

Spanish State: A Podemos Budget? Strategic Outlooks

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Podemos's backing for Spain's Socialist cabinet risks making it a prop to the institutions it once rebelled against. Yet it has also imposed its own stamp on the government's agenda.

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It is perhaps telling of liberals' current disarray that, in a recent newspaper column [1] designed to demonstrate the supposed "resurgence" of political centrism across the West, one of its key British proponents ended up acting as an unwitting cheerleader for its rivals on the Left.

In his *Independent* column last month, Blairite Labour MP Chuka Umunna sought to contrast the "ugly extreme" Left to the successes of the new centrism, citing the case of Spain. He claimed that the bolder, more attractive measures in the recent Spanish budget agreement owe to Pedro Sánchez's center-left Socialist Party (PSOE), which was elected as a minority administration last June. Yet in so doing, he papered over left-wing grouping Unidos Podemos's unmistakable fingerprints on all three of the reforms he highlights in the article.

Umunna's bungled analysis was quickly jumped on [2] by a number of UK [3] and Spanish commentators, raising awareness of Podemos's achievements in a deal which had up to then received scant media coverage outside of Spain. Invoking the budget's proposed 23 percent minimum wage hike [4], "[further] government spending on public services" (including €1.3 billion in unemployment and disability benefits), "a 3 percent tax on big tech companies and a tax on the super-rich," Umunna stumbled on contributions Ione Belarra, one of Podemos's lead negotiators in the budget deal, claimed as "undoubtedly ours."

However, Umunna's article does point to a fundamental danger in this new scenario of cooperation on the Spanish left. An initial 'honeymoon' poll surge, reflected in an October 25 CIS poll that put the PSOE ahead with a ten-point lead, suggests it is the center-left party and not Podemos who have been the main beneficiaries of this new arrangement so far. Pablo Iglesias's formation is now having to confront some of the challenges and paradoxes raised by its decision to back a Sánchez premiership in the vote of no confidence which brought down the previous right-wing Popular Party government.

Since Podemos smashed open Spain's two-party system almost three years ago, the electoral arithmetic has made for a slim chance of any majority force emerging in the country. In adopting something like a "Portuguese model" of left-majority parliamentary co-operation, Podemos is seeking to directly shape policy at a national level. But this maneuver also involves handling a blueprint from one of the few traditional social-democratic parties in Europe that has avoided Pasokification (the

fate of Greece's once-mighty Pasok, which fell from 44 percent to 4.7 percent in five years) or outright annihilation.

Iglesias and the party leadership seem to be betting on a strategy of "co-governance" leading to formal coalition after the next general elections, to be held no later than early 2020. Yet a number of questions surround this emerging "Iberian model" [5] and whether it can continue to develop into a viable anti-austerity alternative, offering Podemos the chance to effect transformative change nationally. Indeed, there are now increasing doubts over whether the budget deal, which still needs to gain final approval from the Spanish parliament, can win the necessary support of Catalan nationalists.

Concrete Gains

Before anything else, it is important to recognize that this budget agreement represents clear gains in a number of policy areas for Unidos Podemos [6]. The minimum wage hike is the largest ever in the history of modern Spain. As well as the €1.3 billion extra for unemployment and disability benefits, around €1 billion is dedicated to science and education, minimum and noncontributory pensions are to be raised by 3 percent, certain rent controls and housing price caps will be introduced, and there will be an equalization of the time granted by legal paternity leave with the break currently afforded to mothers. At Podemos's Autumn University, the head of the party in the European Parliament Miguel Urbán told *Jacobin* the deal's main achievement has been to "halt the wheel of austerity, and to show that it is possible not only to just stop the wheel but to at least begin turning it in the other direction."

The agreement has yielded considerably greater social returns than the putative coalition deal the PSOE had offered center-right Ciudadanos during the electoral deadlock in 2016. Back then, the proposed raise in the minimum salary was only 1 percent (as opposed to the 23 percent hike in the current agreement). At the time Podemos refused to accept the deal, believing the PSOE was trying to subordinate it as part of broad centrist bloc. Belarra told *Jacobin* that: "[although] it was very tough in communicative terms, and we received a lot of blows [from the media], we were right to reject that deal then and — even though our relationship with the PSOE continues to be a difficult one — we're in the right now with this new [budget] deal."

A degree of crisis in the new PSOE government, after two high-profile ministerial resignations since June (with another potentially on the way), has afforded Podemos a significant degree of leverage in negotiating a deal this time around. With the PSOE having no appetite for early elections, according to Belarra "they had to acknowledge us as equal partners." As Podemos MP Txema Guijarro put it: "Sánchez went further not because he is a left-winger — but because he has to ensure that his government survived."

The PSOE's fragile majority hinges on the support of Catalan and Basque nationalists who had backed Sánchez as prime minister primarily in order to oust the Popular Party administration, which had been responsible for the crackdown in Catalonia. Now there are serious doubts about whether these groups will side with the government on the final budget vote (due to take place over the coming months). This is down to the recent decision by state prosecutors to bring to trial detained Catalan leaders on charges of rebellion and the misuse of public funds. Iglesias is now pressuring Sánchez to make a move on the question of political prisoners, betting on the Catalans' willingness to ultimately reach an agreement so as to avoid new elections.

Even if the budget passes, there are clearly limits to the gains: Podemos's leader in Andalucía, and a key figure in the radical Anticapitalista wing of the party, Teresa Rodríguez gave the deal a "six out

of ten” rating [7]. After ten years of regression and austerity, she sees the agreement as an important first step but one which fails to address two key priorities for Podemos: overturning recent labor reforms and regulating an energy sector dominated by large conglomerates. For her, the deal also fails to go far enough in terms of reversing the deep cuts to public health care and education over the last decade.

This points to the fact that Podemos had to accept that Sánchez and the PSOE had no appetite to confront the EU or significantly challenge the Fiscal Compact Treaty, which commits member states to a general budget deficit not exceeding 3 percent of GDP. This budget deal assumes a deficit of 2.2 percent of GDP higher than that which had been previously agreed upon with Brussels. But it is one that Sanchez’s pro-European administration believes should not be met with major objections.

Electoral Hegemony

Yet beyond these limits, the wider dilemma for Podemos is that while both it and the PSOE have been pushed into greater cooperation in recent months, these parties remain rivals struggling for hegemony on the Spanish Left. According to Guijarro, for Podemos “the objective is still the *sorpasso* [overtaking the PSOE] — this is the basic condition for the transformation of our country.” On the opposing side, Sanchez’s strategy is to reduce Podemos to a manageable junior partner below 15 percent in the polls.

Having survived its worst crisis since the return of Spanish democracy in the 1970s — its support nearly halved between the 2008 and 2015 elections — the PSOE’s aim is now to place itself again at the center of Spain’s political regime, building a broad consensus for moderate progressive reform. Yet, as Podemos MP Manolo Monereo noted recently [8], this requires first having to “defeat” Iglesias and his comrades, with PSOE’s position remaining precarious as long as there is “a major force on their left flank [9].”

Without questioning the power and privilege of the country’s oligarchy, Sánchez is aiming to polarize the political field [10] around the opposition between his government and the Spanish right, thus leaving Unidos Podemos very much as a secondary actor. This approach has been particularly effective in terms of emotive symbolic issues such as the planned removal of General Franco’s remains from the basilica at Valle de los Caidos.

This is where the differences open up within Podemos over their exact strategy towards their center-left rival. While the budget agreement has given Podemos renewed momentum, according to party’s radical Anticapitalista wing there is also the danger that it ends up further “legitimizing” the Sánchez government [11]. As Urbán, another leading figure in the Anticapitalista faction, explains, this is not a moment for “euphoria” or self-congratulation, but rather “the polls tell us that so far it is the PSOE who have profited most in electoral terms from the [joint] successes” of recent months.

The October 25 poll from Spain’s Centre for Sociological Research has the PSOE as the country’s largest party [12], on 31.4 percent, compared to Unidos Podemos in fourth place on 17.3 percent. Another recent poll from Metroscope gives the PSOE a more measured, though still substantial, lead of 25.2 percent to its rival’s 17.7 percent.

For Urbán this risk of “subordination” to the Socialist Party has to be countered with a two-pronged strategy. First, the party must closely guard its political independence; he is thus wary of Iglesias’s discourse of co-governing with the PSOE and the idea of “a Portuguese-style coalition.” “Thank heavens we are not in the government and have not taken any cabinet positions.”

“Specific, one-off agreements,” such as the budget deal, are necessary so as to secure further gains for the social majority and to ensure the Right remain out of office. Yet, in a “moment of political polarization across Europe,” what counts electorally for an insurgent force like Podemos is to continue positioning itself as “a clear alternative” to the neoliberal center. In an interview last year with *Jacobin* [13], Urbán pointed towards the electoral success of both La France Insoumise and the Five Star Movement in Italy, which for him have to be seen in terms of their refusal to participate in this type of united front with a moribund center-left. As he put it then: “Mélenchon did not move, did not adapt his campaign to [Hamon’s call for a pact], and in the end was seen as the more credible challenge to [the Establishment].”

In this sense, Urbán believes Podemos must concentrate more “on selling our oppositional work, as we have begun to do better over the last few weeks, saying if there is a 900-euro minimum wage, it is because of Podemos.” Beyond that, the party “needs a clear program which, like Jeremy Corbyn’s, speaks of social and ecological control in strategic sectors” while at the same time confronting the PSOE more robustly on a series of issues (like the monarchy, repealing Spain’s gag laws, and the labor reforms introduced by the Right) that can expose the PSOE’s internal contradictions.

Urbán sees the PSOE as caught between its position as “a party of the regime [of Spain’s elite-managed consensus since its transition to democracy in 1978]” and a party that still has a largely working-class base. Yet heightening tensions around this contradiction cannot merely involve “a parliamentary strategy”; it also requires “being able to work with emerging processes of social organization.” After a three-to-four-year ebb in social mobilization, the Spanish street is beginning to witness greater movement once again with new struggles emerging around precarious labor, women’s rights, and pensions. For Urbán, working towards an accumulation of social forces is the second plank in the strategy Podemos needs:

“If we think that we are simply better parliamentarians than them, we will lose! However, we have something they don’t: social movements ... it is the street which will engage the Socialists’ base, pushing it into open contradiction with its party hierarchy on core issues like labor reforms. We in Podemos have to think how we can encourage such mobilization[s], aiding it without instrumentalizing it.”

Marking the PSOE’s Path

Guijarro, a close ally of Iglesias, agrees that further pressure from below is vital for Podemos to make advances in the coming months. He also acknowledges the risk of subordination, quoting one leading PSOE figure, for whom “the Popular Party is the adversary but Podemos the enemy” to be defeated. Yet Guijarro insists “we cannot simply withdraw from the game. Instead, we have to assume the risk” of engaging with “the PSOE’s margin of action” so as to be better able to determine their future direction. As Iglesias put it at the party’s autumn university [14]:

“You have to construct an alternative to neoliberalism through governing. Politics is not about having the more radical program, but rather is about securing results. Clearly, I would have liked to have obtained more than what is in this agreement but in politics you are not what you put in your program but what you achieve. To confront the extreme Right and [hard-Right Italian interior minister Matteo] Salvini you have to be capable of governing.”

This discourse around co-governing and Iglesias’s recent insistence on a comprehensive coalition deal after the next general election, no matter which party comes out on top, has to be seen in terms of the failure to negotiate a left-wing coalition after the 2015 elections. The breakdown in talks created a wave of disenchantment among voters and was used effectively by the media to smear

Podemos as merely a party of protest. In this respect, for Gujarro part of the importance of recent cooperation with the PSOE is that “it demonstrates Podemos’s ability to reach agreements” and allows the party to better position itself as “a governing force.”

After parental leave in the summer, Iglesias has begun to look increasingly influential in cross-party negotiations — some might even say dominant — particularly over the past couple of weeks since the initial draft budget agreement was negotiated. He has visited leading Catalan and Basque political leaders (some in prison) and has phoned exiled former Catalan President Carles Puigdemont. Despite the cabinet being exclusively made up of PSOE members, right-wing circles have begun to refer to Iglesias as the new government’s “Deputy Prime Minister,” and one Popular Party minister went as far as to label him the “fucking boss” of the new government. His role has been played down in press statements by Sánchez’s camp, and the question of whether the Catalan formations end up backing the budget deal will be a litmus test of sorts as to the real extent of his influence. Whatever the outcome, it appears Iglesias is doing his best to win public opinion over to the idea that he and his party should be at the helm.

Yet for Gujarro, as Podemos moves towards next spring’s local and regional elections, it also has to stress two elements that go beyond this commitment to co-governance, the better to differentiate itself from the PSOE. First, while highlighting its achievements in recent months, Podemos also has to communicate to voters that:

“this is the best possible agreement with the PSOE in power. It is as far as a Socialist-led government can go. If you want more, vote for us! You have to vote for us! Ensure we win so as to introduce a more definitive turn [away from austerity].”

This, again, will be easier if there is increased pressure from the streets amplifying popular demands. But Gujarro believes that “even in the implementation of this agreement” the limits to the PSOE’s commitments to social progress will become obvious.

Secondly, the weakness of the Spain’s institutional regime means the PSOE will also be confronted with more transcendental questions as crises inevitably arise, ones to which they can offer no clear answers given the party’s ties to existing power structures. Gujarro believes these questions will be another key opening for Podemos, referring to the current row surrounding corruption in the monarchy as an example of such an opportunity.

With the PSOE refusing to back an investigation into scandals surrounding former king Juan Carlos de Borbón, as well as the Catalan parliament’s decision to censure the current monarch, Felipe VI, Podemos believe the time is right to force a debate on the future of this institution. Polling data show that a majority of PSOE voters are in favor of a new republic [\[15\]](#) while 71 percent of Spaniards associate the monarchy with either the Right or extreme-right [\[16\]](#). This is a terrain on which Podemos believes it can make advances throughout the coming months.

While recent polls provide some cause for concern, Gujarro remains optimistic, believing the party’s broad electoral base, anchored largely in Spain’s precarious youth, is not accurately represented in projected voting intentions. Indeed, even the CIS poll has Podemos as the largest party among voters under thirty-five.

Yet, although Podemos may thrive in campaign mode once elections are called (as it did in 2015), there is clearly a need to seize the initiative and push on from this budget deal. The agreement, should it pass, represents a “a concrete opportunity to improve [working] people’s lives” according to Belarra and a significant step forward in the context of the new parliamentary disposition. The core challenge now facing Iglesias is to test the limits of Podemos’s current arrangement with the

PSOE, without collapsing it like a house of cards.

P.S.

- “A Podemos Budget?”. Jacobin, 11.08.2018:

<https://www.jacobinmag.com/2018/11/unidos-podemos-pablo-iglesias-psoe>

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Footnotes

[1] <https://www.independent.co.uk/voices/chuka-umunna-centrist-progressive-new-think-tank-theresa-may-corbyn-a8585011.html>

[2] <https://twitter.com/owenjones84/status/1052214001348820993>

[3] <https://jacobinmag.com/2018/10/blair-macron-progressive-centre-chuka-umunna>

[4] https://elpais.com/elpais/2018/10/12/inenglish/1539332885_013808.html

[5] <https://www.lavanguardia.com/politica/20181014/452345718218/espana-italia-union-europea-estrategias.html>

[6] https://elpais.com/politica/2018/10/11/actualidad/1539249459_556549.html

[7] https://www.lasexta.com/programas/sexta-noche/entrevistas/teresa-rodriguez-pondria-un-6-a-l-os-acuerdos-de-gobierno-entre-psoe-y-unidos-podemos_201810145bc27fe70cf29c130f616026.html

[8] <https://www.jacobinmag.com/2017/05/podemos-spain-congress-vistalegre-psoe-ciudadanos>

[9] <https://www.cuartopoder.es/espana/2018/08/14/manolo-monereo-psoe-unidos-podemos-fuerza-marginal/>

[10] <https://www.cuartopoder.es/ideas/2018/07/18/pedro-sanchez-el-otro-populismo/>

[11] <http://www.anticapitalistas.org/comunicados/valoracion-de-anticapitalistas-del-acuerdo-de-lo-s-presupuestos-generales-del-estado-2019/>

[12] <https://www.theguardian.com/world/2018/oct/25/honeymoon-over-for-spain-socialists-as-rivals-seize-on-scandals>

[13] ESSF (article 42162), [Only the Beginning – On European regime's crisis. Podemos & Left Populism. Confrontation rather than Moderation.](#)

[14] <https://www.youtube.com/watch?v=b3NITBTTQ1Q>

[15] https://www.huffingtonpost.es/esther-palomera/la-monarquia-a-debate_a_23572612/

[16] https://www.huffingtonpost.es/2018/10/27/pablo-iglesias-cuando-la-monarquia-solo-represent-a-a-la-derecha-se-ve-claramente-su-agotamiento-historico_a_23573259/