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Spanish State

# The state of play before December 20

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### **Manual Gari, interviewed by Katerina Sergidou (activist of the Greek organization DEA, which is part of Popular Unity)**

**To begin with, before addressing the political issues, I would like to take advantage of the fact that you are an economist to know your opinion about the present economic situation in Spain. Is it true, as is being said, that we can expect a recovery of the Spanish economy?**

In 2014, according to Eurostat, the increase in annual production reached almost 1.15 per cent, reversing the negative trend of the previous two years. According to data from the Spanish government, gross domestic product (GDP) increased by 1.4 per cent last year after three consecutive years of recession. The Bank of Spain says that in 2015 GDP will grow by 3.1 per cent compared to the previous year and announced growth of 2.7 per cent for 2016. These forecasts fit into the discourse of President Mariano Rajoy in defence of his policies. They may be exaggerated for electoral reasons. But the international institutions point in the same direction. If the forecasts of the International Monetary Fund (IMF) are realized, the trend in coming years will be moderately upward. But if we do not analyze more closely the elements, they will be of no use to us in apprehending reality. The recovery is fragile, with feet of clay. [1].

#### **Why?**

In the first place because GDP is an economic indicator - highly criticized, of course, by ecological economists because it does not assess the economic effects of damage to the natural environment or the costs that result from the noxious dimensions of productive activity - which measures in monetary terms the annual production of goods and service, but in any event, does not explain the evolution and the content of the economy. It is an arbitrary indicator. To take one example: Spanish GDP increased by 0.4 per cent overnight as soon as we began calculating the estimated economic volume of prostitution and drug trafficking, two "businesses" that are very important in this country.

But to return to your question, in the Spanish case a part of growth is due to external factors that can change rapidly, factors that neither the government nor the Spanish entrepreneurs control: the fall in the price of oil, on which Spain is highly dependent; an increase in exports due to the low rate of the euro or the dramatic increase in tourism because of the situations of political instability and war in other tourist destinations in the Mediterranean. [2] In a context of crisis in some emerging countries, as is the case with Brazil, or slowing growth in China, with the instability of the Eurozone, which is not out of the debt crisis, and the weak recovery in European demand – Europe being the main destination for sales of Spanish products - the fragility of the recovery is very great. Also, this recovery is very limited, if we take into account other indicators and the type of productive model currently in use.

#### **What are you referring to?**

The level of production reached in 2014 was 5 per cent lower than in 2007. The productive economy is not turning the corner: industrial production has experienced a big drop; in 2013 it was 12 per cent below the level of 2007. Gross capital formation in 2014 was lower by 14 per cent compared to 2007. The decrease in research, development and innovation is very considerable: in 2009, investment effort reached 1.35 per cent of GDP (321.9 euros per capita) and in 2013 it approached only 1.24 per cent (279.3 euros per capita). The labour force has decreased by half a million people since 2011 due to the return of part of the immigrant population to their countries of origin as well as the emigration of young Spanish people seeking employment.

The productive model being put forward again by the Popular Party (PP) has failed: building houses in a country that has many empty houses [3] and the promotion of pharaonic public works which indebt the treasury without being of any benefit to the population. The financial and credit bubble that burst in 2008 in Spain cannot be understood without the bubble in real estate and public works in the interests of the big Spanish multinationals of the sector and of Spanish and German banks. On the other hand, the Spanish economy has trouble getting out of the crisis: the reduction of domestic demand following the contraction in consumption and weakening investment - which reinforces the threat of deflation - has led to exorbitant growth of public debt (from 30 to 100 per cent of GDP over the four years of conservative government (2011-2015). This prevents the necessary public and private deleveraging - it has reached 300 per cent of GDP, particularly on the part of banks and multinationals – which accentuates the dependence of the economy on exports, in a context where they are far from certain.

### **How has the crisis affected the life of the popular sectors and of young people?**

For several years before the outbreak of the crisis, wages decreased year after year, which meant an increase in the profits of companies that found a new source of profitability in the financial markets. Banks provided an impulse for the commercial sector by means of massive and very cheap loans, to which a large part of the working class had recourse in order to purchase housing and other durable consumer goods. Since the level of employment was high (8.2 per cent unemployment in 2007), nobody was afraid of not being able to repay. We can say that the increase in inequality led the working classes, prior to 2007, to compensate for lower wages through cheap credit. The level of household debt was very high (at the end of 2008, it reached 913 billion euros; in spring 2015 it was over 742 billion), as was that of enterprises (935.2 billion euros in spring 2015, *El Pañ-s*, April 1.2015] and the banks themselves.

When the crisis broke out, the effects were devastating. I have already indicated the decrease in the labour force and the parallel rise in unemployment (it reached last month about 23 per cent for the overall population; for young people under 25 it is over 51 per cent). Taking into account the fact that an employment contract of only one hour a day in the course of a single month is considered to be a job, whereas the full number of daily working hours in the course of a year is not properly calculated, this means that the real unemployment figure is clearly higher than is indicated by the official figures. About 10 per cent of families have all their members unemployed and the number of long-term unemployed is increasing - that is to say, those out of work for over a year (according to the survey of the active population, in July 2015, 1.2 million people had been unemployed for four years or more). Precarious and part-time work is increasing, with wages below the minimum wage and with no contractual rights.

This has led to rising inequality: for the first time in this country the total revenues of capital are higher than those of labour. In addition, among workers inequality has grown, between the 5 per cent who earn the most and the 50 per cent who earn the least. We could use the metaphor of scissors to describe the increase in inequality. The Gini coefficient, which measures income inequality, is very high, 0.347 (0 represents perfect equality; 1 signifies total inequality).

According to a report just published by Caritas - an organization linked to the Catholic Church, which cannot be suspected of anti-capitalism - indicates that having a job does not mean escaping from poverty. According to the National Statistics Institute (INE), in 2013, 22.2 per cent of people in Spain are below the poverty line. I'm not going to swamp you with more figures, but they are significant. The result is dreadful, and here are some indications of it: an increase in energy poverty (people deprived of electricity - therefore often of heating: a recent report indicates that the number of households "in a situation of energy poverty" increased from 3.6 per cent in 2007 to 9.88 per cent in 2013); the number of people without a home (according to the Bank of Spain, in the first quarter of 2013, 330,000 homeless people were recorded); the increase in child malnutrition in poor neighborhoods.

**The result of the Catalan elections on September 27 reflects two domains. That of Yes and that of No to independence. Is this so? What does the result of these elections demonstrate and what is the attitude of**

### Podemos?

There existed in Catalonia a Catalan national identity based on its cultural identity and its language, which did not find expression in a pro-independence political project. The political polarization around the issue of independence is a recent development. Four years ago, the people of Catalonia approved a reform of its Statute, adopted by a majority in both the Catalan parliament and the Spanish parliament. But the PP filed an appeal with the Constitutional Court, a very conservative body, which eventually removed, undemocratically, important aspects of the new law. This, combined with various campaigns of Spanish nationalism against Catalan feelings, led to a policy of much of the Catalan people taking its distance from the Spanish state.

The Spanish Constitution and the parties that support it - the PP and the Socialist Party (PSOE) - prevent the exercise of the right to free self-determination of nationalities. In parallel with Catalan nationalist independentism based on national identity there appeared (and grew) an independentism of a political character, which defends the political sovereignty of the Catalan people to decide their future. This independentism is rising among both the bourgeoisie and the popular sectors, including sectors of the working classes whose family origin is from other parts of the Spanish state and who came to Catalonia following the great migration that took place in the era of industrial development in the 1960s.

What the result of the elections for the Catalan Parliament shows is the rise of positions in favour of independence at the expense of Unionists - who, in turn, are very diverse, between federalists and those who propose a greater degree of "espagnolist" centralization [4]. It is also clear that only Catalan society can find the solution to the political crossroads that it is facing, and do so through the free exercise of the right to decide. The result should be binding, and consequently respected by the state and the political parties.

It is obvious that after the territorial organization following the death of the dictator Franco (in power from 1936/39 until 1975), the State of Autonomies [5], does not satisfy the Catalan people.

Podemos has taken a very bad position in this conflict. The general secretary of the party in Catalonia, Gemma Ubasart, resigned on October 10, criticizing Pablo Iglesias, who led the campaign, because of a confused approach, with a unionist discourse that includes the right to decide, but that does not accept that it is the Catalan people who will decide but "everyone" following a process on the level of the Spanish state.

The election result was very bad, less than that predicted two months before the start of the campaign, but also lower than that obtained in the previous Catalan autonomous elections by one of the components of the coalition in which Podemos participated (Catalunya si que es Pot), Iniciativa per Catalunya-Greens [the "branch" of Izquierda Unida in Catalonia]. That is to say: instead of increasing the number of votes, the coalition lost some. Podemos remained in a no man's land with a shameful "espagnolist" campaign that alienated it from the most left sectors of the popular movement. This has fostered the rise of the left-independentist and anti-capitalist CU party: Popular Unity Candidates. The internal crisis of Podemos in Catalonia, in the run-up to the general election (due on December 20) is a bad thing.

**What is the relationship of the left and nationalism within the Spanish State and how is it linked to the history of the Transition (that is, the "passage" from the Franco dictatorship to "democracy" between 1975 and 1982)? How does it respond to the complex question of class and nation?**

Spain is not the United Kingdom. In that country there are nations, of which England is one, and all of them may continue to be united or not. However, the Spanish nationalist does not admit the existence of other nations than the Spanish nation, which is "above" national or regional differences that exist within the Spanish state. National

sovereignty, for Spanish nationalism, resides in Spain as a whole, which is why it denies the right to decide to Catalonia, Euskal Herria (the Basque country) or Galicia.

A large part of the working classes of Madrid and Andalusia have a Spanish national identity and, in general, they have little sensitivity concerning different national identities that are held by very broad sectors of the Catalan or Basque working classes. Similarly, we can speak of a Spanish bourgeois nationalism and of bourgeois nationalism among the nations without a state.

The social democratic majority of the left abandoned the defence of the right to self-determination of nationalities in 1978, endorsing the Constitution that replaced the Franco regime. The Eurocommunists in practice forgot the demand. The Transition did not solve the national question, on the contrary. In order not to offer a specific democratic solution to the popular demands of the nationalities, it invented the state of autonomies for nationalities and regions, in such a way that although there were in fact some responsibilities of "self-government" they remained limited. The revolutionary left continued to defend that right but, for years, until the eruption of 15M (May 15, 2011, the beginning of the indignados movement), it had little strength in the territory of the state as a whole, with the exception of Euskadi. But the deplorable aspect is that collaboration between different groups of the radical left throughout the Spanish state has been very weak for years.

In 1978, it would have been possible to build a federal or confederal State if the right to self-determination had been recognized as a matter of course, including the option of independence. Today it is impossible. In 1978, it would have been possible. Admittedly, it would have been necessary for the working class to lead - or to have a controlling influence in - a constituent process. Which would have implied an orientation based on internationalist solidarity between all the components of the working classes of the Spanish state. Moreover, it would have had to have its own project of territorial organization, that is to say, to play a key role in the political process. Now, in this phase, the working class having already lost political autonomy (among other reasons as a result of the agreements of the Transition: the Moncloa Pact, signed in October 1977), the matter was resolved between the elites from the Franco regime and the majority workers' parties (PSOE and PCE).

To come back to the present: for the national question to be resolved in a democratic manner, it will be necessary to push forward constituent processes (plural) within all the components that form the present Spanish territory; processes that make it possible, starting from a real possibility of exercising independence, to establish model types of relationships between the components: separation, federation or any other imaginable kind of association. And to do it in conditions of equality and freedom. That implies a rupture with the regime of 1978.

The national question and the class question are not pure separate realities. Classes have national identities and the working class is not an exception. Internationalism consists of the creation of emancipatory projects of the subordinate classes which converge, which find common ground beyond territorial interests, capable of breaking with the bourgeois leadership of the nation, of every nation. But this requires, in turn, that the proletariat, in the broad sense, becomes "the leading force in society" - including among the oppressed nationalities - and that during this process, in a complex dialectic, the revolutionary lefts win hegemony within the left and the working classes. To substitute the political work of unification of the national question and the social question by an abstract internationalism amounts to renouncing to put forward socialist internationalist ideas, which equates to leaving in the hands of the bourgeoisie the government of the nation and the processes of supranational and supra-state political organization. The left of the oppressed nationalities will be at the head of the democratic fight for the right to decide and for the defense of national sovereignty. The left of the dominant nation should play an active role in educating "its working class" so as to encourage respect for the right of other nationalities to decide... and active solidarity.

**What are the prospects for the general election in December? Can the left express a desire for change?**

Unfortunately, the parties of the 1978 regime - PP and PSOE –are recovering from the surprise that was the emergence of Podemos. As for the right, capital has encouraged the rise of a party in response, Ciudadanos, which supplements the shortcomings of a corrupt and immobilist PP which has disappointed part of its electorate. Ciudadanos is the "populism" of the right which is gaining some ground on the "populism" of the left.

The 1978 regime is certainly still facing major problems, but indignation and popular mobilization are diminishing. A desire for change exists, but it is not incarnated in a concrete and simple programme to break with the regime of 1978 and in opposition to austerity policies. What is worse, the upcoming elections will see at least three left lists in competition.

Would it have been possible to drive forward a process of popular unity for the general election? Yes, no doubt, but it would have required having primary elections to determine the lists in an open fashion, with massive participation. This would also have meant having a mass public debate on the programme for change. Neither one nor the other has been done by the leadership of Podemos.

We will try to get the best result, but I'm not optimistic. I think the possibility of a left government around Podemos, as envisaged by Iglesias, is far removed. However, Podemos will have a significant parliamentary group.

**The great movement of 15M, the Mareas and the workers' movement has given rise to a new political subject. At present, the social movement is declining. Is it the same with Podemos? Do you think a political cycle has concluded? It seems that when the movement turns away from a party, something happens.**

I will rephrase your last sentence. It is true that when the movement turns away from a party, something happens, but the opposite is also true: when a party turns away from the movement, nothing positive happens. The basic problem at the moment is twofold. On the one hand, popular mobilization has declined. In fact Podemos is the political expression of the Indignado movement, but when the movement is no longer active, Podemos is not able to encourage it again. On the other hand, the balance of power between classes remains very favorable to capital. 15M and the Mareas shook the popular movement out of its lethargy. Podemos has succeeded in shaking the political landscape, but the earthquake has still not affected the power of the oligarchy. Nothing is decided. It is possible that the process of change does not triumph in the next election, but it can continue in other ways, in other forms.

Nothing will be the same as it was before 15M and Podemos. It is still possible to build a broad movement of popular unity capable of producing a democratic break and initiating constitutional processes. Podemos has problems of orientation and functioning that we are trying to resolve from a left and democratic angle.

But there are other anchorages for the radical left. The recent municipal elections (on May 24 2015) meant the emergence of a new broad and unitary political actor: the candidatures for change, the popular unity candidatures, which obtained very good results in the main cities of the Spanish state. Following the general election, there will be again a recomposition of the political instruments of the left. After the general election of 20 December a political and electoral cycle will close. But, in its turn, a new situation will open, which will demand progress in the construction of a response from the left.

**Anticapitalistas is an organization that, with Podemos, has popularly elected representatives in several municipalities and autonomous regions. How is it possible to have a radical and effective policy by using the institutions? Can you give us some successful examples of this important work?**

Our orientation in the institutions is to solve the problems that people face by trying to encourage their self-organization and participation in decisions. That is to say, we are not attempting to "solve" the problems starting

from our work in government or opposition as an elected "vanguard" able to manage the problems very well because we have the best technicians. We try to act by promoting, at every step, popular activity in various forms. That means, on the one hand, to put institutional resources at the service of this project for change, but also to promote disobedience, given the constraints imposed on us by neoliberalism; for example, in the Spanish case, by the Ministry of Finance. This ministry tries to undermine the work of municipalities governed by the left by applying ordo-liberal standards on deficits and preventing these institutions from having tax revenues at their disposal. Big tensions and battles between local authorities and central government are on the horizon.

Here are a few examples with limited and uneven success: it has been possible to stop some housing evictions; round tables with popular participation have been created to solve the housing problem; energy poverty has been combated effectively (for now); the supply of water to households has been guaranteed; some speculative real estate and town planning operations have been stopped; there have been concrete experiences of drawing up the budget with popular participation; new cultural activities of general interest are being encouraged. Starting from the municipalities, the initiative of welcoming those exiled by nearby wars (refugees) has been taken... but all this is still very little. It is only 100 days since left municipal authorities were established in indebted cities. We'll talk about it again in four years.

In the case of the autonomous parliaments - from a position of opposition, because Podemos does not govern in any community - some progress in the fight against the corruption of PP has been made; also for the recognition of the rights of gays and lesbians, as well as proposing new laws - not yet approved - for a change in methods of production that both respects the environment and creates jobs. It should be noted that the Autonomous Community of Valencia - governed by a coalition of the PSOE and a regionalist left coalition, Compromís - has reintroduced universal access to health care. The PP government denied medical care to undocumented migrants. The Constitutional Court, appealed to by the central government of Rajoy, announced a few days ago a binding judgment forcing the government to repeal this measure.

**The leaders of Podemos often refer to Latin American populism, identifying with Ernesto Laclau. They claim that we must overcome the left-right divisions and those between classes. What should be the attitude of the radical left in the twenty-first century faced with these new ideas? Provided that they are new...**

To transfer "Bolivarian" policy recipes that are specific to the Andean countries of Latin America (or to Venezuela and Argentina) to a European country is not appropriate because the societies, their class composition, the structure of oligarchic power, etc., are very different. To transfer the political philosophy that has served as an intellectual alibi for the Kirchners to our reality prevents the advance and consolidation of socialist consciousness among the masses. The ideas of Laclau were actually born as a result of a failed project, the Peronism of Peron. The political discourse of Laclau is complex and has very interesting aspects that give food for thought. But it leads to an overestimation of the role of discourse itself as an element for the transformation of reality. It attempts to create an amorphous interclassist political subject and consequently ambiguous profiles. It allocates a secondary role to the autonomous and self-organized social movement of the subordinate classes and, of course, it does not take account of its autonomous struggle, a struggle which is subordinated to the political work of minorities who are dedicated to politics. It therefore relativizes the political programme - proposals appear or disappear as a matter of expedience when it is a question of winning support - and leads to the absence of an emancipatory project.

Basically, for Laclau, the state is neutral in social conflicts, which is why what is important is to get into government and govern, without the need to change, transform the institution in a confrontational manner or destroy it. It is simply a question of establishing new alliances with some of the institutional elites or replacing them. That is to say, the political conclusions of Laclau's thought, beyond philosophical word games, elude the conflict of classes, hide it, mystify it and take us far from the possibility of radical social change. This can serve as a manoeuvre of distraction in social and political confrontation.

[1] According to Eurostat data, dated November 13, 2015, growth in the third quarter of 2015, compared to the same quarter of 2014, is 3.4 per cent; compared to the two preceding quarters - in volume and corrected for seasonal variations - growth in the third quarter of 2015 is estimated at 0.8 per cent, compared with 0.9 per cent and one per cent in the first two quarters of 2015

[2] in 2014, Spain had 65 million tourists; in 2015 the ceiling of 68 million tourists – from, among other countries, Germany, France and the United Kingdom - should be reached

[3] In a report published in June 2015, Amnesty International reported that there had been nearly 600,000 housing evictions since 2008 and that in Spain social housing, in all its forms, comprised 1.1 per cent of all housing (as against over 30 per cent in the Netherlands and 17 per cent in France). The public housing budget has been cut in half. A 2011 official report - the latest one - indicates that there are 3.44 million empty homes in Spain (which represents 30 per cent of all vacant housing in Europe). Other articles give a lower figure, which reflects the changes since 2011: 1.4 million. In the Autonomous Communities of Madrid and Catalonia, the rate of vacant housing is over 9 per cent and over 11 per cent respectively. Finally, SAREB, a "bad bank" (that, a structure which buys and isolates risky assets to avoid bankruptcy, in this case of the banks, and to socialize losses, in one form or another) created in 2012, has recovered more than 80,000 homes.

[4] The term "espagnolist" is used pejoratively, especially by the non-Spanish nationalities, to characterize the ideology and supporters of a strongly centralized Spanish state

[5] The Spanish state is divided into 17 autonomous communities, to which must be added the two enclaves of Ceuta and Melilla and the Canary Islands: each autonomous community has its own parliament, its Executive, fiscal and educational privileges.