

Real World Economics Discussion CREA

Where to now from Syntagma and Puerta



Crisis in Spain, austerity measures
and the proposals from the
squares

Sol Trumbo Vila

Spain before the crisis

President Zapatero – September 2007

“We have entered in the *Champions League* of the World Economy”

Spain grown above the EU average
for years

8th Biggest World Economy

Record levels of employment

The economic crisis in Spain

Why Spain is hitted specially bad?

Growth dependent on real-state market

Economic competitiveness based on low salaries

Consequences of EU membership

The economic crisis in Spain

Initial reaction of the government in 2008

Guarantee for the Spanish financial sector of €100 billion.

Creation of a fund with €50 billion to inject money to banks in difficulties.

Reduction of taxes for €10 billion.

Investment Plan of €5 billion

The economic crisis in Spain

Austerity measures applied since 2010

Reduction of public sector salaries €4 billion

Reduction of pensions €1.5 billion

Elimination of maternity support €1.5 billion

Reduction of Government investment €6 billion

Extension of retirement age, relaxation of laws
regarding workers protection

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Second level

- Third level

- Fourth level

- Fifth level

**Austerity measures decided by the government
against the will of the population to “calm the
markets”**

The economic crisis in Spain

The situation in Spring 2011

20% Unemployment for more than two years

45% Unemployment between the youth

16.000 evictions between January-march

Corruption among the political class is spread

Reaction of the social movements

15th May 130.000 protesters in 50 cities



- We want a real democracy!
- We are not goods in hands of politicians and bankers!
- They do not represent us!
- This is not a crisis, is a trick!

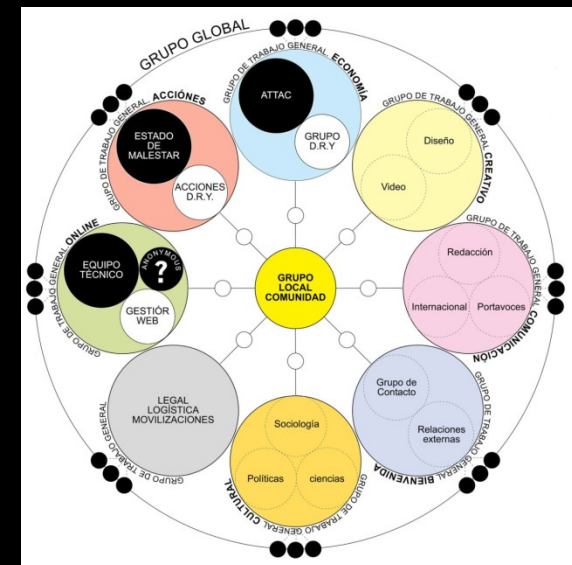
Reaction of the social movements

Taking over of 60 Squares among the country



Reaction of the social movements

Popular Assemblies



Proposals of the Assemblies

Economic open proposals

More efficient and fair taxation system

Democratic control of the economy

New framework of labour relations

Proposals of the Assemblies

More efficient and fair taxation system
Increase progressivity on taxation

but inoperative without:

Fight against fraud: Revenues of €28 billion

Abolishing Tax Heavens: Revenues of €20 billion

Proposals of the Assemblies

Democratic control of the economy

Referendum for any measure imposed by supranational bodies

Stoppage of privatizations

Public control of banking activities

Proposals of the Assemblies

New framework of labour relations

Stoppage of reductions in pension benefits and employment rights

Effectively reducing the work day and working life

Raising minimum wage and regulating wage ceilings

Current challenges

Constitutional change

Public deficit ceiling of 0.4% GDP

Payment of public debt and its interest will have maximum priority

Consequences in case of recession:

- Incapability of expansive economic policies
- Reduction of public services and destruction of welfare state

Last developments

Direct Actions

Tax Heavens: Demonstrations in Suisse banks and Suisse Embassy in Madrid

Austerity measures: Strikes of public workers and occupations of closed public hospitals.

Evictions: Stoppage of 70 evictions. First judicial victories.

Current internal debates

General Elections 20 November

Electoral Spanish Law highly unfair

Internal structures of two main parties undemocratic

Opaque financing structures

Shall we participate in a system that is unfair but gives legitimacy to the ruling political class?

Is not a crisis, it's a trick





Thank you