moves, but said his party still preferred a coalition with the PSOE supported by the PP. Citizens undersecretary, José Manuel Villegas, explained that a three-way meeting with the PSOE and Podemos "would make

sense if it were to discuss changes and improvements to the pact we reached."

The statements made by Iglesias and Errejón prove that the political differences between the PSOE, Podemos and Citizens are minimal. A three-way agreement is entirely possible, as is evidenced by the situation in Greece, where last year Podemos' ally Syriza formed a government with the far-right Independent Greeks and proceeded to impose savage austerity.

Following the collapse of the two party system after the 2008 economic crash, Podemos and Citizens gained electoral support as critics of institutional corruption and the "caste." However, both reflect the interests of upper middle class layers of entrepreneurs, professionals, and academics who are seeking a greater share of power within the existing state. They are bourgeois parties that share a common hostility to the working class and support the framework of war and austerity imposed by the European Union.

Last Thursday, acting Finance Minister Cristóbal Montoro announced that Spain's deficit was €56.6 billion, representing 5.16 percent of gross domestic product (GDP). This figure is well above the 4.2 percent deficit target agreed with the European Commission, which has warned that this year's target of 2.6 percent will be missed and is demanding "adjustments" to the budget are made. This means that whichever government is formed in Spain will be committed to imposing drastic austerity on the workers.

Neither the PSOE, Podemos nor Citizens have commented on this crisis in the deficit, as they manoeuvre between themselves, guided primarily by considerations over how best to impose austerity.



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