

EU and the Left in times of crisis.

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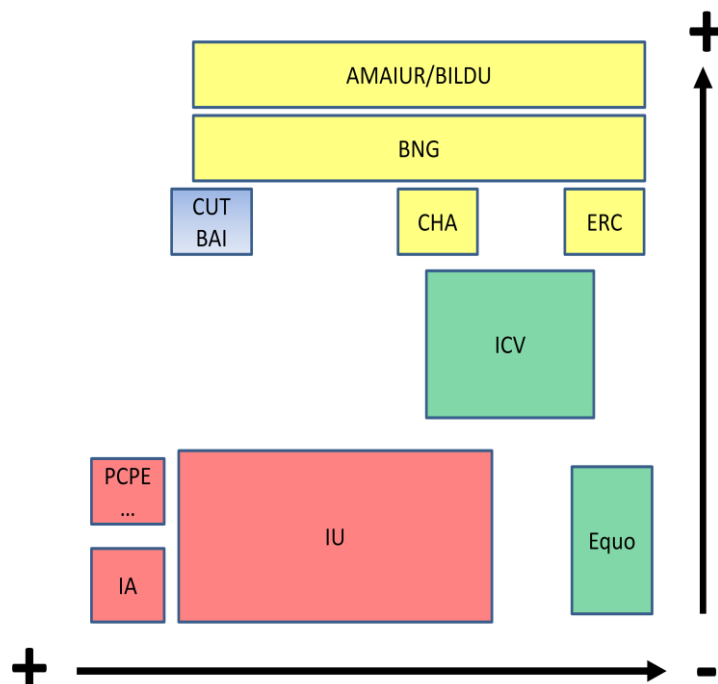
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A previous remark: the Left(s) in Spain

To understand the situation of the Left in Spain a previous remark should be made. Apart from the line running from left social-democracy to extreme left, the national dimension is very relevant in Spain. We will draft a very rough approximation to a taxonomy of the Spanish left parties and currents taking into account this dimension. From now onwards the word nationalist refers to 'small' nations' nationalism. In Spain a difference is made between 'historical' nationalities (Catalonia, Basque Country and Galicia) who are those which gained their autonomy during the II Spanish Republic and other nationalities. Of course there is also a 'grand' Spanish nationalism (chauvinism) but it is negligible among the left.

The following figure presents a tentative "map" of this situation following a horizontal axis running from left to right and a vertical axis running from federalism to aspiration to independence.



In the map we've got:

- Federalist left:
 - **IU** and its national partners (EUiA, EB, EUPV, EU) and components and currents (PCE, PCC, PSUC-v, Izquierda Abierta)
 - Equo (Greens)

- IA (IVth International heirs, akin to French NPA)
- PCPE, CR, En Lucha, ...
- Nationalist left:
 - **Bildu/Amaiur** (radical Basque Left coalition)
 - **ERC** (Republican Left of Catalonia, a historical secessionist party)
 - **BNG** (Galician Nationalistic Block, a coalition of several parties)
 - **ChA** (Aragón), and other non-‘historical nationalities’ left nationalists
- Somewhere in between:
 - **ICV** (Catalonia) and Compromís (Valencia) (Greens; ICV are electoral allies to EUiA-IU, Compromís competes with IU regional branch, EUPV)
 - **CUT-BAI** (in Andalusia, currently integrated of IU)

Bold-typed are those parties which have got deputies in the Spanish Parliament.

Europeanism in Spain

Even in the harshest moments until now, Spanish ‘Europeanism’ stays solid and deeply rooted and the possibility of being expelled from Europe is frightening, not to speak of voluntary exit. Which are the reasons for this ‘Europhilia’? Broadly speaking, ‘Europe’ covers the aspirations of the different social sectors:

For popular classes and middle strata, since the dictatorship ‘Europe’ means welfare state and worker’s rights, freedom and democracy and the prospective of modernization.

From the point of view of the ruling classes, Europe means a business-friendly institutional framework, the possibility of legitimization of the ‘regime of the Transition’ and access to finance and broader markets in better conditions.

As for the nationalists, both left and right, Europe represents the opportunity of peacefully getting rid of Spain through a future European integration process.

IU and the European question

Traditionally PCE aligned with PCI concerning the EEC. This position was coherent with the ‘eurocommunist’ standpoint of the PCE, and, in fact, it collided with the positions of PCF and PCP which were our neighbour parties.

PCE deputies voted for the application for membership as soon as June 1977 when the first democratic Parliament was elected. In 1984 the PCE held a political conference where the position was reassured although there was a critical assessment of the ‘Europe of merchants’ arguing for a ‘Europe of the workers and the peoples’ .

This position remained unchanged and was the base of IU’s position. Things remained unchanged until the 90’s when the Maastricht treaty was discussed. At that moment both IU and PCE opposed the EMU project. This caused a strong debate within IU and with the Unions who favoured a ‘critical YES’. IU was subject to a very hard offensive by the media and was isolated. Ultimately this brought a split, with Nueva Izquierda (New Left) leaving IU and later joining the socialist party, PSOE.

After JM Aznar's (PP) electoral victory in 2000 which came with a failed attempt of IU to join forces with the socialists, the leadership of IU moderated the position and the European question was not spoken of. This moderation continued during a phase of 'critical' cooperation with the so called progressive governments of Zapatero (PSOE) who gained office after the Madrid train bombing in 2004 elections, and repeated later in 2008.

In 2005 IU campaigned against the European Constitution after an internal debate in which PCE supported the NO as opposed to IU leadership who wanted to call for a blank vote. In 2008, in the IU Congress, PCE and its allies won by a short majority and displaced the former leadership. In 2010 Zapatero began the cuts and the confronted the Unions. Since then, the position in IU is clear cut in opposing EU policies but has never put openly into question neither EU membership nor the euro.

Political and social developments in the crisis

The major social developments since the Euro crisis in summer 2010 and the following austerity measures have been:

The birth of the 'indignados' movement, which is known in Spain as 15-M (for May, 15th): huge marches and square occupations ranged all over Spain in May and June, 2011, openly defying even the electoral courts as some marches took place in the day before elections where any sort of political demonstration is forbidden in Spain. The movement publicly criticized European policies, denounced corruption and the crisis of democracy and pointed to Banks and 'markets' as responsible for the crisis. In June there was a massive nation-wide demonstration against the Pact of the Euro.

Paralleling the massive mobilizations a constellation of decentralized actions has taken the place. Some of them are symbolic occupations of banks. Other are more organized 'tides' ('mareas' in Spanish) word which stands for persistent action against cuts in Education ('green tide'), public workers' pay cuts ('black tide'), etc. There is also a grass-and-roots movement of resistance against evictions which has become very popular and widespread. In Spanish laws, if someone fails to pay a mortgage, he or she can be evicted, the house is given to the lender and the debtor will remain owing the Bank the amount of the loan exceeding the current market value of the house, which normally is much less than it was at the time the loan was made. Mobilization, in this case, consists in gathering in front of the house and blocking the police and the court's officers to stop the eviction.

These movements are mostly based in young people although they have easily gained a very wide support and elderly militants provide also a large base. But the main innovation it signals is the entry of the younger generations in the political scene. Since the 90's there has been a growing gap between these generations which were brought up in democracy but haven't really enjoyed welfare conquests when they became adults. Better educated than the previous generations they have been suffering precariousness, they cannot afford a house and they don't recall any memories of harder times in the past as older generations do.

At first the movement began very detached from politics but it is gaining political edge although keeping a distance with 'standard' politics. Significantly enough the movement has

developed a symbolic relation with the older generations who used to be active militants during the last years of the dictatorship better than with the intermediate age groups.

Another substantial change has taken place in organized labour. After decades of social dialogue ('concertación') the cuts implemented by Zapatero caused a first general strike on September, 2010. Several partial and general strikes have followed until March, 2012. Currently, the Unions are campaigning for a referendum on social cuts. Larger mobilizations can be expected by next autumn including more general strikes.

Anyway, it should be pointed out that the conservatives have also taken the streets as could be seen by the large multitudes who acclaimed Pope Ratzinger in the visit he paid to Spain in summer 2011.

Recent electoral outcomes

In May, 2011 in the highest moment of the mobilizations, local elections took place resulting in a great victory of the PP. Although this not prevented the 15-M for calling an even larger march against the Pact of the Euro some weeks later, it signalled the prospects of a large conservative victory in general elections which were due in Spring 2012. Zapatero's government was exhausted and was expected to call early elections in November, which he did.

Another relevant outcome of that election was that Bildu, the radical Basque nationalist coalition, got a very good result gaining the government of some important towns in the Basque Country including Gipuzkoa provincial government. In previous elections they had not been allowed to run based on legal rules that banned the participation of any political party or coalition suspect of 'cooperating with terrorism'. This time ETA had declared a permanent and irrevocable ceasefire (January, 2011).

In November, the general elections resulted in an absolute majority for the Popular Party. But behind this, there are other relevant results:

- PSOE lost 4.3 million votes
- PP only got 0.3 more
- IU got 0.7 more
- UPyD got 0.6 more
- AMAIUR/Bildu overcame PNV
- Equo got 0.3 (no seats)

UPyD, Unión Progreso y Democracia, is a sort of populist, Spanish-chauvinist party whose leader is a former socialist, Rosa Díez. They stand for centralization and conservatism.

Equo is the last franchise promoted by the German Greens who, once more, have been incapable of getting into Spanish Parliament even after a considerable investment and media support. Their last leader is Juntxo López de Uralde who gained some popularity as a Greenpeace activist at the Copenhagen Summit in August, 2011 where he was arrested after slipping in a gala dinner.

Later, in March 2012, there were regional elections in two traditionally left-wing regions where the Popular Party had won in November: Asturias and Andalusia. In both cases the PP lost.

Other political developments

A major political change took place in September, 2011, when the 'untouchable' Constitution of 1978 was amended, supposedly following the dictate by Jean-Claude Trichet, at that moment President of the ECB. The amendment, agreed on by PSOE and PP, was carried out in record time and fixed a cap on public deficit similar to German Constitution and, what is even more important, gave immediate and absolute priority to servicing public debt over any other public expense commitment. This amounts to illegalize any possibility of sovereign default. The Unions protested strongly this amendment and it marked a no-return point in their relations with PSOE.

In February, 2012, after losing the elections, PSOE held a Congress in which the current General Secretary, Alfredo Pérez Rubalcaba, a member of the old guards won by a very short margin against Carme Chacón who proclaimed the need to 'renew' the party and supposedly meant a left turn. The following regional Congresses have resulted in a stalemate in a party hit by a very serious crisis.

As for IU, since the Congress in 2008, it has been engaged in widening its alliances in a somehow inward-looking way, speaking of 'refoundation', 'social convergence' and other ideas which practically have as much to do with a growth strategy as with internal disputes. It should be noted that there will be a Congress in next autumn.

Anyway, much of this doesn't leak out and electoral prospects continue growing. In the 2011 local elections, IU got the key in a hung regional Parliament, Extremadura, and allowed the PP to gain government. In March, 2012, it was in Andalusia and Asturias. In the first case it went into government with the PSOE, in the second one, it supported the PSOE but stayed out of government. None of these seem to have had much impact on the electoral prospects which, as for July 2012, rank up between 8% and 13% depending on the polls, compared to 7% in November elections.

Another change is taking place in the relations between the Unions and the movements associated with the 15-M. For some time the large Unions' leadership have pretended to be hegemonic in the mobilizations and this has been scorned by more militant smaller Unions and the 15-M which adhered critically to the calls made by the former pointing out their lack of mobilizing muscle. Nevertheless sector mobilizations such as the 'tides' are forging a practical convergence between traditional Union militancy and other activists. At last this has had its effects on the high spheres of the Unions who have decided to campaign for a Popular Initiative concerning mortgages with the existing platforms.

A regime crisis?

All the crisis is taking place against a general background of corruption scandals such as the Gürtel case, which involves PP financing and bribes to officials in exchange of irregular public concessions and contracts mostly in Valencia but also in other places. Or the ERE case which occurs in Andalusia and refers to people getting pensions they were not eligible for, in this case involving the socialists.

A major scandal involves the Royal Family, with the King's son-in-law getting paid outrageous fees for intermediating in sports events and non-existing projects. The King himself was caught hunting elephants in Botswana invited by some oil sheikhs when he had an accident and had to be flown back to Spain, having left the country in the middle of the crisis and without the government even knowing. Even the President of the Supreme Court, Carlos Dívar, has had to resign because he was using public money to pay his holidays.

All this may be only anecdotal but is the tip of the iceberg of a major crisis in the foundations of power in Spain where the core of the economic elites is under suspect. The surrendering of the Savings Banks (Cajas) taking place from 2010 till now was the first step in a major transformation which shows a structural weakness in the highest echelons of Spanish bourgeoisie, the financial sector. This is now enhanced with the Bankia affair and the bail-out of Spanish Banks by the EU whose scope and impact remains to be seen.

Spanish crisis and European crisis

Joining the former EEC and later the EU was functional for Spanish elites. From a macroeconomic point of view Spain runs a structural current account deficit which has been covered by the finance provided by 'Europe' as it was by tourism, migrants' remittances and US capital during the dictatorship. Structural and cohesion funds have financed the large public investment projects out of which the traditional elites have extracted their profits during the past two decades with questionable results in terms of territorial cohesion not to speak of environmental sustainability.

Of course the trickle down effects have supported the means of living for Spanish people for a series of years. But these funds should also be held responsible for triggering off the wave of 'popular real-estate capitalism' of the last fifteen years. The same that happened with the flows of FDI in the early eighties which supported the building of what has been appropriately termed as 'financialized welfare state' by Armando Fernández Steinko.

The single currency has only made it worse. The interest rates policies of the ECB have proved lethal for the financial balance of Spanish economy as they provided to express way to excessive private indebtedness and the real estate bubble. Not to speak of the exchange rate of the euro which obviously damages countries whose exports exhibit high price elasticity and whose imports, on the contrary, are very sensible to income changes so that any increase in income easily filtrates outwards.

The Spanish crisis, thus, is only an instance of the more general European and global crisis: the effects on peripheral countries of trade imbalances, debt-based consumption, etc. But it has got a specific dimension affecting the future of the Spanish social formation since the accession to the European Union, which was supposed to be the cure of Spain's historical malaises, has turned out as a curse. The degradation of Spanish economic fabric has been favoured by the so called construction of Europe to such an extent that the material base of the 'democratic Transition' regime has been put into question. The need to bail-out the Spanish banks (some of which were global champions only two years ago) is the clearest signal.

Current strategy of the Left (IU)

Currently, IU is surfing the wave brought in by the crisis. The protests and resistance to cuts and austerity render quite naturally electoral results to IU as it is the only relevant political force in the Left, leaving aside the national question particularly in the Basque Country.

The current standpoint of IU is more or less the same as that of the EL parties all over Europe. Opposing cuts, asking for tax rises and defending a vague Keynesian programme based on public expenditure and employment creation.

As has been said, there is a permanent debate on strategies to widen alliances but much of this discussion is mediated by the internal positioning and elbowing in the prospective of a Congress due in next autumn. In a more practical terrain, IU is supporting all actions against the cuts both from the Unions and from the 15-M sides and calling its own. In a sense it is playing a relevant role bridging both sides.

One of IU's banners, opposing the Monarchy and defending the Third Republic, which some two or three years ago was a wild dream, has become more and more relevant since the crisis of the political system becomes more evident by the day as the Monarchy is being affected. It is obvious in Spain that the King is too old now and in bad physical state but the establishment would not risk an abdication to the Prince Heir given the circumstances. Nevertheless, IU hasn't got a definite strategy to deal with the possibility of a regime change.

Meanwhile, electoral expectations as has already been said continue growing. This obscures the aforementioned lack of strategy towards a significant political change and, what is even more fundamental, the real challenge for Spanish society in the immediate future: what will Spain do for a living.

Now it has become commonplace to speak about the 'need to change the model', but this does not come out of the blue. A feasible alternative requires a long term social effort, investment, education, technological upgrading, environmental and energy reform, etc. It should be the historical task of the new generations to accomplish these changes which cannot be expected from the current elites. If there is a possibility of shaking off the historical burdens gravitating over Spanish people a strategy is needed. Otherwise social and nationalistic conflicts can end in disintegration or authoritarian exits.

Electoral results and polls show that while the Socialist party does not profit from the unpopular measures by the Popular party, the Left only profits marginally from the wearing down of the political system and populist UPyD is growing. This is not comparable to the extreme right rise in many places in Europe, but only for the time being.

In or out the EU (or the Euro)?

The debate on EU membership or the common currency is only now beginning to take place in Spanish society and at a very restricted scale. The general feeling until now is that the prospective of leaving 'Europe' appears as terrifying for most people. The problem is not whether we should stay or not but if we are at risk of being thrown out. As has been already said, 'Europe' is identified with modernity and progress, the opposite means going back in history.

This is being thoroughly exploited by government and media to justify the cuts. The discourse is common to other cases: Spain has been living over its possibilities, the (rachitic) Spanish welfare state is over-dimensioned, we are eating out the endowment of future generations, and so on.

Among the Left, particularly the intellectual branches of the Left, there is some debate underway around the single currency which more or less coincides with debates in our more immediate environment: France, Portugal, and very recently Greece. Syriza's strategy opposing the memorandum but intending to keep inside the Eurozone has been attentively followed and has gained very wide support among the Spanish Lefts. But after the electoral results in Greece and France the debate has reappeared. None of this is discussed among the large Unions, of course, and only very vaguely in the 15-M environment. Among IU it is not openly debated at the governing bodies but it shouldn't be discounted that it will not play a role in the next Congress. The only point of general agreement, particularly since Spain asked for funding to bail-out the Banks, is a general idea of denouncing odious debt.

Certainly there is a general conviction that European integration will proceed further if there is going to be a way out of the crisis. What is less understood is why Germany renounces to play a leader role in this integration. The general interpretation doesn't take into account the contradictions affecting the core countries and estimates that they are only hardening the position for bargaining purposes. There are certain hopes that France will play a moderating role as the discredit of the PSOE hasn't yet been extended to social-democracy at the EU level.

There is not conscience of the possibilities of a disobedient standing point, less of the eventual cooperation among the peripheral countries to make their own position within the EU institutions and discussions. The mere idea of being assimilated to Greece or Portugal is horrifying.

Neo-imperialism in Europe?

'Mankind thus inevitably sets itself only such tasks as it is able to solve, since closer examination will always show that the problem itself arises only when the material conditions for its solution are already present or at least in the course of formation.'

This quotation of the 'Preface to the Contribution ...' allows speculating over one of the potential ways out of the crisis which is further integration. It could be to best interests of Germany capital-goods sector to launch a new period of accumulation based on 'green' technologies and extended private provision of personal services. But this demands large unified markets, infrastructure provision, standardization, and financial might. These demands point to a degree of centralization and State intervention which naturally can be accomplished through a large 'European State' under German 'ordoliberalism'. In this sense, there could be an imperialistic tendency with Germany as the centre.

But there is other imperialism on the stage. The highly integrated global financial system is organized in a hierarchy whose highest echelon is anglo-saxon financial capital. Besides the obvious role played by the UK and the City undermining any intent of further integration there are other major players; the large financial companies based in Wall Street and their influence

on the USA. It should be borne in mind that Draghi, although an Italian, is a former executive of Goldman Sachs 'proposed' by Berlusconi.

Apart from this very relevant actor there are others which may have a say in the future of the EU. Until now the limits of the EU to political integration have been determined by the use in their own benefit of well established Nation States by historically consolidated national bourgeoisies. In some sense the EU has been until now a common hunting ground for those bourgeoisies who, nevertheless, did not relinquish their own States. Some very sensible issues, such as Bank regulation has remained in national hands. Will French bourgeoisie, for example, give up these powers to a German-led European State? It remains to be seen ...

Consequently, although there are imperialist forces in presence, they don't point all in the same direction because they represent different interests. This adds to instability and risk in the immediate future.

Spain as a weak link

The collapse of the material base of Spanish economic powers is so great that it is feasible to believe that Spanish bourgeoisie has surrendered to German leadership although Mariano Rajoy tried to bargain with Merkel hoping for support by Hollande and Monti. In any case, the demand for a European bail-out of Spanish financial system marks, in my opinion, a very substantial surrender.

As opposed to Greece, Portugal or even Ireland, Spain is a frightful menace if only by sheer size. Let us see some figures:

- Total external debt, EUR 1.8 trillion (private EUR 1.2 trillion)
- LTRO loans by ECB to Spanish Banks, EUR 500 billion
- Target 2 unbalance, debts of Bank of Spain to ECB banks, EUR 400 billion

This makes Spanish financial system a financial mass destruction weapon. So the 'rescue' of Spain is unavoidable because the potential damage of a Spanish bankruptcy is hard to figure out.

Of course the lessons learnt in Greece will pay and this time they'll try to make it in a different way. Currently the Popular Party government is trying to pass on their own the sort of measures imposed to Greece through the infamous Memorandum.

But here comes another Spanish particularity: the State is a composite State and a large portion of welfare belongs to the realm of autonomous regions, and this collides with the national question. Almost 45% of the Spanish population lives in autonomous regions which have governments different from the PP. The two most with largest populations, Andalusia and Catalonia, and a smaller but politically very significant one, the Basque Country, apart from Asturias and the Canary Islands. Forcing down cuts to the autonomous regions is becoming a very thorny question. In the Basque Country, as they collect their own taxes, it is almost impossible. If a solution comes in the form of a 'technical' government it will raise a very serious political problem. And the political regime, as has been said, is not at its best.

So, in my opinion, there is an opportunity here, if the Left is able to answer the big questions at the Spanish level and a democratic and cooperative solution gathers strength at the European level, starting from the periphery but solidaristically understood and backed by the Left in the core countries. Here is a worthwhile challenge.

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