

# PSOE-Podemos, unions oversee largest growth of inequality in Spain since 2008 crash

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Spain's Socialist Party (PSOE)-Podemos government is overseeing the largest fall in living standards since the 2008 global economic crisis, and the savage EU austerity imposed by successive PSOE and right-wing Popular Party governments at the behest of the banks.

Since the pandemic hit in March 2020, inequality has surged due to massive bank bailouts and the NATO war in Ukraine against Russia. According to the National Institute of Statistics (INE), the Spanish population at risk of poverty or social exclusion increased in 2021 to 27.8 percent. In 2018 it was 21.5 percent, which means that more than 1 million people fell into poverty over the last two years.

The latest report from the FOESSA foundation, linked to the Catholic charity Caritas, points in the same direction. Six million people in Spain are in a state of severe social exclusion, an increase of 50 percent over 2018; less than half of households are safe from suffering some type of social exclusion.

According to the NGO Save the Children, one in three Spanish children lives in poverty, suffers from severe material deprivation or lives in households with low employment intensity—i.e., whose working age members did less than 20 percent of their total work potential in the year prior to the survey. Spain is the third European country with the highest rate of risk of poverty and child exclusion, only surpassed by Romania and Bulgaria.

At the same time, the ongoing capitalist breakdown has been seized upon by the capitalist oligarchy occupying the heights of society to plunder unprecedented wealth. As Marx wrote, the accumulation of wealth at one pole requires the accumulation of poverty, misery and degradation at the other.

The annual report of the European Network for the

Fight against Poverty and Social Exclusion, indicates that the income of the richest 10 percent of society grew by 11.8 percent more than that of the poorest 10 percent in 2021, 1.3 percentage points more than in 2020. This increase is the largest in the 13 years since this study has been carried out.

All these data mark a catastrophic situation for working families. The worst, however, is yet to come, as inflation skyrockets well above wage increases. Only 400,000 workers out of a workforce of 20 million have salary revision clauses pegged to inflation. The trade unions are the chief guarantors of this policy, actively working with employers to enforce wage agreements well below inflation, which in September was 9 percent. De facto, this implies widespread real wage declines.

For example, in the metal sector, the average salary increase will be only 2.29 percent for almost 940,000 workers. In the chemical sector it will be only 2 percent this year, after rising only 1 percent in 2021 (with an inflation of 6.5 percent). Construction wages will rise 4 percent, while for civil servants it will be only 3.5 percent. In banking, the union bureaucracies signed ridiculous increases of 2.5 percent in 2021, 1 percent in 2022 and 1.25 percent in 2023.

For 75 percent of workers with a collective agreement, raises will not reach 4 percent, and it will be even worse for the 65 percent of Spanish workers who are not subject to any agreement.

The union leaders defend their role as the domestic police force to enforce wage increases below inflation to allow the financial oligarchy to increase its profits and wage NATO's war in Ukraine. Javier Pacheco, general secretary of the Podemos-linked Workers Commissions (CC.OO) of Catalonia recently declared: "I don't think we are in a position to agree on

collective agreements with wage increases at today's inflation levels.”

For more and more working class families, it will be impossible to make ends meet. Although inflation stands at 9 percent, many basic products have seen their prices rise much higher. A study by the Organization of Consumers and Users pointed out that in one year, the average price of food has risen by 15.2 percent—pasta has risen 59.9 percent, olive oil 52.6 percent, wheat flour by 49.7 percent and eggs by 45.9 percent.

To the rise of food is added that of housing. According to real estate portal Fotocasa, rents in Spain have risen 41 percent between 2015 and 2021. But even more serious may be the rise in mortgages for those who have bought a home. The increases in interest rates that the European Central Bank is enforcing are increasing mortgage payments. The number of variable mortgages revalued annually has increased by 35 percent in September, which means about €180 more monthly cost for an average loan.

The situation was summed up by economist Elisabet Ruiz-Dotras, a professor at the Open University of Catalonia (UOC) who told the daily *El País*: “We are at the beginning of something serious ... prices have risen a lot, and we notice it in the supermarket or electricity bills. If we add the rise in mortgage payments, there is little room left for families.”

That is also the opinion of many charity organisations dedicated to social assistance. The Red Cross expects to have to serve 400,000 more people this year, and Cáritas will spend 10 percent more money to serve the same people than in 2021, although they are aware that they will have many more requests.

The social catastrophe is yet another devastating exposure of the anti-working class policies and imperialist militarism of the pseudo-left Podemos party.

The PSOE-Podemos government claims it is addressing the situation in the 2023 budget, presented as Spain's highest social expenditure in history. Podemos leader and Labor Minister Yolanda Díaz said: “They are General State Budgets that speak to working people, to those who have been worst hit.”

However, as the WSWs has noted, this is false. The increase in social spending is well below the level of inflation. The main budgetary increase is in defence spending, which will reach almost €27 billion, 2.17 percent of GDP, according to the pacifist Delàs Center

for Peace Studies. It will even exceed NATO's request to its members to reach 2 percent of GDP spent on defence. This is a clear support for NATO's militaristic policy and its war against Russia in Ukraine.

Another important item of expenditure will be the €31 billion provided for the payment of interest on the public debt and which will end up in the hands of banks and large international investment funds. Compared to these figures, only €2.7 billion will be spent on the Minimum Vital Income, the money aimed at preventing the risk of poverty and social exclusion, or the €3.4 billion for the care of dependent people.

The working class must take stock and draw fundamental political conclusions. Three years in power, the PSOE-Podemos government's promises have proven to be a fraud. Podemos is presiding over a social crisis on a scale not seen since the hunger years after the Spanish Civil War (1936-1939). Meanwhile profits are soaring: in 2021, companies obtained a record net profit of €57 billion.

That force that can put an end to this is the international working class, unified on the basis of an international socialist programme, grounded on the overthrow of the profit system. Rank-and-file committees must be created in every workplace, democratically controlled by workers themselves. These can unify workers in Spain with those in Europe and internationally in a struggle against the banks, capitalist governments and their pseudo-left accomplices such as Podemos.



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