

# Spain's Podemos to oversee distribution of EU bailout funds to the super-rich

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Last week, with barely any press comment, let alone public debate, Spain's Socialist Party (PSOE)-Podemos government unveiled a law specifying how billions of euros in EU bailout funds will be funnelled to banks and corporations. It takes place as the government claims that de-escalation of anti-COVID-19 measures is needed because "there is no money" for a scientific fight against the virus.

In July, after five days of acrimonious negotiations in Brussels between EU member states, the EU announced a financial stimulus programme to transfer €750 billion to the financial aristocracy. The amount allocated to Spain, €140 billion, including €72 billion in grants, made it the second-biggest recipient after Italy. On his return to Madrid, Prime Minister Pedro Sánchez said that day was "one of the most brilliant pages in EU history has been written." Podemos leader and Deputy Prime Minister Pablo Iglesias hailed it as "a breath of fresh air for the European project."

The reactionary class content of this project is unmistakably clear. While tens of millions of workers and small business owners have only received (or are still waiting for) meagre COVID-19 furlough schemes, billions of euros are to be handed, with unprecedented speed, to the banks and major corporations.

A draft royal decree specifies that most of handouts will be for Strategic Projects for Economic Recovery and Transformation ( *Proyectos Estratégicos para la Recuperación y Transformación Económica* – PERTE). These projects will foster public-private partnerships to "strengthen those projects" that contribute "to economic growth, employment and the competitiveness of our country."

The draft law is tailored to large corporations and banks, who, given the "magnitude of the risks associated with these projects" will work closely with

the state. Due to the complexity of these projects, level of resources required and volume of the investment, their main targets are clearly companies in Spain's Ibex 35 stock exchange, and not small businesses, let alone the working class.

As *El Periódico* noted, "The idea is that the PERTE will channel part of the funds to generate traction projects, led by large companies, but in which small and medium enterprises will also enter into execution and in which the state actively participates in their design. An example would be to create the necessary infrastructure to develop the electric car value chain in Spain, from the battery factory to the chargers in urban centres where users plug in vehicles."

The Spanish Confederation of Employers' Organizations (CEOE), Spain's main big business association, is designing 20 "macro-projects" and will present them to the state in coming weeks.

Due to civil service cuts in recent decades, Madrid has traditionally faced issues with disbursement of EU funds. A new, fast-tracking procedure has therefore been designed with lower controls and supervision.

To prevent "excess bureaucracy" from hindering the enrichment of the financial aristocracy, the decree states that "the dispatch of these projects will have priority over any other, and the control body must rule within five business days." However, "when due to exceptional circumstances there is an accumulation of files that prevents compliance with the period of five business days, the General Accountant of the State Administration will adopt the necessary measures to guarantee the effective compliance of this period."

Significantly, large companies may receive advanced funding even before the project starts. This ranges between 50 and 90 percent.

Podemos reacted to the draft law leak with anger—not

at the fact that billions will be handed to the financial aristocracy, but that such disbursements would not have Pablo Iglesias' signature on it. Iglesias demanded that he be admitted onto the Commission to execute the Transformation and Resilience Plan for the Spanish Economy—the commission set up to manage the funds.

Iglesias said there is “a lot of anger about this issue” and a “rectification from La Moncloa,” the prime minister's residence, was required. He added, “the logical thing is that I should be there.” Soon after, the government included Iglesias on the commission.

Since the inauguration of the coalition government in January, Iglesias has been the chief spokesman and defender of the government's measures in parliament, tasked with presenting them as “left.” He also sits on the Intelligence Affairs Commission, the body directing the National Intelligence Centre, and recently toured Latin America with the Spanish King Felipe VI. His colleague, Labour Minister Yolanda Díaz, has overseen the back-to-work policy enforced by the trade unions.

The integration of Podemos in the bailouts testifies to the reactionary character of petty bourgeois “Left Populist” politics. It comes as they have demonstrated their readiness to defend the financial aristocracy's wealth even at the cost of workers' lives.

Over the past year, protests against the PSOE-Podemos' austerity, “herd immunity” and unsafe back-to-work policies, have been met with police violence and threats to deploy the army. At the same time, since the PSOE-Podemos government passed the Digital Gag Law, as it is known, opposition websites and social media are being increasingly monitored by the police and intelligence agencies.

Amid this context, and terrified at the exposure of right-wing role of Podemos, forces orbiting around Podemos like the Corriente Revolucionaria de Trabajadores y Trabajadoras (Workers' Revolutionary Current—CRT) are trying to suppress this opposition by promoting illusions in the trade unions.

In its piece on the bailout mechanism, they declare that “workers are not going to obtain any direct benefit from these funds as they are designed, basically to guarantee corporate profits and especially those of large companies. It is necessary to occupy the streets, snatching them from the reaction and impose on the union bureaucracies a plan to fight for an emergency programme so that the capitalists pay for the crisis.”

In fact, the same union bureaucracy they are appealing to has been campaigning for months in defence of the EU funds. It is busy setting up a forum with the CEOE to advise the government on the funds. According to union sources of El País, “UGT and CCOO will immediately designate teams to participate in the negotiations [on the projects to be funded] to be presented to the EU.”

The unions are also cynically claiming that they are not subject to austerity conditions from Brussels. On Wednesday, the General Secretary of CCOO, Unai Sordo, said “There is no negative conditionality, there is no position on the part of the [European] Commission... the funds are for us to look into the future.”

As Sordo well knows, the PSOE-Podemos government is preparing labour reforms, pensions cuts and slashing billions in public expenditure in next year's budget to reduce the deficit as promised to Brussels. Meanwhile, the unions are negotiating wage “moderation” with the CEOE.

The decisive question facing the international working class is to ensure its political independence from these reactionary, middle class forces. The only way to address the pandemic and growing social inequality is to impound the fortunes of the financial aristocracy and to confiscate the massive sums of public money illegitimately handed over to the ruling class by Podemos.



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