

UNIDAS PODEMOS STAKES EVERYTHING ON A SOCIAL SOLUTION TO THE CORONAVIRUS CRISIS.

The first coalition government in democratic times faces its biggest challenge yet: how to respond to the pandemic? • The executive has launched social measures to ensure that “the burden of the crisis is not borne by the usual suspects” • The clashes between Spanish government ministers echo a broader controversy: the need for state intervention vs. neoliberal orthodoxy.



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It analyses the response of the recently formed Spanish coalition government to the crisis caused by the COVID-19 pandemic.
The speed at which events are developing means that it will require updating, continuing or extending in a few days' time.*

Suddenly, the world came to a standstill. The COVID-19 pandemic has produced a catharsis that is global in dimension. In just a few weeks, the epidemic that began in Wuhan, China, has spread around the world and given rise to one of the biggest crises in recent history. This is a cathartic moment. Once it has passed, the world will never be the same again.

It is just as impossible to imagine the ways in which our societies will change as it is to envisage the new landscape hovering into view. The prevailing economic, political and social system is under immense strain. Ideological and political disputes are becoming more condensed, as political theory attempts to create new outlooks and praxis seeks to identify the path leading to them in response to the gaping void of the unknown. Nothing is set in stone. The progression of the pandemic is unpredictable, the healthcare emergency is worsening, the economic repercussions are yet to be measured, the policy responses are muddled and the social reactions are impossible to predict.

With every day that passes, it becomes clearer that the pandemic will also have a significant geopolitical impact. The trade war between China and the United States, which was gradually reaching resolution, has intensified in this global state of emergency. China appears to have surmounted the health crisis and has now launched a diplomatic initiative to assist the most badly affected countries.

In Europe, both Italy and Spain engage in bilateral relations with the Asian colossus, which provides them with healthcare support in the shape of materials and personnel. The strained relationship between them is exacerbated by the countries' very different cultures and by markets on the brink of implosion, teeming with cowboy operators. Coronavirus arrived later in the United States than it did in Asia and Europe, but the virus is already hitting the country hard and the situation could become much more serious. The public health system in the United States is weak and the virus could devastate the North American working classes. A lack of protection for workers will only worsen the situation. Meanwhile, public recriminations between the two global powers, the United States and China, heighten the tension. The geopolitical row continues as deaths caused by the pandemic rise exponentially.

Once again, the European Union has been slow to develop a coordinated response to the crisis. Proof of this lies in the closure of borders and the different strategies put in place by each member state to control the problem, despite calls for a coordinated approach that is yet to emerge. Coordination from Brussels has been limited to the purchase of debt totalling 750 billion euros by the European Central Bank to soothe the stock markets and risk premiums.

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Pedro Sánchez, president of the Government of Spain (Photo: La Moncloa)

Recent statements by Pedro Sánchez, the Prime Minister of Spain, point to a European Marshall Plan and the introduction of coronabonds to enable public spending once the epidemic has passed. Sánchez, the President of the French Republic, Emmanuel Macron, and the Italian president Giuseppe Conte are leading a group of countries calling for the eurobonds to be issued in a letter also signed by Sophie Wilmès, Prime Minister of Belgium, Kyriakos Mitsotakis, Prime Minister of Greece, Leo Varadkar, Ireland's head of state, Xavier Bettel, Prime

Minister of Luxemburg, António Costa, Prime Minister of Portugal, and Janez Janša, Prime Minister of Slovenia.

The negative response from Germany's Angela Merkel and Holland's Mark Rutte has left the European Union and its institutions in an awkward position. Disputes between EU member states have been met with silence from the supranational institutions. There are echoes of 2008, when the response to the economic crisis was based on indebting the poorest countries and cutting social rights and freedoms across southern Europe. Spain, Italy, Portugal and, once again, Greece will struggle to defend their pro-European stance to their tragedy-stricken populations unless the north pushes for a joint post-crisis reconstruction programme.

Nation states are asserting themselves against supranational and suprastate structures. In March 2020, the Chinese model has been something of a mirage: a strong state, a focus on the public sector as a means to resolve the crisis, social discipline in response to government orders, and monitoring of internet use and messaging both within and beyond China. In the immediate future, the debate will focus on the dichotomy between security and liberty and on how the two may be reconciled. The outcome of this debate will depend largely on the geopolitical reorganisation of the post-pandemic world.

Unlike the Chinese model of unified action to counter the pandemic, leaders in Europe have been unable to standardise their narratives and speak as one. In Spain more specifically, dissenting politicians criticise the government's handling of the crisis at every opportunity while certain political parties and regional leaders take advantage of the situation to obtain partisan gains.

The markets have also proved toothless at this time of crisis. As the epidemic gained strength, the collapse of the international stock markets showed that financial and speculative capitalism is weak and ineffective in periods of disaster, instability or profound change. Until now, the response to the crisis has come from the public sector. The private sector has bolted, just like it did at the nursing homes in Madrid, where elderly people were abandoned and left to perish. States appear to be regaining their sovereignty. Public authorities are compensating for the excesses produced by skittish markets and the poor capacity for coordinated responses displayed by supranational institutions.



Ibex 35 price chart. (Photo: EFE)

The federal model of the state in critical condition

Due to the plurinational, federalist nature of the Spanish state, the coronavirus crisis and declaration of the state of alert has caused power to be concentrated in a single authority, the state government, or, more specifically, the Ministry of Health as the crisis management hub, overseen by Moncloa, the Presidency of the Government. Once again, sovereignty lies in the nation state or the state government, leaving the autonomous communities with little decision-making power at this time. In a country like Spain with such deeply rooted regional tensions, the trend of centralising power in the national government and the increasingly prominent role played by the Army is sure to have political repercussions.

Indeed, in recent days, certain autonomous governments have enacted their opposition to the government. The President of the Generalitat, Joaquim Torra, expressed harsh criticism of Sánchez for failing to lock down Catalonia and the Community of Madrid, the regions worst hit by the epidemic, from the start. Catalonia and the Basque Country have been unremitting in their criticism of the decree imposing the state of alert due to the fact that it recentralises jurisdiction over regional police forces to the Interior Minister, for example. The Catalan conflict has taken centre stage in Spanish politics in recent years. Despite being sidelined by the recent health crisis, it resurges with every decision affecting Catalonia that is made by the government, remaining present at all times.

It is striking, however, that the Lehendakari of the Basque Country, Íñigo Urkullu, has also expressed his opposition to this recentralisation despite initially closing ranks with the Spanish government. This is no time for criticism; the priority is action. The Basque and Galician elections were scheduled for 4th April but have been postponed by several months, with no new date yet set. Discord with the Spanish government emerged later, on 28th March, when Sánchez announced stricter measures to halt work-related activity and impose confinement upon the population. Torra applauded the measure, which Catalonia had been demanding from the start, but Lehendakari Urkullu, from the conservative Basque nationalist party PNV, condemned Sánchez's decision.

Meanwhile, true opposition to Sánchez is coming from several autonomous communities governed by the PP. The right-wing and far-right governments of Murcia, and the Community of Madrid especially, have criticised every step taken by the coalition government. The President of the Community of Madrid, Isabel Díaz Ayuso, is the frontrunner in the race to become leader of the symbolic opposition to Sánchez during this crisis.



Isabel Díaz Ayuso, president of the Community of Madrid (Photo: Comunidad de Madrid)

Self-isolating since she tested positive for COVID-19, she has stirred conflict with the Spanish government on a daily basis in her social media posts and television appearances. She has complained about the handling of international purchases of medical supplies and protective equipment for healthcare professionals, yet the planes which were meant to be bringing supplies purchased by the autonomous government of Madrid from China have been missing in action for several days.

But let's return to the coalition government. This exceptional point in time, this cathartic situation that threatens to transform our way of life and personal, social and political relationships, has caught the Spanish state in the midst of an innovative political experiment in terms of the composition of the government. For the first time since the Second Republic, before the forty years of Francisco Franco's National-Catholic dictatorship, Spain has a coalition government. That is, a government comprising more than one party. It is also the first time since then that communist ministers and representatives to the left of the PSOE have sat on the Council of Ministers. This progressive coalition government has been forced to abandon its political agenda in order to address an unexpected, extremely grave crisis.

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The government reaction to the pandemic

The COVID-19 crisis has hit Spain during an unprecedented period of political innovation. The coalition government made up of PSOE and Unidas Podemos is still very young, yet it is already facing the greatest possible challenge: surmounting an extremely serious health crisis before alleviating the devastating economic effects of the epidemic, which will exacerbate the impact of the contracting of the Spanish, European and global economies observed in the preceding months. This is a particularly important time for Unidas Podemos, who were keen to enter government to ensure that “the burden of the crisis is not borne by the usual suspects”. The crisis has arrived sooner than expected and its dimensions are infinitely larger.

Sánchez was sworn into office at the Congress of Deputies only weeks ago, on 8th January. The government took office five days later, on 13th January. Ministers were just beginning work in their respective roles. Two months later, on 14th March, the Council of Ministers decreed a state of alert lasting for fifteen days, which has since been extended by another fifteen days to 11th April. With this measure, the government’s roadmap has been abruptly discontinued. There is only one question on the table now: COVID-19 and its repercussions.

The decree imposing the state of alert on 14th March led to the adoption of exceptional measures focusing on one key goal: stemming the numbers of people infected with the new disease and allocating all necessary resources to treating the sick. That day, the government banned all non-essential trips and allowed the population to leave home only to purchase food, medicine or basic necessities. Despite these measures, there was no ban on non-essential work. That measure came later, on 29th March, when the Ministry of Labour implemented a new scheme of paid recoverable leave. A list of essential professions was drawn up, showing the workers who would be permitted to travel to work from 30th March to 9th April, in order to reinforce the confinement.

To return to the state of alert declared on 14th March, the decree encouraged remote working, specifying in relation to employment that “public and private employers will be obliged to implement measures to allow their employees to conduct their work remotely wherever possible”. The state of alert allows a whole series of other measures to be taken, including militarising public life, state control of factories and requisition of private hospitals for public use; however, it does not permit citizens’ fundamental freedoms to be restricted, despite evidence of police officers abusing their power against pedestrians appearing on social media. All shops have been closed, with the exception of those selling food, medication and basic necessities.

However, these measures do not allow the private health system to be nationalised. It continues to be privately owned, but the Department of Health in each autonomous community may require the release of material resources, facilities and personnel from private clinics or hospitals to serve the common interests of the country. Autonomous governments can demand resources from the private health system for use in responding to the pandemic. In the case of the Community of Madrid, whose government is a battering ram of the right and far



Madrid Ice Palace fitted out as a morgue for deaths from COVID-19

right, the initial strategy was to make hotel rooms available to the health system while shying away from demanding the same of private hospitals and clinics. This is particularly striking, given that the region's hospitals are among the most saturated in the country.

Implementing social safeguards in response to COVID-19

The declaration of the state of alert was made on Saturday 14th March. Prior to this, the Council of Ministers had met on 12th March and adopted a series of public health measures aimed at curbing the epidemic, as well as economic and social initiatives to mitigate the effects of the crisis. The Ministry of Health was allocated an extra billion euros via the contingency fund to allow it to meet the exceptional financial demands placed on the health system, while 2.8 billion euros in payments on account were made to the autonomous communities to boost their medical and social resources.

Meanwhile, sick leave taken by people suffering from coronavirus will be considered as an occupational accident and a series of policies have been introduced to assist families, companies and SMEs. The government is providing the autonomous communities with 25 million euros in specific resources so that they can issue lunch vouchers to vulnerable children, ensuring that their fundamental right to food is fulfilled.

With regard to self-employed people and SMEs, deadlines for tax payments were relaxed for a six-month period, up to 14 billion euros of liquidity were injected and a specific line of credit totalling 400 million euros was opened up via the Official Credit Institute to meet the liquidity needs of companies and self-employed people in the tourism sector and other sectors which are particularly affected by the current situation.

On 17th March, the government approved a new decree containing measures to attempt to mitigate the dramatic effects of the crisis. The tensions within the executive itself were already apparent, owing to different political and economic sensibilities. Some members were in favour of flouting the spending controls imposed by Brussels, while others preferred to comply with the austerity rules in the belief that this would have a lesser impact and facilitate the subsequent recovery. While these tensions may initially have been attributed to the differences between the two coalition parties, PSOE and Unidas Podemos, it soon became clear that this was not the case. Socialist members of the Council of Ministers also opposed the pro-austerity stance taken by the Minister of Economic Affairs and Digital Transformation, Nadia Calviño, who was supported throughout by the Minister of Finance, María Jesús Montero. The economic ministers fear that the country will be plunged into debt following the pandemic.

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Despite attempts by the two economic ministries in the Spanish government to put a stop to measures aimed at increasing public spending, they are unlikely to succeed in doing more than postponing them in light of the present circumstances. Since the 2008 crisis, the Ministry of Finance

has strictly monitored public spending by other Spanish public authorities, such as autonomous governments and city councils. On 21st March, Ursula von der Leyen herself announced the suspension of the Stability and Growth Pact on behalf of the European Commission, prompting the Minister of Finance to lift the strict controls on other Spanish public authorities to allow them to tackle the pandemic using all the resources available to them.

We will return to the debates taking place within the government later. The ideological conflicts raging within the Council of Ministers reflect the political trends which are emerging around the world in response to the pandemic. Even Donald Trump is adopting measures to allow the public sector to intervene in the markets. Or at least, he pretends to do so before later going back on his word.

Before we begin to analyse the debate occurring within the government, it is important to note the measures adopted on 17th March. Among them were a number of initiatives to assist vulnerable families. Six hundred million euros were allocated to funding basic services to be delivered by Social Services in the autonomous communities and by local authorities, with a particular focus on healthcare for elderly people, dependant adults and vulnerable groups. Of these 600 million euros, 300 million have been paid into a special contingency fund to improve care for elderly people, homeless people, people in nursing homes and dependant adults. This initiative is coordinated by the Deputy Prime Minister and Minister of Social Rights and 2030 Agenda, Pablo Iglesias, the leader of Podemos, who may also call upon the Army to assist with this work.

The other 300 million euros is to be used to relax spending limits so that city councils can use their surplus if they invest it in social care expenditure. In addition, electricity and water supplies and telecommunications services have been guaranteed for the most vulnerable in society by placing a ban on companies cutting off these services. A moratorium on mortgage payments has also been introduced for mortgage holders who are experiencing particular vulnerability after losing part of their income as a result of the crisis. For now, there has been no move to apply a similar moratorium or suspension to rental payments. This was one of the demands made by Unidas Podemos within the executive, but it has yet to be implemented. Nonetheless, this is the next big decision facing the government as sentiments are running high on the issue.



#PlanDeChoqueSocial Campaign

Little by little, some of the ideas raised by the most prominent social movements and trade union organisations in response to the looming economic and social catastrophe as the pandemic peaks are beginning to take hold at Moncloa. There has been a striking degree of mobilisation (on social media, of course, as public protests are banned) in favour of a ‘Social Emergency Plan’. One of the key demands is the suspension of rental payments and charges for basic supplies,

as well as of mortgage payments. With regard to employment, there have been calls for dismissals to be forbidden.

The Ministry of Labour and Social Economy, led by Yolanda Díaz, a representative of IU in Galicia En Común, the group Unidas Podemos runs with in Galicia, has introduced a battery of measures in coordination with the Minister of Social Security and Migration, José Luis Escrivá.

To avoid layoffs (EREs), the government has relaxed the use of temporary redundancy measures (ERTEs). All affected workers will therefore be entitled to unemployment benefit even if they do not meet the minimum contribution requirements, and their personal entitlement to this benefit will not be used up during this time. Remote working has also been encouraged by providing funding for companies to purchase computers and allowing employees to reduce their working hours in order to care for dependants, with a reduction of up to 100% of working hours available.

Meanwhile, the requirements for self-employed people to access benefits when they cease trading have been relaxed and those who have lost their work have been exempted from social security contributions. A special allowance to be paid to those who have ceased trading based on different legislation to the normal benefit has also been established. This measure allows a self-employed person to apply for an ERTE for their employees, while also requesting the special allowance for ceasing trading with no requirement to pay social security contributions during this exceptional period.

Workers on permanent seasonal contracts, part-time employees and members of cooperatives will also find it easier to access unemployment benefit. Since they are unable to visit the offices of the public employment service, claimants will have their unemployment benefits extended automatically, while Spanish companies operating in strategic sectors will be bolstered to ensure that their falling share prices in the wake of the pandemic do not make them easy prey for companies from outside the European Union. With regard to investment in science, 30 million euros have been allocated to the Spanish National Research Council (CSIC) and the Carlos III Health Institute for research to develop a vaccine against COVID-19.



UME cleans and disinfects the Virgen del Rocío residence. (Photo: Alberto Díaz)

Another measure adopted by the executive is to bring privately run nursing homes for the elderly under the control of the public health system and social services given the large numbers of people who have been infected and died in these homes. Nursing homes have now been designated as priority sites and the Emergency Military Unit (UME) is authorised to take action in them when asked to do so by the autonomous community. Once the rapid COVID-19 tests purchased by the Spanish government arrive, they will be deployed in nursing homes as a key priority.

In recent days, a number of measures that are more social in scope have been introduced. On 27th March, via the Ministry of Work, the government announced a ban on dismissals caused by the coronavirus crisis. Any dismissals made by companies due to force majeure or on objective economic, technical, organisational or production grounds as a result of the impact of the pandemic will be null and void.

Moreover, on Sunday 29th March, the Council of Ministers tightened the confinement measures which had been announced by the Prime Minister in his television appearance the night before. Whereas the declaration of the state of alert two weeks earlier encouraged remote working but did not ban professional activity from continuing in non-essential sectors, the new restrictions implemented this measure, which will be in place from Monday 30th March to Wednesday 8th April, a total of eight working days. Given that Easter weekend falls on 9th-12th April, the heightened confinement measures are set to end on Sunday 12th April.

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With the aim of stemming the spread of the virus at a time when numbers of deaths are rising steeply and hospitals and ICUs are on the brink of collapse, the list of essential jobs has been narrowed down. As part of this measure, a new form of ‘paid recoverable leave’ has been introduced, whereby no work may be carried out in non-essential sectors until after 12th April but employees will continue to be paid. They must make up these hours before 31st December this year. The way in which workers will make up the hours owed to their employers will be negotiated by the trade unions, which have become key players in Díaz's Ministry of Work. The minister comes from a family of trade unionists.

A coalition government to handle the crisis

Some of the debates taking place in the Council of Ministers have made their way into public opinion via media reports. It appears that there are three main schools of thought in the government based on the preferred approach to tackling the health crisis and enabling economic and social recovery once the epidemic is over. Some ministers, including Calviño and Montero, are inclined to adhere to the status quo on spending rules. Ministers from Unidas Podemos and other socialists are in favour of increasing the country's debt in order to introduce far-reaching social safeguards after the crisis, followed by Keynesian measures rooted in social democracy. Meanwhile, Prime Minister Sánchez listens and lets himself be swayed by the different camps depending on the matter at hand.

The first coalition government of this phase in Spain's political history is made up of more than two parties. Unidas Podemos is a coalition of several left-wing parties, including the main party, Podemos, which has two ministers in the executive, Pablo Iglesias as Deputy Prime Minister and Minister of Social Rights and 2030 Agenda and Irene Montero as Minister of Equality. Izquierda Unida has one minister, Alberto Garzón, as Minister of Consumer Affairs. The current Minister of Labour and Social Economy, Yolanda Díaz, is also an IU activist as a member of Galicia En Común, the coalition with which Unidas Podemos runs for elections in Galicia. Then there is En Comú Podem, the Catalan coalition, which is represented in the executive by the Minister of Universities, the reputed, independent intellectual Manuel Castells.

As for the socialists, as well as Prime Minister Sánchez, the PSOE has three deputy prime ministers: Carmen Calvo, Deputy Prime Minister and Minister of the Presidency and Relations with the Cortes; Nadia Calviño, Minister of Economic Affairs and Digital Transformation and Teresa Ribera, Minister for the Ecological Transition and Demographic Challenge, who operates as an independent and belongs to no party. It is also relevant to note that the Minister of Health, Salvador Illa, is a member of the PSC, the PSOE's sister party in Catalonia.

Other independents working with the PSOE are the Minister of Foreign Affairs, European Union and Cooperation and the Minister of Inclusion, Social Security and Migration, José Luis Escrivá. In addition, the PSOE has fielded ministers such as the Minister of Finance and spokesperson for the government, the Minister of Justice, the Minister of Defence, the Minister of the Interior, the Minister of Transport, Mobility and Urban Agenda, the Minister of Industry, Trade and Tourism, the Minister of Agriculture, Fisheries and Food, the Minister of Education and Vocational Training, the Minister of Science and Innovation, the Minister of Territorial Policy and Civil Service and the Minister of Culture and Sport.



Coronavirus Technical Management Committee 24/02/20 (Photo: La Moncloa)

With the declaration of the state of alert, the Ministry of Health was given priority over the other ministries, followed by the Ministries of Defence, Interior and Transport. Alongside Prime Minister Sánchez, these four ministers have risen to the challenge of leading the country through this emergency. The deputy prime ministers also play a key role, albeit a secondary one. Initially, it appeared that Sánchez was only putting socialist ministers in charge, but two pieces of news demonstrate

that the prime minister continues to trust in Iglesias' work: the leader of Podemos has joined the committee of the National Intelligence Centre (CNI) and is also coordinating social services across autonomous communities. He is even able to call on the Army for assistance where necessary.

The debate: neoliberal orthodoxy or public spending?

It is important to understand the composition of the coalition government in order to grasp the debates taking place within it in recent days. The ministers most reticent to the introduction of social safeguards are Calviño, the Minister of Economic Affairs, and Montero, the Minister of Finance. Deputy Prime Minister Calvo and the Minister of the Interior are also rather cautious. However, other PSOE ministers are strongly in favour of increasing public spending as much as necessary during the crisis. This is the case of the Minister of Social Security, Escrivá, as we mentioned earlier, but also of the Ministers of Transport, Ecological Transition and Industry. Escrivá joined the executive several weeks ago as an advocate of pro-austerity policies after presiding over the Independent Authority for Fiscal Responsibility. His actions since then have come as quite a surprise.

Needless to say, the ministers from Unidas Podemos are keen to implement as many social measures as possible. On this matter, Iglesias argues that lessons must be learned from the mistakes of 2008, when the economic crisis ended with higher levels of inequality than before. Unidas Podemos maintains that “the burden of the crisis must not be borne by the usual suspects” and that “nobody must be left behind” this time. In Iglesias' words, if social safeguards are not put in place to protect the most vulnerable in society, the far right may step into the breach in the aftermath of the COVID-19 pandemic.

It is striking to observe the way in which social movements are taking to social media to call for different social measures to those implemented by the government. Unidas Podemos, which has always boasted of being a political force with one foot in the institutions and another in the streets, seems to be listening to them. This section of the government remains in close contact with social movements. Earlier in this essay, we mentioned the ‘Social Emergency Plan’ advocated by dozens of collectives. These proposals are helping more left-wing ministers tip the scales towards a social solution to the crisis.

“ If social safeguards are not put in place to protect the most vulnerable in society, the far right may step into the breach in the aftermath of the COVID-19 pandemic.” (Pablo Iglesias)

The intellectual standard of the almost academic debates within the Council of Ministers is very high, demonstrating the excellent skills and qualifications of the majority of its members. On economic matters, reproaches and arguments are regularly exchanged between Garzón for Consumer Affairs and the Minister of Social Security on the one side, and the Ministers of Economic Affairs and Finance on the other. Garzón, the Federal Coordinator of Izquierda Unida and an economist by training, with communist political leanings, has found an ally in the Minister of Social Security with whose help he can counter the more neoliberal proposals made by the economic ministers. Who would have thought such a thing?

In recent days, the media have reported on numerous discrepancies between different sections of the government after these were deliberately leaked by ministers. On 14th March, the debate at the Council of Ministers delayed the Prime Minister’s declaration of the state of alert by several hours. The Minister of Economic Affairs, Calviño, attempted to dissuade him from making the declaration until the very last moment. The ministers from Unidas Podemos stood firm. Sánchez eventually opted to limit the population’s freedom of movement to curb the spread of the epidemic. Calviño, with her neoliberal orthodoxy, argued for as little interference in economic activity as possible but was forced to yield.



Pablo Iglesias and Nadia Calviño in the Congress of Deputies. (Photo: EFE)

Prior to this, Díaz, the Minister of Labour, had already been publicly overruled by the Minister of Finance after writing a guide to the responses to the pandemic to be adopted in the Spanish workplace. The Minister of Labour was one step ahead of events and released the document on 5th March, mentioning the possibility of workers themselves paralysing activity at their companies in the event of non-compliance with the safety protocols introduced to stop the spread of the disease.

Other discrepancies have since emerged. On 17th March, Sánchez announced a public investment package. “I want to send a clear message to our companies and to the market: the Spanish government will provide our business community with all the liquidity it requires to remain operational”, he announced. The government declared that it would mobilise 200 billion euros. Between 150 and 200 billion euros would be offered to companies in the form of loans and guarantee lines to mitigate the damage to the economy as far as possible. These funds would not represent a budgetary cost, as they would be delivered as loans to be returned to the state coffers.

That same day, economic measures totalling 17 billion euros were announced. These would come directly from the government budget and would be used to pay part of the salary costs of struggling businesses, help affected workers and provide an allowance to self-employed people. Criticism rang out from some parts of the left and from social movements: 200 billion was allocated in loans for companies, while only 17 billion had been released as direct assistance for families and small businesses. In addition, the decision was taken to relax temporary redundancy measures to ensure that layoffs were temporary rather than permanent. An allowance for self-employed people who had lost a significant proportion of their income was also approved.

The Calviño doctrine gradually lost ground as the impending catastrophe became apparent. Meanwhile, the bond between Sánchez and Iglesias was strengthened.

The debate on whether or not to approve this ‘social shield’, in the government’s own words, continued into the early hours of the morning at the Council of Ministers. It was marked by constant tension between the orthodoxy of spending rules advocated by Calviño and Montero and proponents of state investment to alleviate the social harm wrought by the crisis. News of measures to increase public spending came from other European countries with less left-leaning governments. The Calviño doctrine gradually lost ground as the impending catastrophe became apparent. Meanwhile, the bond between Sánchez and Iglesias was strengthened.

The next debate will centre on expanding social safeguards. Now that the left wing of the executive has achieved a moratorium on mortgage payments, it will seek to extend the measure to rental payments. The possibility of a citizen’s basic income has also been raised. Many families have lost their source of income and a measure such as this would ensure that they continue to have sufficient liquidity. Calviño is not yet ready to have that conversation.

The Minister of Economic Affairs also maintains that the economy should not be completely paralysed, allowing only essential companies to continue working. Such a measure would entail tightening restrictions on mobility, as we have seen in Italy. Although Calviño is against such a proposal, sections of the government led by Escrivá and the ministers from Unidas Podemos argue that it is a necessary step, pointing to action taken in Italy. Stricter restrictions were gradually applied in the country as the health crisis worsened.

The confinement was reinforced on 29th March, as we mentioned earlier, banning all non-essential work until 12th April and implementing a new scheme of paid recoverable leave which gives trade unions particular bargaining power. A ban on dismissals was also introduced, forcing government ministers in favour of the neoliberal orthodoxy to step back. Yet the debates continue.



Eurogroup decides to rescue Spanish banks. (Photo: EFE)

It has now emerged that Unidas Podemos is calling for a tax on banks to force them to pay back the 65 billion euros from the state bailout during the 2008 crisis. Another proposal that Unidas Podemos is sure to suggest sooner or later is a tax on the richest people in society. But there are other debates pending. The most pressing discussion due to the sheer number of people affected is whether or not to cancel rental payments, as Unidas Podemos would like to do, or

impose a moratorium on them, a measure backed by several PSOE ministers. Another demand from the left wing of the executive is the introduction of a basic income to ensure that the most disadvantaged families continue to receive revenues of some kind. There have also been suggestions of an allowance for domestic workers who have lost their jobs during the crisis. This sector of the workforce, which is mostly staffed by women, tends to work in the underground economy and be deprived of labour rights.

Another demand from the left wing of the executive is the introduction of a basic income to ensure that the most disadvantaged families continue to receive revenues of some kind.

A left-wing narrative in response to the pandemic

Deputy Prime Minister Iglesias, the leader of Podemos, appeared before the public on 19th March. He took the opportunity to announce the measures he will implement in order to bolster the Social Services as a ‘second shield’ to protect Spain from COVID-19. Iglesias will be coordinating Social Services across all autonomous communities in order to help the most vulnerable groups to weather the storm: elderly people and economically disadvantaged individuals and families. In order to do so, he may request assistance from the Armed Forces.

Yet his speech also contained a theoretical digression concerning the future and how to tackle it with a left-wing approach “that leaves nobody behind”. “We must prioritise employment and household economies”, he declared, standing before those sections of the government who continue to view public spending rules as a means to recovery following the crisis.

Podemos is the most plausible political expression to emerge following the previous economic crisis in 2008. The 15M movement took off in 2011 in reaction to the crisis, under the slogan “We are not merchandise in the hands of politicians and bankers”. Three years later, Podemos emerged: a new political formation here to take on ‘the old politics’, the traditional parties and neoliberalism as a prevailing economic expression that prioritises corporate profits over people’s living conditions.

Unlike the political response to the crisis at that time, which was based on economic austerity, Iglesias now advocates “dealing with it in a very different way, using the springs and mechanisms of the state to protect workers”. “We must learn from that experience and strengthen our public services for the future; they are our only safety net”.



Samur worker talking to homeless (Photo: Luis de Vega Hernández / El País)

The stakes are high: we must ensure that the 21st century is free from the horrors of the last.

“We are not only faced with a medical emergency, but also an economic and social one. Nobody must be left without medical care, but nor must they be abandoned economically or socially”, Iglesias argues. The Deputy Prime Minister acknowledges that “we must use every tool we have and spare no effort in tackling this situation”. He is aware of the importance of decisive action in order to see off a looming threat: that amid the climate of fear and instability instilled by the pandemic, the far right, which has been on the rise around the world for the last five years, will take the lead and usher in a world that is substantially worse than the one that came before. The stakes are high: we must ensure that the 21st century is free from the horrors of the last.