

Amid mass protests in France, Spain's PSOE-Podemos regime slashes pensions

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Last Thursday, Spain's Socialist Party (PSOE)-Podemos government passed its pension cut through the Spanish Congress. The cuts were agreed in talks between the European Union (EU) and Spain's main trade unions, the Podemos-linked Workers Commissions (CCOO) and the PSOE-aligned General Workers Union (UGT).

This occurs as a wave of mass strikes against austerity and inflation explodes over Europe, in France, Germany, Britain, Portugal, Greece, Belgium, the Netherlands and beyond. Across the Pyrenees, millions of workers in France are protesting against Macron's pension cuts, which he is trying to impose in the face of overwhelming popular opposition. Moreover, the French ally of Podemos, Unsubmissive France (LFI) party leader Jean-Luc Mélenchon, is issuing unserious proposals to the French union bureaucracy that it should think about a general strike against Macron.

The actions of Podemos makes clear that, as in France, there is no "democratic" mechanism within the existing capitalist state for workers to make their opposition to austerity felt. Podemos is backing a cut demanded by the EU so that Spanish banks and corporations can obtain a fourth €10 billion payment from the EU pandemic bailout fund. The record of Podemos, a pseudo-left party of the affluent middle class, shows that workers in Europe cannot oppose austerity by voting into capitalist government the parties falsely marketed by the capitalist media as the "left."

In Spain, as in France and across Europe, the way forward is to build a mass movement in the rank-and-file, independent of the union bureaucracies, and opposed to the entire political establishment, including pseudo-left parties like Podemos.

Spanish officials are boasting that other EU countries

are preparing similar attacks and will model themselves on its cuts. Last week, José Luis Escrivá, minister of Inclusion and Social Security, said he is receiving calls to set up meetings from his European counterparts, including in Germany, Belgium and Romania. "I am convinced that it will be an international reference on how these reforms should be addressed in the future," he said at a press conference.

The reform deepens the PSOE's deep pension cuts in 2011, which increased the age of retirement by two years, from 65 to 67. The new reform will mean:

- Pensions will be calculated using the last 29 years of working life, instead of the current 25. This will mean a substantial cut to future pension levels, as workers tend to earn more at the end of their working lives. In any case, due to prior reforms, in order to collect the entire regulatory base of a pension, workers will have to work a minimum of 37 years from 2027 onwards. If you retire at 64 having contributed over 35 years, your pension will be cut by 21 percent.

- Higher salaries will contribute more to the social security system. This will be 1 percent in 2025 and will increase at a rate of 0.25 percentage points per year until it reaches 6 percent in 2045. While the PSOE-Podemos is presenting this as a tax on the rich, the truth is that it is being applied only to wage income, not to income from capital gains—which constitute the overwhelming majority of the income of the parasitical super-rich.

- In the event of "eventual excesses" of pension expenditure, the body in charge of auditing the new system, the Independent Authority for Fiscal Responsibility (AIReF), will 'identify a broad set of measures to eliminate excess net spending on pensions.' If this happens, the government will open negotiations with the trade unions and big business to 'correct, in a

balanced way, the excess spending on pensions.' The law indicates that this can be achieved through 'an increase in contributions' or with 'another alternative formula to increase income or reduce spending.'

Workers will not only retire later; those who do manage to retire will receive a poverty pension. Currently, 64 percent of pensioners earn less than the minimum living wage. The largest group, 1,097,000 pensioners, receives between €700 and 750 monthly.

This latest pension cut comes a year after the PSOE-Podemos government passed a reactionary anti-worker labour law, designed by the union bureaucracies and the Podemos-led ministry of labour.

The pension and labour attacks worked out between the PSOE-Podemos government and the EU exposes the political lies told by then-Podemos leader and deputy prime minister, Pablo Iglesias. He endorsed the €750 billion EU pandemic bailout in July 2020, claiming that “this time we will not have austerity, but an ambitious plan of fiscal stimuli.”

Workers and youth must draw key political lessons of this reactionary attack. First, the working class cannot defend its wages and pensions through pseudo-left forces like Podemos, LFI in France, Jeremy Corbyn in the UK, or Die Linke in Germany.

Second, workers are fighting not only against the government and the EU, but also the union bureaucracy. For over a decade, union officials have worked hand-in-glove with successive PSOE, PP and now the PSOE-Podemos governments to slash pensions. They are now hailing the latest cut as “historic”, claiming it will “strengthen” the pension system in terms of 'sufficiency, equity, and sustainability.’’

The alternative is to build committees of the rank and file in workplaces, schools and working class neighbourhoods. These committees must reject ties with the union bureaucracies and organize and coordinate strikes independently from them.

Third, stopping the US-NATO war against Russia in Ukraine is an essential precondition to transfer billions of euros from the machinery of mass killing to paying for critical social needs like pensions.

The PSOE-Podemos government has increased the military budget to €27 billion, Spain’s largest increase in military spending in history, at €75.7 million per day. This is on top of millions of euros in arms, ammunition

and training spent on Ukrainian troops. Like governments across Europe, the PSOE-Podemos government is diverting billions of euros from pensions, education and health to the war, which threatens to erupt into a European and global war involving the use of nuclear weapons.

Fourth, workers must respond to the banks’ and the EU’s coordination of social attacks by building a rank-and-file movement of workers across Europe and internationally. In a globalized economy led by transnational corporations, none of the workers’ essential demands can be met by mobilizing workers only in one country. The European upsurge of the class struggle and the growth of independent workers’ organizations will lay the basis for workers to take control of their own strikes, and to fight to take power and build the United Socialist States of Europe.



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