500,000 Portuguese public sector workers set to strike

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Portugal's 500,000 public sector workers are expected to take part in Thursday's public sector strike against the austerity programme being imposed by the Socialist Party (PS) government.

Throughout Europe, governments are introducing measures aimed at drastically cutting the living standards of broad layers of the population in order to pay for the trillions of dollars handed over to the banks. Any economy that is seen as debt-heavy and unduly slow in carrying forward the necessary social attacks comes under fire from the money markets.

Portugal, Italy, Greece and Spain—contemptuously referred to in the media as the "PIGS"—have been targeted by the banks and financial speculators and ordered by the European Union (EU) to drastically slash their budget deficits. Portugal has been instructed to cut its budget deficit from 9.3 percent of gross domestic product (GDP) to 3 percent by 2013 and tackle its public debt, which will rise to 91 percent of economic output by 2011, from 77 percent last year, according to European Commission forecasts.

In the current crisis, the Portuguese Socialists, like their social democratic counterparts in power in Greece and Spain, have proved themselves to be the direct instrument of the Portuguese bourgeoisie, the global financial institutions and the EU. The PS has become the unashamed party of austerity. Its current proposals include a three-year wage freeze, pension "reform," drastic spending cuts and privatization of remaining state assets. These measures are part of the PS's Stability and Growth Programme, which it is presenting to parliament for ratification March 12 before sending it to the European Commission for approval.

The trade unions' Common Front, which has called the March 4 strike and is dominated by the Communist Party (PCP)-led General Confederation of Portuguese Workers (CGTP), is seeking to contain public opposition, provide an opportunity for workers to let off steam, and thereby buy time for the Portuguese government. The General Workers Union (UGT), Portugal's second-largest union, traditionally aligned with the PS, has supported the strike call for the same reasons.

The unions portray the PS as a hostage of the EU and/or the speculators, rather than the political representative of the capitalist class. Common Front leader Ana Avoila has made it clear that after Thursday, if the unions have their way, further action will be restricted to the regional capitals until a "great national demonstration" at an unspecified date in May—by which time the Stability and Growth Programme will be in full swing.

CGTP leader and PCP member Manuel Carvalho da Silva raised the prospect of a nationwide general strike, involving public and private sector workers, declaring "I say a scenario like the strike in Greece is necessary," but refused to make such a call himself or name a date.

UGT leader Joao Proenca said more strikes would follow if the government attempted to extend this year's freeze for a further two years. Proenca warned that if the government's plan "is that tough and socially unacceptable, there will clearly be a risk of political and social radicalisation."

The government is in crisis and is already facing political and social radicalisation. There has been a dramatic slump in support for the parliamentary parties and the PS in particular. According to a recent Organisation for Economic Co-operation and Development (OECD) study, only 19 percent of the Portuguese population believes parliament is any longer relevant.

A poll last weekend showed the popularity of PS Prime Minister José Sócrates has tumbled in the space of a few weeks to 29.4 percent from 40.3 percent in January, whilst support for the PS as a whole fell to 35.9 percent, down from 40.5 percent. The PCP, which has slavishly supported the PS, saw its share of the vote decline 8.5 to 6.8 percent.

The Left Bloc has been a beneficiary of this decline, with its popular support rising to 10.6 percent. It is comprised of various petty bourgeois parties, including the Revolutionary Socialist Party (PSR), affiliated to the Pabloite United Secretariat—a group claiming adherence to Trotskyism with a long record of providing a political cover for reformist and former Stalinist parties. The United Secretariat’s members have sat in or lent support to a number of pseudo-left governments internationally (in Italy and Brazil, for example) that have mounted major attacks on the working class.

The policies being promoted by the Left Bloc are a mixture of Keynesian-style reforms based on economic nationalism and support for the state. The head of the organisation’s political committee, PSR leader Francisco Louçã, accused the government last week of engaging in a “wrong policy of cutting social spending and wages,” rather than cutting back on “unnecessary expenditure.” He put forward six proposals including a European-wide fund that would provide easier credit, renegotiation of public-private partnerships, increasing wages indirectly by reducing the price of housing and public services, and a crack-down on tax avoidance.

With an air of demoralization he concluded that “the only option for the economic disaster and unemployment that we cannot have is giving up.”

The unions fully supported the PS when it came to power following elections in February 2005. The right-wing Social Democratic and Popular Party (PSD-PP) coalition government of Pedro Santana Lopes was thrown out, due to widespread opposition to its austerity measures and support for the US-led occupation of Iraq.

The PSD-PP had frozen public sector salaries, ended tax breaks for first-time home buyers and raised VAT. Portugal was the only nation in the euro zone where the economy had declined. It remained one of the European Union’s poorest countries and had the widest gap between rich and poor. Unemployment had risen to a seven-year high of over seven percent and the average monthly wage remained a paltry €750.

The Socialist Party was elected with 45 percent of the vote and was able to form a majority government for the first time since the end of the Salazar-Caetano dictatorship in 1974.

The Left Bloc, which had campaigned under the slogan “another Portugal is possible,” increased its vote in 2005 from 2.8 percent in 2002 to 6.4 percent and gained eight deputies, including Louçã. The United Democratic Coalition, comprising the PCP and the Greens, received 7.6 percent of the vote and 14 deputies.

The PS administration was a government of crisis from the outset and set about betraying the aspirations of those who voted for the nominally left parties. Although the Socialists had benefited from a surge of popular anger against the PSD-PP and Sócrates had been forced to make demagogic pledges to cut poverty and boost employment by 150,000 workers, his government immediately launched a three-year plan of austerity measures. These included cuts in public sector jobs and freezing promotions, an increase in the retirement age from 60 to 65, reducing sick-leave payments, further increases in VAT and taxes on tobacco and fuel taxes.

The unions provided critical assistance in enabling the PS government to slash thousands of public sector jobs and bring the deficit down from 6.1 percent to 2.6 percent of GDP. As Common Front leader Avoila was forced to admit recently, workers have seen their purchasing power eroded by nearly eight percent in the past decade. Unemployment is almost 11 percent—double that amongst the young—and set to rise sharply.

Since the PS came to power the International Monetary Fund has praised the “close cooperation with the social partners” [business and trade unions], but demanded more. It insists that the “central role of wage restraint” has to be recognised and labour market flexibility increased. The unions have every intention of heeding this demand, providing they can suppress and betray the escalating opposition in the working class.