

Spain's Socialist Party government junks "anti-austerity" budget agreed with Podemos

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The Socialist Party (PSOE) government in Spain has abandoned the 2019 draft budget it agreed with the pseudo-left party Podemos last month and will not present it to parliament.

The PSOE is kept in power with the support of Podemos and regional nationalists. The Catalan nationalists refused to ratify the budget, leaving the minority PSOE government short of a majority, after state attorneys confirmed sedition charges against separatist leaders for declaring independence last year.

Failure to pass the budget means the 2018 austerity budget, drafted by the previous right-wing Popular Party (PP) government and adopted by the incoming Podemos-backed PSOE administration in May, will now be rolled over. It included massive cuts to public services and increases for the police and military.

Prime Minister Pedro Sánchez declared, "I will be clear: we are not going to lull Spaniards. If there is no new budget the Government will carry out the budgetary reforms by means of royal decree laws."

Sánchez has hinted he might call snap elections for May 2019, spurred on by PSOE officials who point to polls saying there is a 10 percent increase in the party's electoral support to 32 percent, which is likely to be reflected in the December 2 regional election in the party's heartland of Andalusia.

The abandonment of the budget reveals once again the fraudulent claims of Podemos that it is aligning itself with the PSOE in order to push it leftwards. When the budget agreement was concluded, Podemos General Secretary Pablo Iglesias proclaimed it as a break from years of austerity and proof that "co-governing" with the PSOE could work. He assured everyone it was "a starting point for a new period in Spanish economic policy, which we think will result in a coalition government."

He insisted, "You have to construct an alternative to neoliberalism through governing. Politics is not about having the more radical programme, but about securing results. Clearly, I would have liked to obtain more than what is in this agreement but in politics you are not what you put in your programme but what you achieve."

Dubbed the deputy prime minister by the media, Iglesias set out to "secure results" (which rapidly turned out to be unachievable) by acting as go-between with the Catalan secessionists, pleading with them to take the issue of the political prisoners off the negotiating table and support the budget.

Miguel Urbán, a Member of the European Parliament and leader of the Pabloite Anticapitalistas faction of Podemos, which covers for every capitulation of the party, declared that the agreement's main achievement was to "halt the wheel of austerity, and to show that it is possible not only to just stop the wheel but to at least begin turning it in the other direction."

The WSWWS warned at the time that the PSOE-Podemos budget agreement was a political manoeuvre that was "not designed to be passed" or fought for, but the basis for the two parties to pose as anti-austerity under conditions of growing social anger and class struggle.

The PSOE is a longstanding bourgeois party that, since it first took power in its contemporary form in 1982, has imposed policies of austerity and war. Podemos not only knows this, but is itself a close ally of the Syriza government in Greece, which has devastated the living standards of the Greek working class at the behest of the European Union. Its sole real concern in forging a pact with the PSOE is securing positions of state power for itself.

Sections of the media and pro-Podemos outlets

dutifully trumpeted a proposed rise of 22 percent in the minimum wage up to €900 a month, limited increases in social spending, a hike in corporate and personal income taxes on those earning over €130,000 a year, as well as introduce a new tax on financial transactions. Even so, the budget agreement was carefully framed to abide by the EU's austerity framework containing the lowest public spending as a percentage of GDP since 2007.

In the short period it has been in power, the PSOE has reneged on one election promise after another—refusing to overturn the previous PP labour reforms, which have increased precarious working, the anti-terror laws or a huge increase in defence spending. It has continued “hot returns” of migrant workers and the notorious Migrant Detention Centres.

An article in *Jacobin* magazine, reprinted in *International Viewpoint*, expressed concern that “Podemos’s backing for Spain’s Socialist cabinet risks making it a prop to the institutions it once rebelled against.” But this was accompanied by the feeble excuse, “Yet it has also imposed its own stamp on the government’s agenda.”

It declared, “A degree of crisis in the new PSOE government, after two high-profile ministerial resignations since June (with another potentially on the way), has afforded Podemos a significant degree of leverage in negotiating a deal this time around.” It concluded, “With the PSOE having no appetite for early elections, according to [Podemos lead negotiator Ione] Belarra ‘they had to acknowledge us as equal partners’.”

The daily pro-PSOE *El País*, which two years earlier had helped engineer an internal coup against Sánchez’s leadership of the PSOE and was a bitter opponent of Iglesias and Podemos, stated that the “agreement with Podemos corrects seven years of budgetary austerity” with “undeniable political value.”

This week Juan Luis Cebrián, *El País* co-founder and former CEO of the Spanish media conglomerate Prisa, reminded its readers that he was one of the few to encourage the courting of Podemos as it demobilised the anti-austerity *indignados* protests following the 2008 global economic crisis and integrated itself into the state apparatus. He warned that Spain, where “practically all the institutions that emanate from the 1978 Constitution have been victims of severe

destruction,” had to do something now to “integrate” the resurgence of discontent—expressed above all on social networks—and provide it with “an authentic civil ethic.”

At a Podemos press conference on Monday, party leaders Pablo Echenique and Noelia Vera tried to restore the tattered reputation of the party. Polls suggest that while the PSOE has been the main beneficiary of its confidence and supply agreement with Podemos and the nationalists, Podemos, now reduced to fourth place in polls with 17 percent of the vote, would continue its decline. Echenique and Vera complained that Sánchez had “thrown in the towel” and announced that an extraordinary meeting of the party’s State Citizen Council meeting will be held on Friday to discuss “the possibility of an election.”

The party’s Pabloite faction is again pleading with the leadership to call protests in the streets to control and dissipate rising social anger. After a four-year suppression of social mobilization by the unions and Podemos, strike levels are once again on the rise including transport (Ryanair, airports, taxi, Deliveroo, metro), retail (Amazon, H&M), postal services, public health care, social services and education.

Miguel Urbán warned in *Jacobin*, “If we think that we are simply better parliamentarians than them, we will lose! However, we have something they don’t: social movements ... it is the street which will engage the Socialists’ base, pushing it into open contradiction with its party hierarchy on core issues like labor reforms. We in Podemos have to think how we can encourage such mobilization[s], aiding it without instrumentalizing it.”



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