Sovereignty has been a crucial frame for narrating the economic crisis experienced in Spain in the wake of the 2008 financial meltdown that sparked the Great Recession. Spain’s crisis was typically characterized as a “sovereign debt crisis” by the neoliberal establishment. Such framing helped rationalize the harsh austerity measures imposed upon Spain. It also led to the €100 million bailout of Spanish banks by the Eurogroup in 2012, which was one of the key mechanisms through which bank losses were converted into an issue of national sovereignty.

In the wake of what Spanish activists denounced as “a financial coup,” a pair of Spanish horror films featuring demonic possession appeared: Paco Plaza’s 2017 Netflix hit Verónica and David Victori’s 2018 directorial debut The Pact. Verónica returns viewers to 1991, the year Spain took two major steps to enter the EU by signing the Schengen Agreement and approving the Maastricht Treaty. The Pact revolves around a mother’s deal with the devil in order to save her daughter’s life. The tag on the film poster, “evil always demands its debt,” could have been a placard at one of Spain’s anti-austerity protests, while the film’s nightmare scenario suggests Spain’s subaltern position within the EU.

This presentation will analyze the allegorization of cultural anxieties about national sovereignty as demonic possession in both films within the context of crisis Spain, which is part of a larger project that examines Spanish horror film production during and after the Great Recession.