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Spain's Prime Minister Pedro Sánchez visits the US as a lackey of the banks

Spanish Prime Minister Pedro Sánchez's recent three-day trip to the United States has yet again made very clear the class interests defended by the Spanish government formed by Sánchez's Socialist Party (PSOE) and his pseudo-left ally, Podemos.

Significantly, Sánchez did not visit the capital, Washington D.C., nor did he publicly meet with Joe Biden or any other official representative of the US government. Instead, he met with investment bankers, hedge fund managers and other major corporate heads. Sánchez was traveling not as a representative of the Spanish people, as is usually presented in the capitalist media but as a lackey in the service of Spain's banks and corporations.



Spain's Prime Minister Pedro Sanchez speaks during a news conference. (AP Photo/Paul White)

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The explicit aim of the trip was to attract investments from large vulture funds and other possible US investors. Using the 140 billion euros Spain expects to receive in European Union (EU) bailout funds in exchange for massive attacks on the working class—pension and labour reforms and austerity—the PSOE-Podemos governments hopes to obtain an additional €500 billion in private investment.

During his visit, Sánchez met with a long list of banks and fund managers: Ares Management Corporation, Bank of America, Blackstone Group, Bank of New York Mellon, Brookfield Asset Management, Roko Capital Management, J.P. Morgan, Catterton Partners, Lone Star Funds, Morgan Stanley, Providence Equity Partners, Soros Fund Management, Wellington Management Group and also the US Chamber of Commerce in Spain.

Sánchez offered all of them guarantees that he will continue his attacks on the working class. In Spain, Podemos promotes the lie that a new labour reform is part of “social measures” to improve working conditions, but in the United States, Sánchez made clear that he intends to escalate attacks on workers.

As *El País* explained, “The Prime Minister explained to them that the labor reform, agreed with Podemos and also negotiated with Brussels, will mean that Spain is moving towards the German model of labor relations, where there is social peace but also flexibility for employers to adapt to circumstances through the use of furlough schemes, without redundancies.”

By German model of labor relations, Sánchez really was talking about the notorious Hartz laws, which created conditions for the emergence of a huge low-wage sector. This in turn served as a lever to smash wages and working conditions, wiping out many thousands of well-paid industrial jobs. The result of the “model” hailed by Sánchez has been an explosion of social inequality. In Germany, there are 136 billionaires and 542,000 millionaires. On the other hand, 13 million people live in poverty, the highest number since German reunification in 1991.

Sánchez boasted to investors that pro-Podemos unions will suppress the class struggle, *El País* added: “Sánchez explained to them that Spain is a country with few strikes, with social peace and constant negotiation between employers and unions.” In other words, the

trade unions play a fundamental role in suppressing the class struggle and working with big business to impose wage cuts, plant closures and pension reforms.”

He also told them not to worry about his government’s new housing law. This was of special interest to these hedge funds: Blackstone is Spain’s largest landlord, with more than 40,000 homes out of the nearly 240,000 managed by hedge funds in Spain, while Lone Star owns around 15,000. Pedro Sánchez made clear that he had no intention of limiting their profits by regulating rents.

This issue affects millions of workers and youth. According the Platform for those Affected by Mortgages (PAH), since 2008 there have been more than one million evictions in Spain.

In addition to the real estate sector, other groups such as J.P. Morgan, Morgan Stanley, Providence or Wellington have strong investments in various sectors such as mobile telephony, energy, banking, food and other sectors in Spain. But it is global investment fund BlackRock that has the largest slice of Spain’s economy, with €17 billion worth of shares in 18 of the 35 companies of the IBEX-35, Spain’s principal stock market index.

BlackRock is the world’s largest asset management corporation, with \$9 trillion in assets under management as of June 2021. It holds stakes in almost all major multinational companies, including Coca-Cola, Microsoft, Monsanto and Apple among others. To understand its size and influence, it is enough to say that if it were a country, it would be the world’s third largest economy by size. Its president and CEO, Larry Fink, is known as “the fixer,” for being the person who “fixes things in the financial market.” Sánchez reportedly held a private, one-on-one meeting with Fink.

Podemos has covered for Sánchez’s visit. Podemos leader and Deputy Prime Minister Yolanda Díaz declared, “I suppose they have talked about taxes,” adding that this is “the only interesting thing about a visit to a large investment fund.” She concluded, “The president has done his job,” then cynically explained, “Investment funds are in the world to make money and governments, especially progressive ones, are there to improve people’s lives.”

Díaz's cynicism has no end. She and her government have done nothing but work tirelessly, with the collaboration of the trade unions, to benefit these investment funds. The examples are many.

Spanish banks laid off 15,000 workers in the first six months of this year, all rubber-stamped by the trade unions and endorsed by Díaz herself. This has allowed the banks to announce last week €4 billion in profits, which will keep BlackRock and the IBEX-35 happy.

The monthly rise in electricity bills that is ruining millions of workers, green lighted by the PSOE-Podemos government, is benefiting large Spanish corporations like Iberdrola. The latest pension reform, signed by the government and trade unions with the employers, opens the way towards the privatization of pensions through company pension plans—in line with the aggressive promotion of these schemes by the hedge funds in Spain and throughout Europe.

These hedge funds have also profited from the herd immunity policy pursued by Madrid and the European Union, prioritising corporate profits over workers' lives. While these firms made billions in profits, the cost in human lives of this policy has been over 100,000 deaths in Spain and over 1.1 million across Europe. Europe is now confronting a new wave under the virulent Delta variant, as capitalist governments across the continent continue to aggressively reopen the economy.

Sánchez's visit to America confirms the warnings that the International Committee of the Fourth International (ICFI) has made about pseudo-left parties like Podemos and their political satellites. Workers cannot expect anything from Sánchez, Podemos, the trade unions or their political satellites. They defend the interests of the billionaires and the big multinationals. The critical question is the struggle to give a political perspective to workers for a struggle against the pseudo-left by forming sections of the ICFI in Spain and throughout Europe.

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