General strike brings Portugal to a halt

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25 November 2010

Yesterday’s general strike in Portugal brought the country to a halt. Millions of workers from the public and private sector stayed away from work to protest ahead of a vote in Congress on the Socialist Party (PS) government’s budget and austerity measures.

The opposition Social Democratic Party said it would not vote against the budget, ensuring its adoption Friday.

The government claims its austerity measures are needed to cut the deficit from 9.3 percent of gross domestic product (GDP) in 2009 to 7.3 percent this year and then to 3 percent in 2012. They include an increase in the goods and services (VAT) tax, a freeze on pensions, cuts in wages, the minimum wage and family allowances, slashing budgets for health care, education and local council services and privatising more state-owned assets.

Portugal’s public debt stands at €165 billion ($223 billion), about the same as its GDP. Portugal’s stock and bond markets have come under extreme pressure in recent days in the wake of the Irish crisis and speculation has soared that Portugal will be the next country to go to the European Union and International Monetary Fund for assistance.

Yesterday’s general strike was called by the Communist Party-led General Confederation of Portuguese Workers (CGTP) and the PS-aligned General Union of Workers (UGT), the first time both unions have called out their members for nearly three decades.

“We consider it to be the biggest strike ever,” declared UGT head Joao Proenca. CGTP general secretary Manuel Carvalho da Silva added, “I’ve never seen so many people support and identify so closely with the causes of a strike before.”

CGTP officials said 75 percent of all workers in the country took part in the strike. Labour Minister Maria Helena Andre revealed, “We are facing a very reduced participation in the private sector of the economy.”

This is a new development—up to now strike action has largely been confined to the public sector.

Portugal’s largest exporter, Volkswagen's Autoeuropa plant, which produces 500 cars a day, came to a standstill. Trains and buses in the capital Lisbon came to a halt. Many shops were shut. Almost all workers employed by city and town municipalities stopped work. No flights took off or landed at the country’s airports. Ports were also closed. Other public services—health care, education, the post office and banking—operated minimal services.

Yesterday’s strike was a sign that workers want to fight. However, they face not only the PS government but also the opposition right-wing Social Democratic Party, the US and European governments, the International Monetary Fund, the bond markets and other global financial institutions and the media—who are all applying maximum pressure on the PS to make sure it does not waver in its attacks on the Portuguese working class. Borrowing costs for the government yesterday rose close to the record high reached earlier this month.

The current cuts are just a prelude to more next year and the years after, until all remnants of social welfare have been destroyed and the working class has been driven further into poverty.

Lisbon University political science professor Antonio Costa Pinto commented, “The strike is going to be important in symbolic terms, but there will be no major impact on the government, or the budget or the economic policy of this government.”

Labour Minister Andre stated that there was no turning back for the government.

The forces lined up openly against the working class are aided and abetted by the CGTP and UGT union federations, which called yesterday’s action only in order to dissipate the nationwide opposition to the austerity measures while they collude with the PS government and employers to smuggle them in.

Significantly, there was an absence of any visible mass mobilisations of those on strike. While making a protest, the trade unions are determined to ensure there is no focus for mounting social anger. The CGTP and UGT are not opposed to austerity per se. Their plea is that the ruling elite demonstrate for public consumption that they are seen to shoulder some of the burden. The strike was “a cry,” Carvalho da Silva said.

“It’s indisputable that today we need to fight the deficit, or face the penalty of having the IMF around, but it can’t be only the workers that pay the bill,” declared Proenca. “If we fight the deficit by sinking the country, then we aren’t going anywhere.”