

Socialist Party routed in Portuguese general election

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Portugal's general election has ended in defeat for the ruling Socialist Party (SP) of Jose Sócrates and victory for the centre-right opposition Social Democrats (PSD).

With around 80 percent of the votes counted, the PSD had won 39 percent of the votes, against 28 percent for the SP. The PSD, under its new leader Pedro Passos Coelho, will now form a coalition government with the equally right-wing Popular Party (PP), which won 12 percent of the vote.

The PSD won 105 seats in the 230-seat parliament and the PP 24 seats, with the SP down to 73. This will not change significantly after the results of votes cast abroad selecting four seats in the assembly are known on June 15; they are normally split between the SP and the PSD. A PSD-PP coalition would give the two parties, which last governed in a coalition in 2002-2005, an absolute majority of 129 seats.

Sócrates and the SP were punished for imposing austerity measures demanded by global markets and dictated by the "troika"—the European Union, International Monetary Fund and European Central Bank. In return, they obtained a 78 billion euro loan—which is being funnelled to the European and global banks and investors which hold Portuguese debt.

The deep unpopularity of the SP was best evidenced by the climbing rate of voter abstention to a new record of 41.1 percent, above the previous record of 40.3 percent in September 2009. The numbers abstaining are greater than those voting for the PSD and SP combined. But with no alternative on offer to articulate the anger of the mass of working people, victory almost inevitably fell to the right wing.

The entire election took on the character of a conspiracy against the Portuguese working class.

The election arose as Sócrates' minority government

tried to implement the latest in a series of austerity measures, to meet the troika's demands for spending cuts equal to 3.5 percent of gross domestic product in 2012 and 2013. On this occasion, however, the PSD abandoned its previous policy of allowing the SP's measures to pass and forced a motion of no confidence that brought down the government.

The move by the PSD was made on behalf of the Portuguese and European bourgeoisie. Its aim was to head off a developing militant movement of the working class that included mass strikes and demonstrations and to hand the political initiative to big business.

Having precipitated a general election two years ahead of schedule, all the parties campaigned based on pledges to honour the terms demanded by the troika.

The PSD went furthest, pledging that it would "go beyond" the austerity measures set out by the outgoing government.

PSD leader Coelho is an entrepreneur who has never held a government post. His political career reportedly first began in the Communist Youth League, before he moved on to the Social Democrat's League.

In a *Wall Street Journal* article of May 30, "Our Plan to Fix Portugal", Coelho laid out his motives and political agenda to the international financiers.

He explained, "We voted against the latest announced austerity measures not because they went too far, but because they did not go far enough. They do not address the heart of Portugal's main economic challenge, which is to ensure that growth goes hand in hand with fiscal discipline."

Coelho complained, "every time we support joint action on increasing revenue and reducing expenditure, the tax rises are quickly implemented while the spending cuts and associated growth-oriented reforms

are systematically postponed—It was too much tax and not enough cost reduction.”

Following the election, Coelho addressed himself not to the electorate, but directly to his real constituency—“those who are watching us from abroad.” He promised them “that Portugal does not intend to be a burden for the future... We will do everything possible to honour the agreement established between the Portuguese state, the European Union and the International Monetary Fund, to regain the confidence of markets.”

The bailout is conditional on measures that include tax hikes, a freeze on state pensions and salaries, and a reduction in unemployment benefits as well as their duration. But Coelho wants to make deeper spending cuts and to implement a wide-ranging privatization programme, including partially privatising the state bank Caixa Geral de Depositos SA.

This is exactly what the bourgeoisie wants to hear. President of the European Commission José Manuel Barroso, ex-Maoist and a former PSD Prime Minister, described the vote as “decisive”.

The *New York Times* asserted that the next government now had “a strong mandate to enact a tough austerity program”.

The Portuguese result follows a general pattern across Europe of defeats for parties once designated as “left”. This is because they are indelibly associated with savage austerity measures and a long record of attacks on the working class. Even in countries where the social-democrats are in government, such as Spain and Greece, they face mass protests against their slavish implementation of IMF/EU diktats.

Portugal also follows a pattern in which the Stalinist and petty-bourgeois parties that masquerade as socialist have been discredited by their support for the social-democratic and trade union bureaucracies.

The Portuguese Communist Party-Green Party coalition captured 7.9 percent of the vote, giving it 16 seats, while the Left Bloc secured 5.2 percent of the vote and eight seats. The PCP’s vote was almost unchanged while the Left Bloc saw its 2009 vote of 10.7 percent halved.

The Left Bloc’s election programme made it clear that it was acting as an adjunct of the SP, focusing on a call for the formation of “a government of the left” to

“defend the country’s economy”.

Its general secretary, Francisco Louçã, insisted for good measure that there is “no left without the Socialist Party!”

Its economic proposals were of a piece with this orientation, centring on a call to “establish new deadlines, new interest rates and compliance with reasonable conditions”.

The Left Bloc is in ongoing discussions with the PCP on forming a united political front, which the Stalinists describe as “a patriotic and left alternative policy to open the way for economic development, social progress and affirmation of national interest”.

Before the election, the PCP asserted that “its materialisation demands forming a patriotic and left government”, based upon “political forces and sectors, democrats and independent personalities, who identify with a patriotic and left policy, supported by mass organisations and movements from anti-monopolist social sectors.”

What all this will mean in practice is that the PCP and the Left Bloc will continue to support the SP in opposition.

Portugal remains a social powder-keg, with unemployment rising to a 30-year high of 12.6 percent, projected to rise above 13 percent next year. Additional brutal cuts will make this worse. The economy was already expected to contract by two percent this year and an additional two percent next year due to spending cuts. With all parliamentary avenues of protest closed off, the effort to suppress opposition by manoeuvres must give way to open class conflict.



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