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Spanish corruption

A lot of bad apples

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A wave of arrests upends the political establishment

Nov 8th 2014 | MADRID | From the print edition

JOSÉ ANGEL FERNANDEZ VILLA led the biggest miners' union in northern Spain. Francisco Granados was a key minister in the Madrid region. Catalonia for 23 years. The three men have one thing in common: they all allegedly hid large sums of money in secret foreign bank accounts. The accounts, unveiled during a rash of recent arrests and investigations, are the tip of an iceberg of corruption that now threatens to sink the Spanish political establishment. Until this week the prime minister, Mariano Rajoy, and other mainstream Spanish politicians were sailing blithely towards it. Now they are scrambling for the lifeboats.

Mr Granados was one of 51 people arrested on charges of bribery and embezzlement on October 27th, including six sitting mayors. Most, like Mr Granados, belong to Mr Rajoy's centre-right Popular Party (PP). But the main opposition party, the Socialists, faces corruption scandals too. So do the governing coalition in the region of Catalonia and the country's two largest trade unions, the Unión General de Trabajadores and the Comisiones Obreras.

The PP is the worst sinner. A former interior minister, Angel Acebes, is being probed for his role in a funding scandal that has already sent the party's treasurer, Luis Bárcenas, to jail. Rodrigo Rato, a former finance minister and head of the IMF, allegedly used company credit cards to top up his salary tax-free while he was running a savings bank, Bankia, which the state later bailed out in 2012 at a cost of €22 billion (\$27 billion). Dozens of other officials used Bankia cards too, including not only PP but also Socialist politicians and union bosses. Mr Villa allegedly amassed €1.4m in Swiss bank accounts even as his union's members lost their jobs. Mr Pujol kept his money hidden from the tax authorities while presiding over a foundation that specialised in ethics.

Mr Rajoy has sometimes downplayed Spanish corruption as a matter of a few bad apples, but the wave of arrests has forced him to promise action. "I apologise in the PP's name to all Spaniards," he said in a speech on October 28th. Other parties suddenly sound equally serious. Polls find that Spaniards rank corruption as their second-highest concern, after unemployment. Some also show both the PP and the Socialists falling behind Podemos, a grassroots leftist party that has taken Spanish politics by storm since it was founded in March. Full of enthusiasm but light on policy prescriptions, Podemos condemns the entire political establishment as a self-serving elite which it terms "the caste". It pledges to throw out the lot.

In private, some ministers insist there is no more corruption in Spain than elsewhere. Things are better than in the 1990s, says one, when even the chief of the Civil Guard was on the take. The scandals at least show that the police and the courts take corruption

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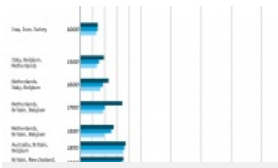
seriously. But on the perceived-corruption index of Transparency International, Spain last year slipped from 30th to 40th place. A civic group based in Madrid, Access Info, claims Spain has been far behind other EU countries in introducing legislation concerning transparency. The country's Public Accounts Tribunal, which audits spending, is plagued by nepotism. The real problem, says Fernando Jiménez of Murcia University, is patronage: regulatory agencies and town halls are staffed by political appointees. Spain will hold municipal, regional and general elections in 2015. Either the political establishment reforms itself, says Mr Jiménez, or voters will be driven to wilder options such as Podemos. It is not clear that this message has got through yet.

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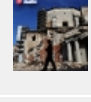
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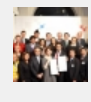
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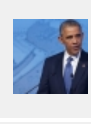
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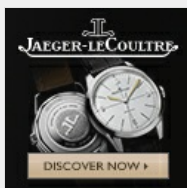
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