

Spain's new PSOE-Podemos government commits itself to austerity and war

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The installation of a minority Socialist Party-Podemos government in Spain last week raises essential political issues facing workers across Europe and internationally. Described by its architects as the most progressive government since Spain's Second Republic (1931-1939), it is in fact committed to imposing austerity, attacks on democratic rights and militarism.

It will take place in pre-civil war-like rhetoric from the right-wing parties—the Popular Party (PP), Citizens and far-right Vox—which are seeking to bring down Prime Minister Pedro Sánchez. During the investiture debate they accused Sánchez of being a “traitor” and “sociopath” for accepting support from the Catalan and Basque nationalist parties. Vox has called on the state to intervene to stop Sánchez's investiture, after Spain saw four coups in the 20th century, with the 1936 coup leading to a three-year civil war and a 39-year fascist dictatorship under Francisco Franco.

The character of the new government, however, cannot be measured on the basis of the attacks of the right, but by its political programme and the history of the parties making it up.

The deputy prime minister of economy will be Nadia Calviño, known for her defence of neoliberal policies in the European Union. She will be tasked with implementing cuts and tax increases to satisfy the government's pledge to the EU of €8 billion in austerity measures this year. Podemos and the Socialist Party (PSOE) have vowed to “respect the mechanisms of budget discipline.”

The PSOE-Podemos government will be the first affected by the amendment of Article 135 of the Constitution, to “ensure budgetary stability,” passed by José Luis Rodríguez Zapatero's PSOE government in 2011, with PP support. This amendment makes the repayment of public debt a priority over social expenditure at all levels of government. The law allowed

nine years until it would go fully into effect. The amendment now requires the PSOE-Podemos government to cut €25 billion and reduce the national debt by half a billion euros.

According to the PSOE-Podemos deal, income tax for those earning over €130,000 a year will rise 2 percent (4 percent for those earning over €300,000). This means that the richest 0.5 percent of the population will pay 49 percent, still below other countries like Belgium (60 percent) or France (55 percent). Even Sánchez's right-wing predecessor had a higher income tax on the richest bracket (52 percent) between 2012 and 2014.

Capital gains tax will also rise by four percentage points for those with incomes above €140,000, and corporate tax will have a new minimum rate of 15 percent, while banks and energy firms will have to pay 18 percent. All of these are still lower than the European average.

Workers will bear the brunt of new taxes through increases in taxes on diesel, train tickets, road tolls and self-employed contributions to social security. Due to the growing precariousness, many workers are “false” self-employed, as companies describe them as contractors while they do regular work.

The widely hoped-for caps on rents in the housing market have been reduced to a promise to let local city authorities impose “temporary” rent ceilings if they discover undefined, “abusive” rent increases. In the last five years, however, rents have increased around 50 percent in cities like Madrid and Barcelona.

The coalition has also vowed to roll back some provisions of the 2012 PP labour reform, though not that passed by the PSOE in 2010. Both measures helped slash wage levels by increasing the number of temporary and part-time contracts, promoting unpaid internships and apprenticeships, facilitating redundancies, and letting companies make unilateral wage cuts if they projected they would make a loss.

The latest statistics show the disastrous effects of these policies. The average income of workers under 35 fell more than 23 percent, from €35,600 in 2011 to €27,300 in 2017. Over 90 percent of new contracts are part-time or temporary, ranging from days to weeks. Of approximately 17 million wage earners in Spain, nearly 6 million, or 35 percent, are precarious workers.

The new Labour Minister, the Stalinist Yolanda Díaz, will not revoke most of these assaults on workers. Rather, the government vows to modify more controversial parts of the labour reform, like the authorisation to fire workers on sick leave or unilaterally change job contracts.

The government also claims it will raise the minimum wage from €1,050 to 60 percent of Spain's average monthly salary, €1,970—that is, €1,182—by the end of 2024. This is an increase of less than 2.4 percent per year.

José Luis Escrivá will run the Ministry of Social Security, Inclusion and Migration. A former employee of the Bank of Spain, European Central Bank, Independent Authority for Fiscal Responsibility of Spain and the BBVA bank, he will preside over the detention centres for migrants, where they are held in prison-like conditions. The last PSOE government brutally cracked down against migrants, working closely with Morocco to block migrant ships from reaching Spain's coast.

Escrivá will also be tasked with slashing the pension system to make it “sustainable.” In recent years, calls have grown inside the political establishment for deep cuts to public expenditure on pensions.

Sociologist Manuel Castells (Podemos) will be the Minister of Universities. Castells has openly defended the US university system, where each university has “independent” structures and can attract private sector investments—and where students pay tens of thousands of euros in yearly tuition.

Arancha González Laya will preside over Spanish imperialism's foreign policy. The new government will also have to respond to a petition from Washington to increase the US naval presence at the Rota naval base in Spain by 50 percent, making it the largest US naval base in southern Europe. This is part of the global drive to war, including the ongoing military build-up against Iran in the Persian Gulf.

On democratic rights, the new government has claimed it will change the Citizens Security Law (the “Gag Law”) which severely restricts the right to free assembly and protests. However, the previous PSOE government did not change this, and last year passed an internet censorship law, the so-called “Digital Security Law.”

Podemos abstained in the vote to allow the censorship law to pass. It allows the state to shut down digital communications, websites and apps at will, without a court order.

The anti-Catalan campaign, the main framework the ruling class has used to justify its right-wing agenda, will continue. The new government has signalled it will not oppose the courts' campaign against the Catalan nationalists and will not free nine Catalan politicians jailed in a fraudulent show trial overseen by the PSOE.

Last week, Barcelona's Electoral Commission vacated Catalan regional premier Quim Torra's seat in the Catalan Parliament, in effect removing him as regional premier. It follows a decision by Spain's Supreme Court supporting the Central Electoral Commission's order suspending him as a member of Parliament. The same body ruled that incarcerated Catalan leader Oriol Junqueras, who received 1.7 million votes, cannot leave custody to take his seat as a European parliament member. The PSOE-Podemos government made no comment.

Podemos leader Pablo Iglesias said during last week's investiture debate, “The next Government will need criticism and pressure from social movements to do things right.” This recalls how the Greek ally of Podemos, Syriza, called strikes and protests against its own austerity policies while it was the ruling party. However, these did nothing to halt Syriza's violent onslaught against workers and migrants in Greece.

It is now widely acknowledged, even in the bourgeois media, that the PSOE-Podemos government's right-wing agenda paves the way for the fascistic Vox party and its leader Santiago Abascal to take power.

Estefania Molina for *El Confidencial* wrote that Podemos is “now part of the system, and proof of this is that its leader no longer speaks of the ‘regime of 78’, or avoids talking about ‘political prisoners’ ... Well, if Podemos is part of the system, the party that will reap benefits from citizens' disaffection with politics, hereafter, will be Vox ... Abascal is watching the precarious working and middle classes, those disenchanted with politics.”



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