

Spain's PSOE-Podemos government to slash public sector wages, pensions

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Spain's Socialist Party (PSOE)-Podemos government is imposing massive real wage cuts for millions of civil servants and minimum wage workers, as it also prepares deep European Union (EU) pension cuts. This takes place as Spanish corporations are making record profits, and Madrid has hiked military spending and arms shipments to Ukraine, as part of the US-NATO war on Russia that threatens to escalate into an all-out nuclear war.

The government relies on the Podemos-linked Workers Commissions (CCOO), social-democratic General Union of Workers (UGT) and the Independent Trade Union and Civil Servants Central (CSIF) unions to divert and suppress the class struggle. The unions no longer serve as workers' organisations but function as bureaucracies in the service of the capitalist state.

Last week, the Minister of Finance and Civil Service María Jesús Montero announced the slashing of wages for 3.5 million civil servants. Concretely, Madrid is offering a raise of 3.5 percent this year; 2.5 percent in 2023; and 2 percent in 2024, or 8 percent over three years.

This year's inflation rate in Spain stands at over 10 percent. Public sector workers have already lost 6 percent of their real wages. If the PSOE-Podemos plans are put into effect, the worst would be yet to come.

If implemented, this plan would mean that civil servants would lose thousands of euros by 2025. This would be on top of the loss of purchasing power over the past decade, as successive right-wing Popular Party (PP) and PSOE-Podemos governments have rammed through EU austerity measures. The CSIF, CCOO and UGT unions estimate the cut in public sector wages at 12 to 20 percent since 2010.

Since private employers use public sector wages as the benchmark, this agreement will have direct

repercussions for millions of workers outside the public sector.

On Thursday, in its second meeting with the union leadership, the government revised its initial offer, offering a 9.5 percent raise over three years. However, this would still mean a massive loss of purchasing power in the next three years.

The second announcement follows a now-familiar pattern. First, the government makes an offer, followed by "negotiations" with the unions. In the final act of this staged process, an agreement is reached, with the initial numbers slightly improved. The unions then present it as a victory for the workers, while PSOE-Podemos claims they made huge concessions.

Humberto Muñoz, coordinator of the CCOO Civil Servants Area, said: "We would have liked it to go a little further, but we value that this new proposal represents an advance over the previous one."

UGT official Julio La Cuerda said that it is "practically certain" they will accept it. "We demanded the government an additional effort to cushion the effects of inflation to the limit of possibilities. There has been a very significant advance, and it seems to us that it is reasonably realistic."

Francisco Lama, the secretary of the CSIF, reacted by stating, "We continue to consider it insufficient.[Inflation] is above 10 percent, so we are going to ask the government to make an effort to try to reach these figures. We are hopeful that some aspects can still be improved."

The CSIF bureaucracy, which has close links to the right-wing PP, the neo-fascist Vox party and Spain's fascistic police unions like Jusapol, is trying to capitalise on rising discontent by criticizing the CCOO and UGT. However, it has not proposed any concrete salary wage increases and has abstained from calling

for wages above inflation levels.

On September 24, they organised a protest of 70,000 Madrid public sector workers, demanding better wages. Many health care workers participated, alongside police officers.

The PSOE-Podemos government is also preparing a massive attack on minimum wage earners. The Labour Ministry, led by Podemos leader Yolanda Díaz, is overseeing the negotiations with the unions and the CEOE big business association. The unions are demanding a 3.5 percent increase this year, to around €1,100 monthly, which represents a great loss of purchasing power for 8.8 million minimum wage workers in Spain.

In the private sector, unions are sabotaging workers' struggles and ramming through wage increases below inflation. In construction, the unions have negotiated a 3 percent wage rise; in the metal industry, it is 2.2 percent for nearly 940,000 workers; in the chemical industry, 2 percent for 300,000 workers. In hospitality, it averages 3 percent across Spain. For 90,000 workers in the banking sector, the unions negotiated with the AEB banking association an increase of 2.5 percent over the next three years.

Pensioners are also in the cross-hairs. To receive the next disbursements of the EU-funded bailout funds to corporations and banks, the PSOE-Podemos government is set to pass a pension bill that will increase the number of years taken into account to calculate the pension, currently at 25 years. This will mean a substantial cut to future pension levels. The reform will also de-index pensions from inflation, meaning that the government could impoverish pensioners by raising prices.

All this takes place as companies make record profits. According to the Bank of Spain, companies have transferred their cost increases to prices, achieving 6.7 percent higher profits than those obtained before the COVID-19 pandemic, which were already historic records at the time.

This experience of the class struggle underlines the need at every point for the building of independent organisations, rank-and-file committees, that will unite all sections of the working class against the union apparatus and the PSOE-Podemos government. This is in contrast to the path called by the pseudo-left satellites of Podemos. They insist that workers

subordinate themselves to the pro-capitalist unions, attempting to separate the struggle against inflation from the struggle against the US-NATO war on Russia that is driving it.

Spain's Morenoite Workers' Revolutionary Current (CRT) writes that workers must "demand from the union leaderships a coordinated plan of struggle" for wage increases above inflation "with the immediate convening of assemblies in the work centers and a general strike as a starting point."

In a similar manner, the International Marxist Tendency (IMT) section in Spain, Class Struggle, supports the UGT's and CCOO's call for protests on October 7 and November 3 in Madrid, launched to police and suppress mounting social anger and shield the PSOE-Podemos government from an uncontrolled eruption of the class struggle.

It calls on "union delegates and company committees to convene workers' assemblies in each workplace to discuss and vote on participation in the proposed general mobilisations, as well as their own demands on wages and working conditions. They should also coordinate with other companies in the same region and sector to promote unified actions."

This is a strategy for defeat. The International Committee of the Fourth International calls for the formation of rank-and-file committees in every factory and workplace and the coordination of struggles across national boundaries through the building of the International Workers Alliance of Rank-and-File Committees (IWA-RFC).

The independent organization of the working class must be connected to the building of a socialist leadership in the working class, a Socialist Equality Party in Spain. Not a single problem confronting workers—the threat of nuclear war, exploitation and inequality, the threat of fascist dictatorship—can be resolved within the framework of the capitalist system.



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