

Spain's Podemos hails €750 billion EU bank bailout for COVID-19 crisis

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The main partner in Spain's Socialist Party-led minority government, the "left populist" Podemos, has endorsed the EU Summit's bailout last week funneling €750 billion to the banks and corporations. The package imposes austerity across Europe, while laying down the axes on which the European imperialist powers will pursue militarist and economic policies targeting China and the United States.

On Facebook, Podemos leader and Deputy Prime Minister Pablo Iglesias celebrated that the Spanish bourgeoisie will receive nearly €140 billion over the next six years from the €750 billion fund. The amount allocated is the equivalent of 11.2 percent of the country's gross national product in 2019, making Spain the second-biggest recipient after Italy.

As COVID-19 spreads rapidly due to premature back-to-work policies in Spain, making it once again the epicenter in Western Europe, Iglesias said: "This agreement is a good agreement for the European Union (EU) and for Spain, and it is a breath of fresh air for the European project." He was echoing Prime Minister Pedro Sánchez who declared after negotiating the deal: "There is no doubt that today, one of the most brilliant pages in EU history has been written."

Iglesias continued by referring to EU bailouts of Greece after the 2008 crash: "We all remember the response given by the European institutions to the financial crisis 10 years ago: austerity, men in black and demands for social cuts that caused the suffocation of the countries of the south and a serious crisis to the European project". He added, "For the first time in the history of the EU, a package of subsidies financed with joint debt is being proposed. Eurobonds, which seemed unfeasible a few years ago, are now a reality and will serve to face this crisis in a different way, without social cuts."

This is a flat-out political lie. The Spanish bourgeoisie is virtually unanimous in hailing the deal because it means savage austerity for workers. Unsurprisingly, Sánchez has said nothing about the conditions to which Madrid committed in order to obtain EU funding. However, he insisted that "the agenda of the Spanish government is aligned with that of the European Commission."

The following day, the Spanish parliament voted for a number of documents related to the bailout including EU, healthcare, economic reform and social policies. The parliament approved all of them, except the one regarding social measures, which included policies on rents and the minimum wage.

The PSOE-Podemos government is now working on a national budget. Since 2018, it has relied on the austerity budget passed by the previous right-wing Popular Party (PP) government. It is widely expected that one of the main targets will be pensions. Last year, the PSOE committed Spain to cut pensions and increase the retirement age. Another target is the labour market. The EU, big business groups and Spain's Central Bank are calling to slash wages and make it easier to sack employees.

The EU bailout Iglesias calls a "breath of fresh air" is in fact the roll-out of the Greek model across Europe to repay the trillions of euros handed out to the rich. The remarks of Iglesias are an urgent warning that workers opposed to EU austerity and attacks on public health that are undermining the struggle against the pandemic must seek to mobilize workers in Spain and across Europe independently of and against Podemos and similar "left populist" parties.

Germany, France, and the so-called Frugal Four (Austria, Sweden, Denmark and the Netherlands) did agree to distribute grants and loans without needing

what Iglesias called “men in black”—that is, EU bureaucrats sent to take over the finance ministries of bailed-out countries like Greece after 2008. However, it is not because a fit of kindness has overtaken the EU. The “left populist men” have spent a decade reassuring the banks that they will do in the 2020s what the “men in black” did in the 2010s.

In January 2015, Podemos’ “left populist” ally, Syriza (the “Coalition of the Radical Left”), came to power in Greece. Hailed by Podemos and its political allies across Europe, Syriza imposed draconian austerity measures, implemented EU anti-refugee policies—including the use of concentration camps and police violence—and sold weapons and bombs to the Saudis for their genocidal NATO-backed war in Yemen. Last year, amid mass abstention, impoverished Greek voters threw Syriza out of power.

During the pandemic, Podemos championed back-to-work and deconfinement policies. It had been the chief architect of a Socialist Party (PSOE) minority government in June 2018, entering into a coalition government with the PSOE in January 2020. These governments have all continued the austerity policies of its right-wing Popular Party (PP) predecessor, while showering the army with billions of euros. The destruction of Spain’s healthcare system is one of the leading causes of the deaths of nearly 50,000 people due to COVID-19.

The EU agreed to a large bailout because, for now, the European bourgeoisie has decided it doesn’t need “men in black” because it has the “left populists.” Bailed-out countries like Spain still have to send the EU detailed plans on how funds will be spent. The daily *El País* acknowledged that the EU would continue austerity, stating “sources in Brussels said that ‘it makes no sense to go back on reforms that are working’. The European Commission could put the brakes on initiatives [involving increased public spending] when Spain’s plans come up for periodic review.”

Iglesias concluded by saying that the EU “seems to have learned the lessons after the previous crisis, this time we will not have austerity, but an ambitious plan of fiscal stimuli.” This is a fraud.

In the past three decades since the dissolution of the Soviet Union, the EU has completed its evolution as a military and police alliance waging imperialist war

abroad and class war at home. It has backed such attacks on democratic rights as the show trials of Catalan nationalist political prisoners and the violent police repression of mass protests last year against their imprisonment. The EU also let the pandemic rage across Europe, infecting millions and killing tens of thousands, while its member states refused to share badly-needed respirators, masks and other PPE and closed their internal borders.

Now, Spain, under the PSOE-Podemos government, is ready to stand with Berlin and Paris in their formulation of austerity policies and also Berlin’s remilitarization of its foreign policy, launched at the time of the 2014 NATO-backed coup in Ukraine. Significantly, in an interview with the French daily *Le Monde* repeating many of the points made in his Facebook post, Iglesias also hailed Berlin’s new leadership over the EU.

Iglesias said, “Merkel represents a Germany which leads Europe with responsibility, differently from what she did in the past. It even seems that she behaved more responsibly than certain European leaders of the social-democratic political family. France as well as Germany and also Italy played key roles.”

Podemos is hailing Berlin’s leadership of an aggressive EU foreign policy, aggressively asserting European imperialist interests and financing its operations by vicious austerity at home. As he told a conference in the El Escorial summer course organized by Podemos, the EU agreement “will redefine the world, specifically the role of Europe in the world and the role of Spain in Europe.” He hailed the opportunity “to be part of the government whose turn it is to lead in this reconstruction.”



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