



Spanish prime minister Pedro Sánchez. EFE

# HOW THE PANDEMIC IS MAGNIFYING SPAIN'S FAILURES

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**T**he coronavirus pandemic has shocked the world as few events in recent times have done, let alone the financial crisis of 2007-2008. The world economy has effectively been brought to a halt, with supply-chains frozen and a total interruption of world aviation. Consequently, lay-offs and bankruptcy calls are happening from day to day, in almost every corner of the capitalist world. Furthermore, the pandemic has amplified the good and bad in governments. Borrowing from the saying that someone's true character is only revealed in extreme

situations, the resilience of nation-states is also tested when things get dire.

To be fair, given the severity and suddenness of the shock, no government has been left unscathed, one way or another. Yet, sadly, Spain is again among the worst performers, if not the worst, taking into account that it currently leads the statistics of deaths per million people, far above the figures of its two neighbours, to take them as a handy benchmark: with 386 cases, it is far above Portugal, with just 52 cases, and even France, with 229.

This hardly comes as a surprise in Catalonia, possibly because things are seen with a less acritical perspective than from Madrid, which gobbles up almost all the public opinion in the country. Spain is once more blatantly failing a big new test, precisely at a time when the governing

left-wing coalition could prove that the state has left behind for good its ghosts of the past. Hitherto, as in recent scenarios, the recipe from Madrid for fighting back against the pandemic has been to stubbornly insist on the sacrosanct unity of the state! Beyond the rhetoric, this has meant that the regions' manoeuvrability has severely been curtailed; paradoxically considering that public health is indeed a competence of the autonomies themselves. This contrasts with Germany, which has pursued a rational dialogue between the federal government and its regions, leaving them with almost full discretion.

Given the factors above, the Spanish strategy, rather than securing the virus in Madrid (since the beginning, the capital has been where the virus has been most severe), has de facto facilitated spreading it to the regions. Accordingly, the government in Madrid repeatedly ignored the Catalan and Basque governments' claims for real autonomy in managing the pandemic at the local level, thus wasting precious time. Perverse as it may seem, the script dictated by Madrid was that the capital was not to be locked down, no matter the cost (including in human lives).

The crude reality is that, due to its everlasting budget imbalances, the Spanish government has very narrow room for manoeuvre to face the economic strains of the pandemic. As explicitly invoked by the EU's fiscally orthodox partners, Spain has not taken advantage of the past 10 years of economic expansion to fix its public accounts, basically by limiting its public spending in-line with the country's means. That has made it especially vulnerable once external shocks appear. Consequently, faced with the dire situation ahead, of unsustainable figures in its accounts (eg, a public debt jumping from the current one of 100% of GDP to beyond 120%), these days the government is gambling big: it is forcing people to go back to work to spur the economy, hoping that the peak of the pandemic is something of the past.

Notwithstanding the moral issue at stake here, given the possible effects in terms of human lives, needless to say, all of this has a high economic risk: in fact, future peaks of people infected could mean an even higher burden on the coffers of the state. Hopefully, within the gloom of the situation, this could be an eye-opener for most people, regarding the necessity that Catalan institutions be no longer at the mercy of an incompetent, unsustainable and unreformable state.