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Spanish Cabinet rolls out new measures to cushion economic blow of coronavirus crisis

Evictions freeze, interest-free microcredits for tenants and financial aid for temporary workers are among the government's new initiatives

Tuesday 31 March 2020, by [El País \(Spain/Espagne\)](#) (Date first published: 31 March 2020).

The Spanish Cabinet on Tuesday 31st March approved a series of economic and social measures following the almost total shutdown of the economy in the wake of the confinement measures introduced to slow the spread of the coronavirus and ease congestion in the country's hospitals.

Government spokesperson María Jesús Montero began a post-Cabinet meeting press conference on Tuesday by saying that today's data on the epidemic indicated that, "with prudence, we are headed in the right direction," and that "we are currently in a moment where the pandemic is stabilizing."

The Spanish Health Ministry on Tuesday announced that a total of 849 people had died from the coronavirus in the last 24 hours, setting a new record for the number of fatalities in a day. The total number of coronavirus deaths in Spain now stands at 8,189. Registered infections have risen to 94,417 after new cases had slowed over the last five days. A total of 5,607 patients have required intensive care treatment, while 19,259 patients have recovered from the Covid-19 disease and have been discharged from hospital.

Despite another record number of deaths, the Spanish government is confident that the confinement measures it has so far introduced are having an effect.

"This government is proud of its people, it is proud of Spain," Montero said on Tuesday. "We will return to normality on a progressive basis."

"But we have to persevere," she continued. "Success depends on all of us correctly observing all of the indications. The home has become a key place in society."

Montero went on to thank all of those who were working to secure much-needed healthcare materials for the fight against the coronavirus. "Yesterday a military plane from China landed [in Spain], bringing with it 14 tons of health material. Today two million masks and 60,000 gowns are due to arrive," she said. "In the next few days more planes with material will arrive."

Economy in hibernation

With regard to the economy, Montero said that Spain would have to move to a "hibernation" stage, with "the reactivation of our production model when all of this is over."

The Cabinet today approved measures for the self-employed that will allow them to suspend payments of their Social Security contributions for six months with no interest, said Nadia Calviño,

Spain's deputy PM and economy minister. In theory, self-employed workers whose activities are affected by the state of alarm are not eligible, as the executive has created a special system for them consisting of a one-month benefit, which can be extended throughout the duration of the emergency situation, and no obligation to make social security payments. Debts that contributors may hold with the Social Security system can also be delayed for a six-month period.

Social protection

Deputy Prime Minister and Social Rights Minister Pablo Iglesias, of the left-wing Unidas Podemos party, also spoke at Tuesday's press conference, saying that people "needed security to deal with this exceptional period," explaining that the decree approved today by the Cabinet would provide that.

Iglesias announced that the government would be freezing evictions of vulnerable members of society for six months, as well as extending current rental contracts that are due to expire for a further six months. The government will also put a microcredit scheme in action, making funds available at 0% interest to people who need help paying their rent. "This can be paid back in six years, a time period that can be extended to 10," he said.

These measures, Iglesias continued, are aimed at landlords who hold one or two properties. "A small proprietor is not the same as a vulture fund, or a large property owner," he continued. "Or a retired couple [whose rental income] complements their pension." Larger landlords and vulture funds would, he explained, have to cut their rents by 50% or restructure them "in order to pitch in."

The Cabinet has also approved a wider mortgage holiday, including for the self-employed who have no activity due to the state of alarm or "those who have suffered significant losses." This measure includes delayed payment on mortgages for commercial premises and offices for the self-employed. The government had already offered a mortgage holiday for employees whose income had fallen due to the crisis or had been made unemployed.

Utilities guaranteed

Iglesias added that basic utilities such as water, electricity and gas would be guaranteed during this exceptional period, and that no one would see any of these services cut off. Also among the measures approved today are new social benefits for anyone who has been left in a vulnerable situation due to being fired or seeing their economic activity reduced.

Temporary workers whose contracts have been terminated due to the state of alarm will receive a €440 payment, while house cleaners who are signed up to the social security system "will also receive a payment, and cannot be forgotten" in this situation, Iglesias said.

The Unidas Podemos leader also referred to the way the government has handled the coronavirus crisis. "We will have done things badly and we will have made mistakes," he said. "But in these decisive hours for our country, we offer our hand to the opposition to defend what belongs to all of us at this historic moment for our homeland, placing a value on the Constitution that protects us all."

Opposition parties have criticized the Socialist Party-Unidas Podemos coalition government for doing too little, too late to combat the coronavirus epidemic in Spain, with the executive of Prime Minister Pedro Sánchez in particular facing censure for not canceling marches throughout Spain for International Women's Day on March 8. Iglesias has also been attacked for breaking quarantine and attending Cabinet meetings in person, despite his wife, Equality Minister Irene Montero, testing positive for the coronavirus.

Earlier on Tuesday, the leader of Spain's far-right Vox party, which is the third-largest group in

Congress, called for Prime Minister Sánchez and Deputy Prime Minister Iglesias to resign, and for the “urgent” formation of a “national emergency government” supported by the PSOE, PP and Vox. He said the move was needed to defeat the coronavirus, and to “save the economic wellbeing and the freedom of Spaniards,” which, he said, were in danger due to the current government.

Gaming restrictions

Other measures approved today by the Cabinet include guaranteed attention for victims of sex trafficking and forced prostitution, as well as alternative accommodation for victims of domestic violence in hotels should the usual network of women’s shelters not have rooms available.

There will also be restrictions on advertising for online gaming during the state of alarm, and the suspension of repayments of consumer loans for anyone who is in a vulnerable economic situation. This will last three months and can be extended if necessary.

P.S.

<https://english.elpais.com/politics/2020-03-31/spanish-cabinet-rolls-out-new-measures-to-cushion-economic-blow-of-coronavirus-crisis.html>

English version by Simon Hunter.