ICWA Institute of Current World Affairs
est. 1925

Snapshots of Spain's Economic Crisis

By Malia Politzer

MP-7\SPAIN\MARCH 2014

Nearly every day in the afternoon, a guitar player sits on the cobblestone streets outside my window. First, he hangs his jacket on a rusted nail sticking out of the whitewashed wall of an adjacent house. Then he takes out bits of folded cardboard and scraps of fabric from a battered red messenger bag, and arranges them in a careful pile on the ground, on which he subsequently sits. Then the guitar comes out. It is battered and broken, repaired on one side with beige packing tape. In appearance, he matches his guitar. Sun-creased and weathered, he is bald with a scruffy grey beard, rail-thin and missing his left front tooth. He always wears blue jeans, and optimistically puts out a cloth hat on the stones in front of him to collect coins, though I've never seen more than a few Euros inside.

Afonso, a guitarist who plays outside my window nearly every day. Photo: Tomas Conde Kemme

His playing is as shabby as his instrument, which he abuses with the rhythm-less exuberance of a drummer in a student grunge band. After listening to his repertoire on loop for several weeks (it consists of exactly three songs, the principal lyrics of which seem to be "*Que sera con mi vida*" —What will become of my life?) I became curious. Who was this man, and what was his story?

I asked around, and I learned many details about him. For example: He does not drink alcohol, and eats just twice a day: once in the morning (a *tostada* with grated tomato) and a full meal after 8pm at night. Throughout the day, he

ICWA Institute of Current World Affairs
est. 1925

FELLOW
2013-2015

Area: India & Spain
Topic: Global migration trends

Based out of the south of Spain, Malia is looking at the primary migration routes via Morrocco and the Spanish enclaves in North Africa. She previously worked for Mint, an Indian business and economics news daily paper, where she wrote on a variety of social issues including disability issues, internal migration, gender, social entrepreneurship and development trends. As a fellow at the Village Voice, she wrote primarily about immigration. Malia has won multiple awards for her reporting and published articles in the Wall Street Journal Asia, Far Eastern Economic Review, Foreign Policy Magazine, Reason Magazine, and Migration Policy Institute's monthly magazine The Source. She has reported from China, the US-Mexico border and South Korea, and speaks fluent Spanish, conversational Mandarin, and intermediate Hindi. Malia holds an M.S. in multimedia and investigative journalism from Columbia University Graduate School of Journalism, where she was a Stabile Fellow, and a B.A. in Liberal Arts from Hampshire College.

FELLOWSHIP NEWSLETTERS

grated tomato) and a full meal after 8pm at night. Throughout the day, he

sustains himself on strong black coffee, which he generally drinks out of a paper cup at the bar up the street called *Cuatros Gatos*. He briefly played in front of the bar, until a woman living across the street was harassed by his repetitive repertoire and threatened to call the police. She was not the only unappreciative listener. A disgruntled student, apparently unable to study due to his relentless strumming, recently threw macaroni and water at him from a nearby balcony. This probably explains why, when I introduced myself by telling him that I live in the house above his current concert stoop, his expression became panicked, and he hastily asked, "I'm not bothering you, am I?"

I assured him that he was not (which wasn't entirely true), and so began our acquaintance. His name is Alfonso, and he is Muslim—a fact that he mentioned to me three times in our first conversation, and with great pride. He used to work at a factory, chiseling Arabic phrases into rectangles of white marble that people would buy to adorn their houses. "I still make them at my kitchen table," he said, tenderly taking one out of his red messenger bag to show me. It was about four inches tall, and a foot wide, with intricate geometric carvings encircling lilting Arabic script that he translated for me, "Allah is great." I thought it was beautiful, and told him so. "Why don't you sell these instead?" I asked him. It seemed a better use of his talents, which guitar playing (unfortunate for him) would never be.

He shrugged, sliding the tile back into his bag. "I lost my factory job when it shut down at the beginning of the crisis," he said. "I've tried to sell these at tourist shops, but they won't pay me until they're sold, and they ask too much."

Engravings with Arabic phrases, carved by Alfonso.
Photo: Tomas Conde Kemme

Alfonso's life has always been hard, but the crisis has made it worse. Born in a small village a few hours west of Granada, he came from three generations of artisans. His father taught him the craft as a child, and for many years they worked together in a small family business. But when Alfonso was still a young man, his father died. He was a poor businessman, and the family business folded soon under his inexperienced leadership. A difficult few years followed, during which he traveled around Spain *buscando la vida* (literally, searching for life), working on random construction jobs until he eventually found a job at the factory, where he would work for the next 20 years.

He married, had three children, and for a while life was stable. Then the factory shut down in 2008, the first year of Spain's economic crisis. "That was a terrible year," he said. "The beginning of the end of my life." That same year, his wife

died of cancer, throwing him into a tailspin from which he has yet to recover. He was crippled by grief. His two years of paid unemployment slipped by quickly, and he couldn't find another job. He missed mortgage payments, lost his home. Now, with three adult children—two unemployed, and one unemployable due to mental illness—he scrapes by on the 450-euro social security he collects from the government each month, and whatever he can making busking in the streets.

"I've always loved music," Alfonso mused, his calloused fingers sliding down the neck of his guitar, "but I never thought I'd be living this way. I know I'm not such a good guitar player, but I have no other means."

* * *

Coming to Spain from India has been a strange transition for me. I know from newspaper reports that Spain is in the midst of an economic crisis of a magnitude unseen since before the Spanish civil war. In total, a quarter of the population is unemployed—the same unemployment rate facing Americans in the worst years of the Great Depression. But accustomed to the daily sight of Delhi's urban slums—many of which lack electricity, running water and sewage systems—and of children as young as five selling pens on street corners, it's difficult for me to look at Spain and see "crisis."

Walking down the street in a prominent shopping district, I note a number of boarded-up shops that might otherwise have been open. Many restaurants offer "menu del crisis" on chalkboard signs propped in front of their storefronts (a single course with wine and dessert, rather than the traditional three-course meal). But most of the crisis seems invisible. I find myself wondering about the statistics. If things are so bad, why isn't it more visible? What is holding Spain together? In an attempt to answer this question, I spent the past month walking down the streets of Granada, talking to as many people as I could—rich and poor, businessmen and bartenders, housewives and beggars—about their experiences of the crisis.

I learn that there have always been men like Alfonso in Spain—and particularly in Andalucía, a province in southern Spain that has long been derided by cosmopolitan *Madrideños* as poor and backward. But the economic crisis has exacerbated circumstances, and now there are more Alfonsos. I see them panhandling on street corners with sad cardboard signs, reading some variation of "*Tengo cuatros hijos, no tengo otra recurso, ayudame por favor*." *I have four children. I have no other resource. Please help.*

As I began speaking to more of these men, dropping a few coins in their hats and

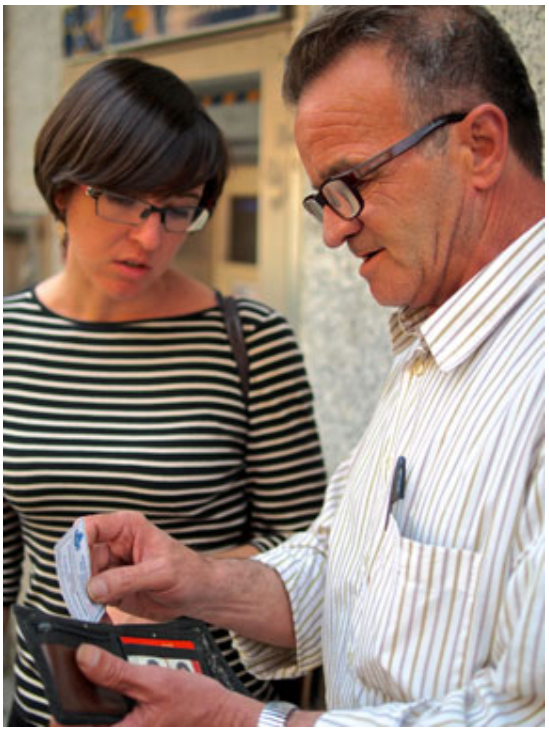
As I began speaking to more of these men, dropping a few coins in their hats and asking for their stories, I began to see a pattern emerge. Most seem to be drifters, traveling from city to city in search of work. Nearly all are over 50, and many used to work in construction, one of the first industries hit by the economic crisis. One man told me he painted houses, but for three years has been unable to find work. Another specialized in tiles, and a third worked fixing roofs. All seem to have children, though few are currently married.

Though there have always been homeless in Spain, there are more now than before. Photo: Tomas Conde Kemme.

I met one such man named Francisco sitting on a sidewalk in front of a bank on *Gran Villa*, a busy street that cuts through the center of Granada, dividing the old Moorish neighborhood of *Albaicin* from the shopping district. His clothing was worn but clean. He told me that he had worked for one of the many painting companies that went bankrupt in 2011, and has been traveling up and down Spain looking for work ever since.

He seemed articulate and savvy, and I asked him what kept him from opening his own business. “I get four hundred fifty euros from the government each month,” he explained. “If I start my own business, I’ll lose that—plus I need to pay over three hundred every month just to have the business. I don’t have the capital to start—and banks aren’t giving out loans to people like me.” Working under-the-table was also out of the question—leery of competition, the legal companies are quick to denounce anyone who tries to work without a license.

I hear echoes of his complaints in many other conversations. Potential entrepreneurs are having trouble getting loans, which seem to have all but dried up after the lending free-for-all that contributed to the crash after Spain’s massive housing bubble popped. While looking for an apartment, I rented a room from a Spanish woman named Maria in a lovely traditional three-story family home, with vaulted wood-beamed ceilings, a tiled courtyard garden and a view of The Alhambra, Granada’s Moorish palace. The family had plans to turn the home into a hostel, and had restored the building and equipped several rooms with bunk beds. However, their permit was denied because the bathroom was too small by three inches to fit regulations, and they were unable to secure a bank loan to do the necessary renovations. “It isn’t just us,” Maria told me. “Before, even a donkey could get a loan. Now they won’t lend to anyone.”



(above) Francisco tells me about some of the challenges of starting a business in Spain. (below) Francisco's social security card that allows him to eat for free at a local soup kitchen. Photos: Tomas Conde Kemme

In downtown Granada, off of *Gran Villa,* is an antique bar. It's a no-frills, salt-of-the-earth sort of place. The only decoration is a faded mural above the bar, which is still equipped with the original icebox used before they had electricity. Antique glass bottles from the 1950s are lined up on display in the windows, and the tiled floors are loose in a few places. Recently, while sampling a *menu del crisis* (breaded pork loin stuffed with ham and cheese accompanied by salad, a glass of wine, then dessert, for six euros. Even in crisis, Spanish eat well), I met the owner, Manuel, a former professional football player. Manuel had married into ownership of the bar, which has been in his wife's family since 1910. He told me that he hasn't been able to raise the prices of food or alcohol since the crisis began, though his expenses have all increased. "This bar has seen crisis before, but nothing like this," he said over a beer. First, the students stopped coming. Then, he started seeing a dip in his regular customers. "Once I tried raising the price of coffee by 20 cents, and quite a few of my regular customers stopped coming." He's also had to cut wages for his employees—in some cases, by as much as two-thirds.

Protestors demonstrating austerity cuts recently put into place by the government post a photocopy of an article about Spain's bank bailout. Photo: Tomas Conde Kemme

To an American, such a dip is only to be expected in times of crisis. But in Spain, life is lived in the local bar. From drinking a morning espresso and tostado while arguing over the news, to meeting up with friends over tapas, to late-night drinks (with the baby brought along in a stroller, often pushed by grandma), the bar is a cultural touchstone of Spanish life. Manuel worries that if the economy does not improve, that, too, may change. "People from all backgrounds used to come here at all times of day, for a tapa, for a coffee, for a menu," he observes. "Now we mostly just see civil servants."

A friend of mine is a professor of political science and anthropology at the University of Granada. Recently over drinks, I told her my observations. Despite the optimistic news reports, Toñi believes that we have yet to see Spain's crisis in full effect. Thus far, Spain's fairly robust social-security system has been keeping many families from ruin. When people first lose their jobs, they are eligible for *paro*—unemployment—which lasts a full two years. If they are still unable to find work after those two years have ended, their benefits drop to the minimum social-security benefit of 450 euros. "I don't believe that Spain is going to get better any time soon," she said. "Now is the time that most people are running out of benefits. Only now will we really begin to see the crisis hit."