

The Sovereignty of the Economy and the Subordination of Politics in Spain: Ideological & Political Causes

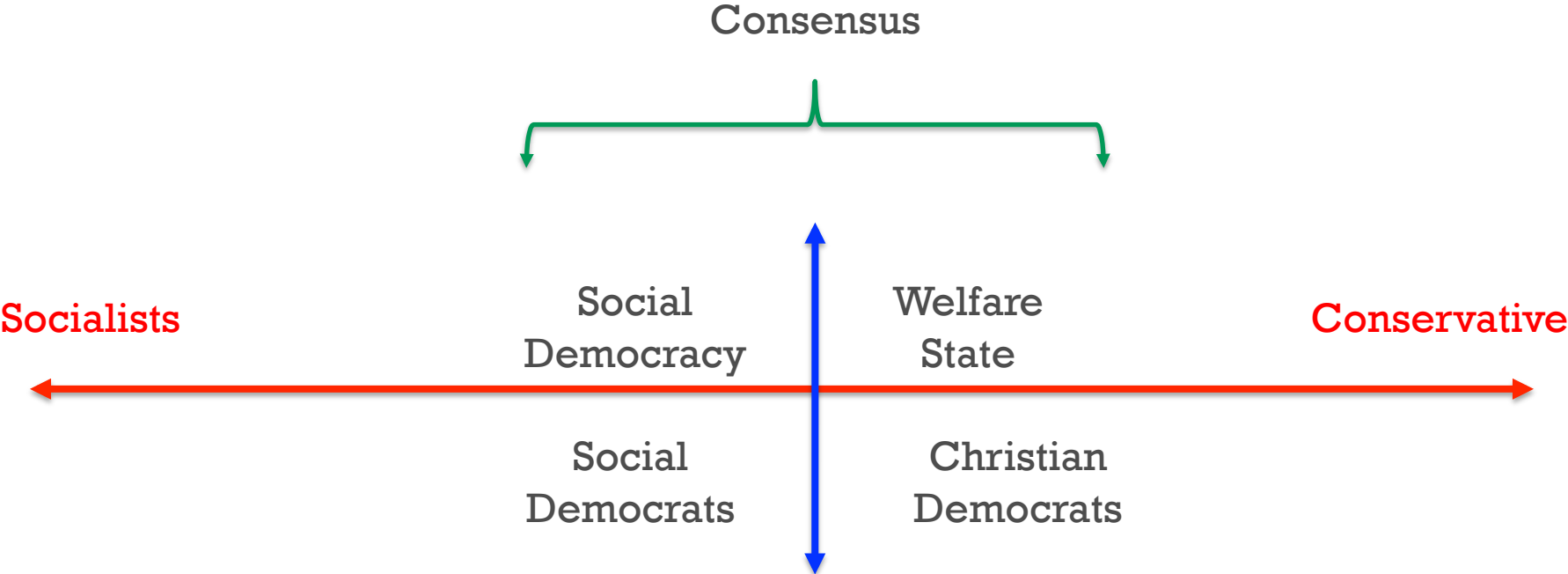
Professor José Luis Alvarez

SASE - June, 2011

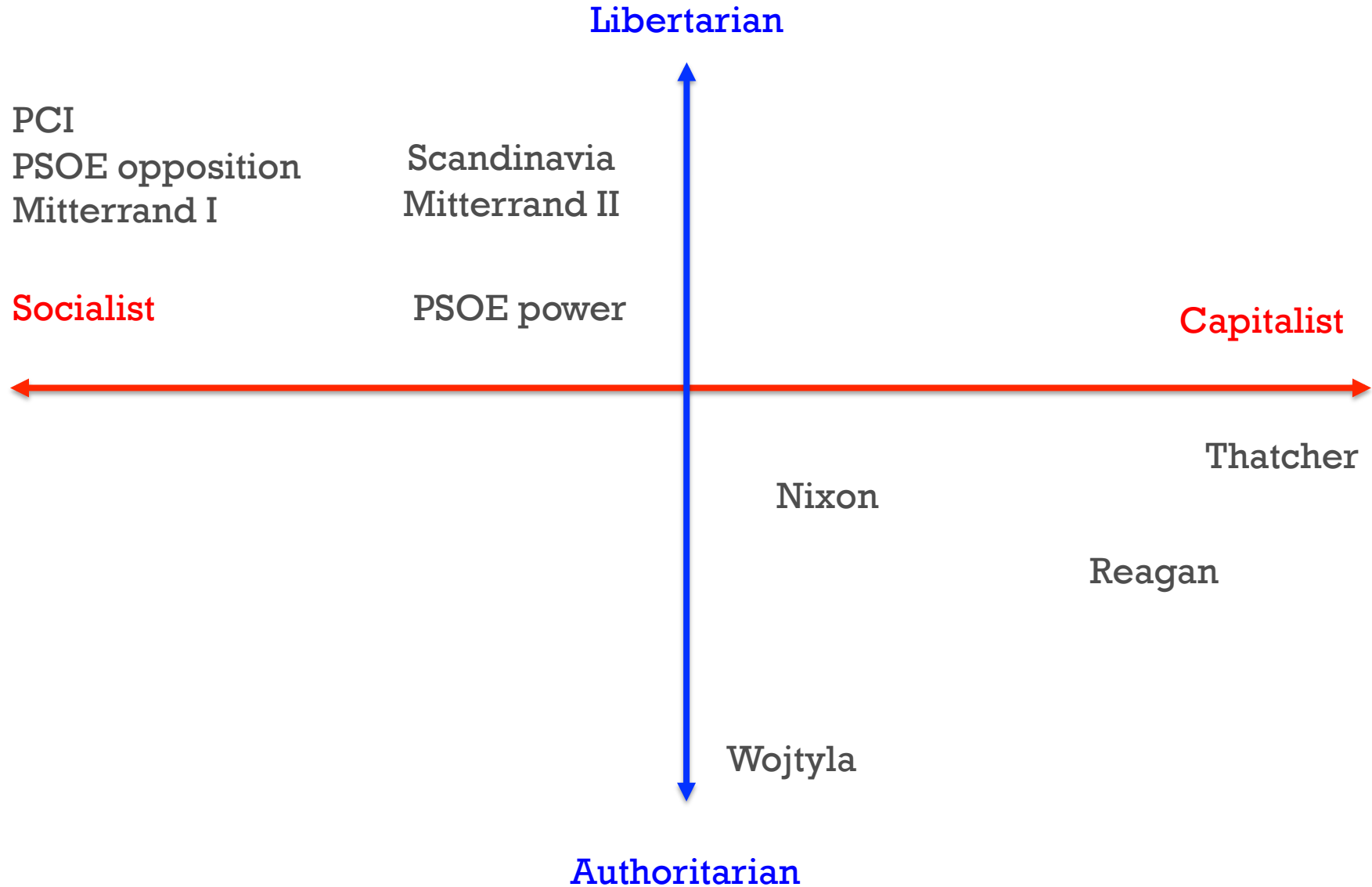
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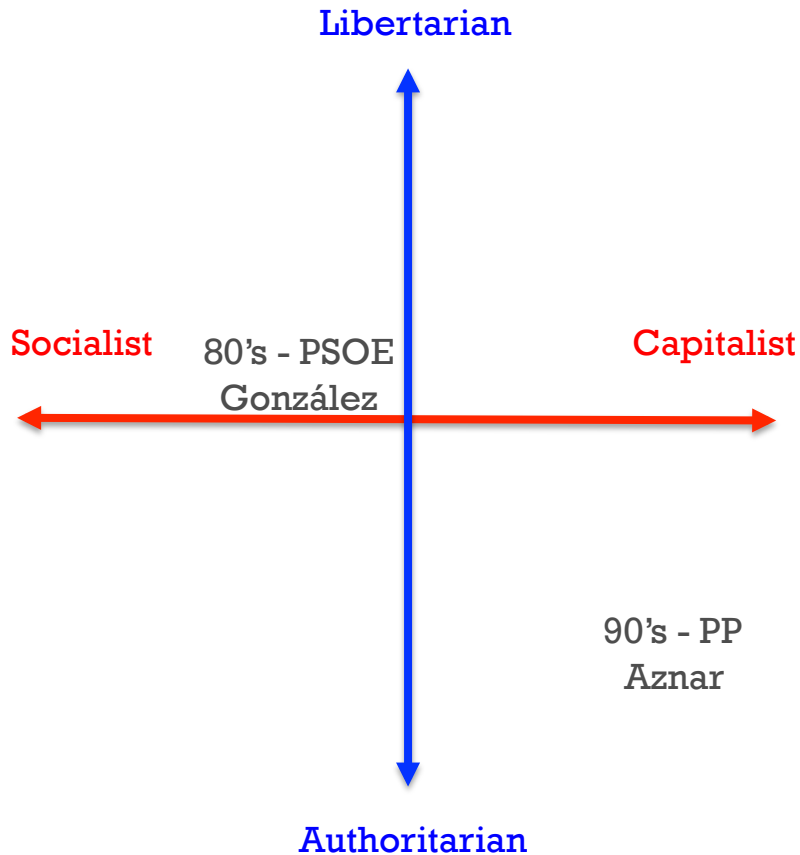
THE GOOD OLD SOCIAL DEMOCRATIC AND MATERIALIST DAYS



FROM MAY 68 TO NIXON, REAGAN & THATCHER



THE 80's & 90's IN SPAIN



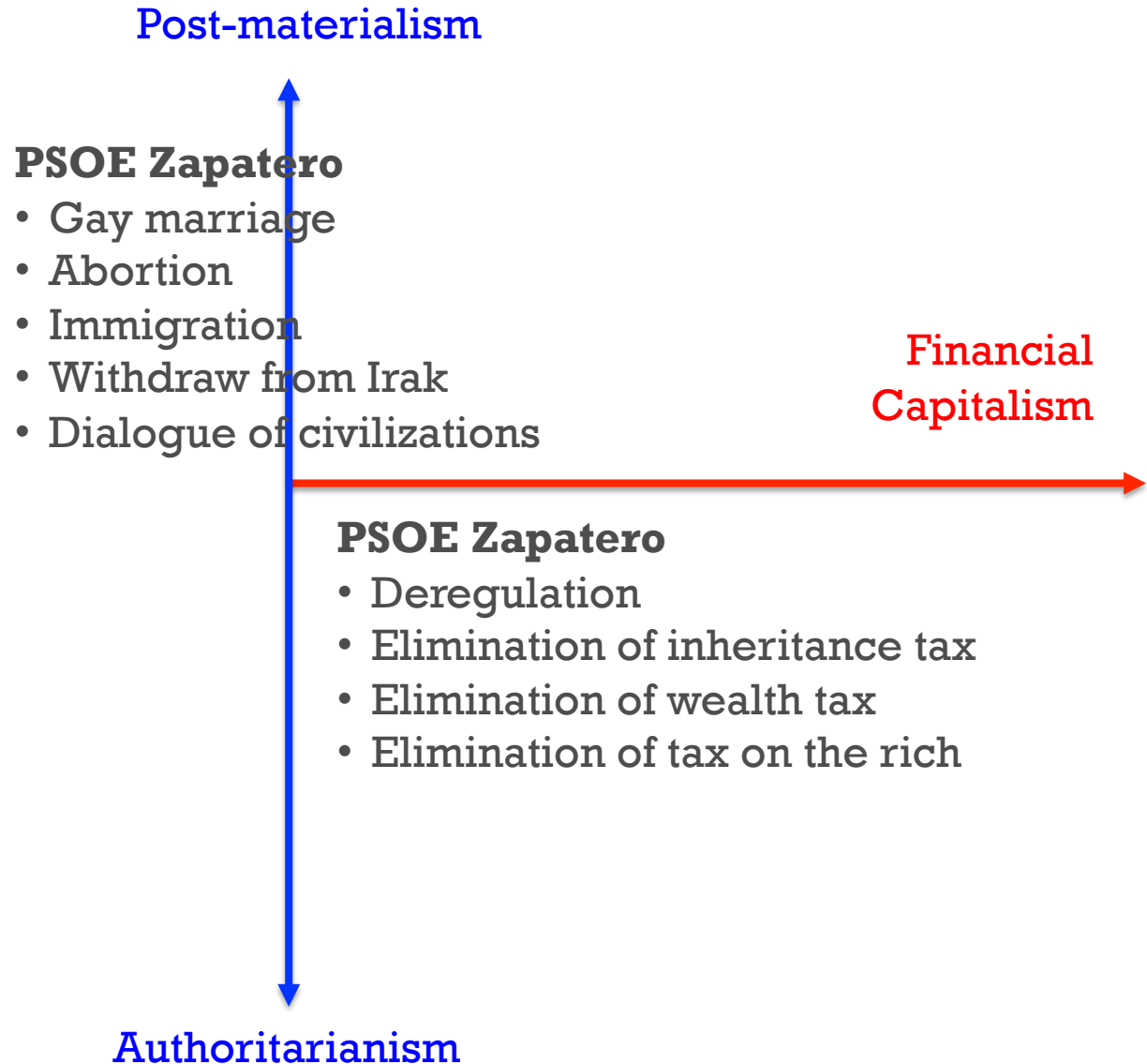
PSOE González 80's

- Privatizations
- Closing obsolete industries
- Expenses in health and education: Social democracy
- Divorce
- Increase in taxes
- Begins losing the middle class

PP Aznar 90's

- Reduction in taxes
- Freeze in government expenses
- Control of salaries
- Privatizations, final round
- Spanish nationalism
- Catholicism in education
- Neo-con
- After the middle class, wins women and retired people

THE HALF DISAPPEARING ACT OF THE LEFT IN THE BOOMING 2000'S



IDUS OF MAY 2010

- Obama **calls** Zapatero
- Merkel & Sarkozy (the European directory) **call** Zapatero
- Zapatero goes to the Spanish Parliament without a narrative:
 - Reduction of civil servants compensation
 - Freeze in pensions
 - Reduction public investment
 - Elimination of economic aid to fertility rate
 - Reduction development aid

THE ABSENCE OF ECONOMICS NARRATIVES

The disappearance of grand progressive narratives makes it difficult to make sense of mezzo or micro narratives

HOW DO YOU NARRATE?

- Europe is semi-economic union (monetary but not fiscal) but not political
- The problem is not the sovereign debt but the net external debt, including private external debt (e.g., by banks)

THURSDAY, June 21 2011

Francisco González, Chairman of BBVA:

“Zapatero is implementing reforms he does not believe in. That is why these reforms are not having good results”

In Europe who governs loses, but the left loses more than the right:

The difference is in having an economic ideology