

Poverty, inequality on the rise in Spain as independence vote looms

By James Lerner
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The worsening social crisis in Spain has been virtually ignored in the run-up to the October 1 vote on Catalan independence.

Official Spanish government figures for August show a major increase in unemployment, signaling a slowdown in economic growth and pointing toward a growth in social inequality.

Some 46,000 people joined the ranks of the unemployed in August, ending six months of slightly declining unemployment figures. The number of workers contributing payroll taxes to social security plummeted by 179,000.

The unemployment rate in Spain is 17.8 percent, the second highest in the European Union (EU) after Greece (22.5 percent). The number of young people under 25 without work is 38.6 percent (compared to Greece's 44.4 percent).

The Popular Party (PP) government attributes the increase in unemployment to seasonal factors, namely the end of the tourist season.

"August is a transitional month in which certain summer-related activities end, while sectors that traditionally slow down in the summer, such as construction or industry, have not yet resumed their activity," claimed Tomás Burgos, the secretary of state of social security.

However, the rise in joblessness was the largest in the month of August since 2008, the peak of the global economic crash.

Further, the official unemployment figures are a poor reflection of the real situation facing workers as an ever-larger number, especially the long-term unemployed, are simply dropping out of the labour market and no longer actively seeking work.

One fourth of the unemployed have not had a job for at least four years.

One must add to this those people who have migrated abroad in search of work, who are also removed from the official statistics. From consulate register figures, nearly 2.5 million workers and youth are registered as living outside Spain. There are hundreds of thousands more who do not register.

At the same time, a massive redistribution of wealth and income upwards, towards some of Europe's biggest banks and private fortunes, is intensifying as a direct outcome of the social counter-revolution pursued by both major parties of the Spanish bourgeoisie, PP and the Socialists (PSOE), since the financial crash of 2008.

A report based on a compilation of tax records shows that in just the four years, between 2011 and 2015, the number of rich—those possessing at least €700,000 in assets—increased by no less than 44 percent, some 58,000 people. Around 0.4 percent of the population now own half the wealth in Spain. They have benefitted from the bank bailout, which amounted to €57 billion, of which only four billion has been recovered.

The result of this protracted attack on wages, working conditions and social benefits is that half the households in Spain have incomes below the official poverty level (€8,010 for single-person households and at €16,823 for those with two adults and two children) or are at risk of poverty or social exclusion. The number of workers and youth with incomes less than €6,000 a year has increased by 1.4 million over the last five years to 5.4 million.

The repeated cutbacks and tightening of eligibility conditions between 2012 and 2015 for unemployment and social-welfare assistance has resulted in a drop of no less than 41 percent in total expenditure and a cut of 31 percent in the number of unemployed workers

receiving them.

Ever more households have nearly no source of income apart from grandparents' pensions. These families depend on their elderly relatives for meals, child care and other assistance.

Spain's rising unemployment rate is intersecting with other ongoing ruling class policies that have deepened misery and inequality in Spain.

One of these policies is the use of temporary contracts to maintain a large pool of workers in a precarious state of existence as the disposable instruments of employers. For example, more than 92 percent of the contracts signed in August were temporary. For a broad swathe of the working class, especially young people, a permanent employment contract has become a rarity, almost akin to winning the lottery.

Spain has the third highest rate of temporary employment of all OECD countries, at 26.1 percent of the workforce, behind only Poland and Colombia. For those trapped in the world of temporary work, a contract provides no security, as contract terms have been narrowed down to a few months, a few weeks, or sometimes a few days. One consequence of the increased "precariousness" of work is the 8.4 percent rise in the number of workers who have died in occupational accidents in the first half of this year to 300 compared to 2016.

The effect on children has been devastating. UNICEF recently reported that Spain has the third highest level of child poverty in all of Europe, behind only Romania and Greece. About 40 percent of children were below the official poverty line in 2014, nine points higher than in 2008.

The source of this calamitous decline in the social position of the working class is the breakdown of the post-World War II economic and political order, which has resulted in the growth of nationalism and separatism. In Spain, the two-party system has collapsed, and demands for regional independence increased above all in Catalonia.

The critical issue in these developments is the independent mobilisation of the working class in opposition to the ruling elites in Spain, Catalonia and Europe.

The growth of separatism, expressed in the October 1 Catalan independence referendum, is a retrograde

development that cuts across the critical struggle to unite the working class in opposition to the social counterrevolution being carried out by both Spain and Catalonia under the auspices of the EU.

The striving for Catalan independence is bound up with an attempt by bourgeois and upper middle class layers to exploit their already-privileged economic position in Spain's most prosperous regions. One of their main complaints is that they do not want taxes collected there to subsidise Spain's poorer regions.

The role of pseudo-left organisations such as CUP is to divert social discontent, especially among the youth, into nationalist channels, in the process splitting the Spanish working class against itself and in support of rival factions of the bourgeoisie.

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