Portugal's Left Bloc backs pro-austerity Socialist Party government

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On Thursday, the votes of the Left Bloc (BE), Communist Party (PCP) and Green Party (PEV) secured the passage of the pro-austerity, pro-European Union programme of the new minority Socialist Party (PS) government in Portugal's National Assembly.

The BE promoted itself in the run-up to the October 4 general election as an alternative to austerity. Now, it has stepped forward to defend Portuguese and European capitalism from the working class. It is seeking to rescue the PS, which is discredited for imposing austerity while in power from 2005 to 2011, and has thrown a lifeline to Portugal's ruling elite.

On October 4, the ruling right-wing Social Democratic Party (PSD) and Democratic and Social Centre-People's Party (CDS-PP) coalition lost its parliamentary majority, slumping to 38.6 percent support from 50.4 percent in 2011. On a record low turnout of 57 percent, the PS failed to secure a majority, with its vote rising only by 4 percent to 32.3 percent. The Unitary Democratic Coalition of the PCP and PEV also failed to increase its share of the vote, which rose by less than half a percent to 8.3 percent.

In contrast, the BE vote doubled to 10.2 percent as a result of mass disaffection with parties associated with austerity.

Attempts by President Aníbal Cavaco Silva to form a grand coalition between the PS and PSD/CDS-PP failed. So did the appointment of a PSD/CDS-PP minority government, which collapsed after 12 days in power, following a parliamentary no-confidence vote and threats of strike action.

The BE responded by offering the PS its services, redoubling its appeals to party leader António Costa to form a "left government". Costa reportedly threatened to quit as PS leader and allow the PSD/CDS-PP to continue in power unless the BE and the PCP "agreed to form a majority behind the Socialists' own pro-EU program."

The precondition of an agreement was that the BE and PCP accept to back PS austerity. The vice president of the PS parliamentary group, João Galamba, said his party "made clear that others would have to accept working off the budget spread sheet drawn up by the Socialists."

The BE duly complied. Its pre-election promises to pursue "debt restructuring", oppose EU fiscal policies, and withdraw from the eurozone and NATO were promptly abandoned.

Likewise, BE leader Catarina Martins' criticisms that the PS was "no champion of the end of austerity, nor of any of the breakthroughs that the country needs" has been dropped. Having proclaimed, "We don't surrender to the doctrine of the 'lesser evil,' to being an adornment on the PS's lapel," Martins did just that.

Last week, she visited the Presidential Palace, telling reporters that she pressed the president to nominate Costa as prime minister because "there is a stable and lasting solution in parliament," and that "the country should not remain in a situation of instability and ungovernability."

Dropping 40 years of refusing to work with the PS, PCP General Secretary Jerónimo de Sousa did the same.

Buoyed by these demonstrations of support, Costa had no hesitation in telling Cavaco Silva that he would comply with the president's six preconditions for appointing him as prime minister. These included maintaining the stability of the financial system, abiding by eurozone fiscal discipline rules, publishing an overdue state budget for 2016, and staying in NATO.

The ruling elite signalled their approval. EU

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economic affairs commissioner Pierre Moscovici said he was “reassured”.

Portuguese Investment Bank CEO Fernando Ulrich emerged from a meeting of top bankers to declare his support for a “leftist” government in order to guarantee financial stability. The Portuguese Treasury was able to dispose of €1.5 billion worth of bonds in what was described as the country’s most successful sale ever.

In his inaugural speech on November 26, Costa again insisted that his new administration would be a “moderate” one that would fulfil Portugal’s European and international obligations. He declared, “We had the opportunity to convey to the President of the Republic that the result of the framework of agreements between the Socialist Party, the Left Bloc, Communist Party and the Greens, guarantees the existence of a PS government with majority support in parliament and the conditions to govern *with its programme* ” (emphasis added). He thanked his new partners for negotiations carried out in “a constructive, loyal, serious and responsible spirit.”

The following day, newly appointed Finance Minister Mário Centeno, a special adviser to Portugal’s Central Bank, gave the lie to Costa’s promise to “heed the will of the majority of Portuguese to turn the page on austerity.”

Centeno stressed that the main aim of the new PS administration is to cut the country’s budget deficit and public debt to levels below those demanded by the European Commission. He declared that the 3 percent budget deficit expected this year will be slashed to 1.5 percent of GDP in 2019, compared to the commission’s target of 2 percent. Public debt is to be cut from an estimated 124 percent of GDP in 2016 to 112 percent in 2019, compared to the commission’s 117 percent target.

Schroders asset management company director, Alan Cauberghs, told Reuters it was doubtful the PS government could cut both the budget deficit and increase public spending, saying, “These two are mutually exclusive.”

By allying itself with the PS, the BE is consciously betraying Portugal’s workers and youth, especially those who looked to it to oppose austerity. In this, it follows in the footsteps of its Greek co-thinkers in Syriza, which also posed as an opponent of austerity only to agree to impose worse austerity measures than its predecessors. Indeed, this time the BE in supporting the PS signed up to austerity without even the pretence of a struggle.

BE’s abject capitulation is backed to the hilt by the Pabloite United Secretariat, which helped create the bloc in 1999 and whose members staff its upper echelons. In *International Viewpoint,* Catherine Samary takes umbrage at remarks made by Stathis Kouvelakis, a leader of Syriza’s Left Platform and now of Popular Unity.

Kouvelakis, who shares full political responsibility for Syriza’s own betrayal, nevertheless chose to offer up a “comradely warning to the comrades of the Portugese radical Left.”

He declared that the BE’s actions were suicidal, and that “it is just crazy to imagine for a second” that the PS would follow an anti-austerity path. “The Greek experience has also shown that between full-scale confrontation and capitulation there is no intermediate way,” he cynically added.

Samary aggressively defended the BE’s orientation to a pro-austerity PS government, protesting: “One cannot face these difficult dilemmas by pre-existing recipes.” The BE’s agreements with the PS were “commitments to real breaks with the policies in operation in Portugal, opening new possibilities,” she insisted.

The only new possibilities opening up are for the personal advancement of the pseudo-left at the expense of the working class. They are using whatever “left” and “anti-austerity” credentials they possess in the service of the Portuguese bourgeoisie and to advance the interests of the affluent layers of “left” academics, union functionaries, parliamentarians and professionals to which they belong.

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