

## The macroeconomic situation and the role of La Caixa



Some years after graduating from LSE with a master's degree in Law, Juan Maria Nin returned to the campus to share his thoughts on the macroeconomic crisis. As President and CEO of Spain's largest savings bank, La Caixa, he was well placed to comment on its role in combating economic issues in Spain.

'It would be absurd to try and understand what is going on by looking from one quarter to another – reality is much more complex,' he began, taking a longer-term view. 'Seven years ago the Spanish debt was better

rated than the German one – things change very fast. Everything is relative except unemployment and the social damage it causes.'

La Caixa is doing its best to help with these social problems, spending 500 million euros per year on welfare projects such as affordable housing and social inclusion initiatives.

The talk looked at the origins of the Spanish financial crisis, comparing it both to other European countries and previous crises. He pointed out that Spain has never reneged on a debt and that the current problem stems from illiquidity due to lack of market confidence, rather than insolvency.

He concluded that the economic outlook is better than a few months ago, but that uncertainty persists. 'To sum up, the Spanish economy has some imbalances but they are improving. The question is, does the market have a balanced view of the risks?'



This was an **LSE Enterprise / Catalan Observatory** event.

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