



Yes, politics can affect the economy

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A few days ago, the president of the government claimed it was not his fault if inflation had gone up. It is time for our president to understand that his acts –or lack of- have consequences. There are multiple examples of his shoddy foreign policy having produced negative concrete results. They include the United States terminating military contracts with Spain in 2004 and 2007 and banning the sale of airplanes to Venezuela in 2006; Israel discontinuing the purchase of five frigates in 2004; the EU significantly diminishing the funds –which Spain still needs to receive-, due to the dreadful negotiations carried out by the Spanish government in 2006; in 2007, Algeria canceling the Gassi Touil contract with Repsol and Gas Natural as well as threatening to increase gas prices by 20%, etc. Additionally, newly formed friendships with fellows such as Chávez and his minions, who insult and menace Spanish economic interests, not only fail to bring any benefits, but discredit Spain's image abroad.

Until recently, thanks to a healthy, booming economy inherited from the Popular Party, and to his disguise of

“Potential Nobel Peace Prize with perpetual smile”, Mr. Zapatero had enchanted most international media.

Little by little, the veil is lifting, and the truth exposed: the socialist-grasshopper government has been singing away merrily ever since it was elected, and is now unprepared for the winter to come. Unfortunately, Spain is the big loser. Because of the absence of correcting economic measures domestically and a drop in international credibility, foreign investment is decreasing. Confidence is lost and with it, the Spain “brand” is implacably damaged.

Prestigious international media as the *Financial Times* have published statements such as: “The problem is that Mr Zapatero's team has done little (...) to contribute to the economy's health” (April 16, 2007); “After a decade of outperforming the rest of Europe, the weak points in Spain's economy are starting to show” (October 24, 2007); “Nervous investors are rewarding governments that are seen as more fiscally responsible (...) paper sold by

top-rated issuers such as Spain are selling off" (November 9, 2007).

They are not alone. *The Economist* mentions that Spain has more serious stuff to discuss than the historical-memory law since, "construction is beginning to wilt, house prices look set to tumble and inflation is shooting up" and that finally "Mr Zapatero appears to have realised that this is what really matters to Spaniards" (October 31, 2007). *The Wall Street Journal*, in addition to its famous editorial *The Accidental Prime Minister*" (November 25, 2004), published on October 6, 2004, "We really wish that the Spanish government would finally get up from its knees". It now compares the president of the government with the Kaczynski twins of Poland, claims that "at EU summits, Spain is ignored" and "in a matter of days, Mr. Zapatero took Spain from a front-line state to a back-water" (September 11, 2007). *Le Figaro* adds, "on behalf of the "civic socialism" (...) [Spain] is being shaken and

creaks are spreading all over" (October 10, 2007).

Even media generally lenient towards Zapatero government, are not anymore. Like the *International Herald Tribune*, which writes "the decline in Spain's influence on Zapatero's watch has been "astonishing" (August 18, 2007), or *Le Monde*, "while there is no doubt about the existence of 'blairism', it is not clear on the other hand that there is such thing as 'zapaterism'. And if it does exist, it should be understood in any case as a social reference, but never an economic one" (November 14, 2006).

Meanwhile, the president, living in a virtual reality, declared this past September that the Spanish economy benefits from a "great external and internal confidence".

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