Working-class opposition to Socialist Party grows in Portugal

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Opposition is growing in Portugal to the austerity programme of the minority Socialist Party (PS) government, which came to power in December with the support of the Left Bloc (BE) and Communist Party (PCP).

The BE and PCP made an agreement with the PS knowing full well that during its 2005-2011 term in government it rescued the banks and drove down the living standards of workers and youth.

During last year's election campaign, the BE proclaimed that the PS was "no champion of the end of austerity, nor of any of the breakthroughs that the country needs." Yet in December, ostensibly in return for a promise to legislate for a handful of minimal social demands, the BE and PCP agreed to support the PS's pro-austerity, pro-European Union (EU) programme and its inclusion in the overdue 2016 state budget.

The chickens have now come home to roost. The PS has submitted a draft budget to the European Commission (EC) that makes a mockery of its claims to be "reversing austerity" and exposes as a fraud the BE's and PCP's posturing as anti-capitalist and anti-austerity.

Last Friday, the PCP-controlled CGTP trade union federation was forced to call a one-day public sector strike to protest the PS government's decision to delay implementing its election promise to reduce the 40-hour week—but only as a face-saving measure.

Tens of thousands of nurses, teaching support staff, and workers in courts and other government departments took part. The 35-hour week was abolished by the previous right-wing Social Democratic Party (PSD)-People's Party (CDS-PP) coalition. As a result, in 2015, public sector workers carried out an estimated 150 million hours of free labour. They now work some of the longest hours in the EU.

On Thursday, workers also demonstrated against the privatisation of the national rail freight company, CP Carga, to the global container corporation Mediterranean Shipping Company. Reversing ongoing privatisations was one of the measures the BE and PCP trumpeted as part of the "left agreement" with the PS. The PCP complained that "the PS itself expressed the most severe reservations about the process of privatisation before the elections" but was now carrying out "a crime"—not against the working class but "against national interests."

The government insisted the sale of CP Carga was a condition of Portugal's 2011 bailout and had to go ahead. It demonstrated once again that the PS acts in the interests of finance capital and that the role of the pseudo-left and Stalinists is to fall into line—which they did by calling off a threatened strike against the privatisation and substituting a "symbolic" protest.

The cynical manoeuvre by the PCP came after its candidate, Edgar Silva, received the party's worst-ever result in the January 24 presidential election—just 4 percent in a 49 percent turnout—payback for its alliance with the PS.

The actions of the pseudo-left and Stalinists are conditioned by the crisis in the PS. Five of the 10 candidates were PS members or sympathisers, but the party refused to support any of them. Instead, Prime Minister António Costa and three former Portuguese presidents supported an "independent"—the Dean of Lisbon University, Sampaio da Nóvoa, who polled 22.8 percent, a far cry from 1991, when former PS prime minister Mário Soares won 70 percent of the vote. During his campaign, Sampaio da Nóvoa declared, "I'm not pushing for a break with the European Union. I'm not saying we shouldn't pay unilaterally our debt, but I do want us to have solidarity in the European Union that allows southern countries, which have problems, to find realistic and pragmatic solutions, to solve the debt problem. …"

Sampaio da Nóvoa's appeal for the EU to be reasonable in return for Portugal's loyalty is virtually indistinguishable from that of BE presidential candidate and former member of the European Parliament Marisa Matias, who declared she was pro-Europe but opposed to "the weight of Berlin and Frankfurt" in the EU. Matias's third place in the election, polling 10.1 percent (460,000 votes), the best-ever result for the party, indicates it is still able to attract support because of the discrediting of the PS. But it will only use this support to prop up the PS and defend Portuguese capitalism from the working class.

BE leader Catarina Martins lamented that, during the presidential campaign, the PS had displayed "an *ambiguous and even fragile vision* towards the powers that are strangling the jobs, wages and living conditions in our country [emphasis added]," which, she complained, "does not mobilise anyone."

Costa, for his part, applauded the "fact that, contrary to what has been taking place in other European countries, the Portuguese have clearly rejected populist candidates that present themselves as anti-system."

He made it clear he was not in the business of mobilising anyone and offered the new SDP president, TV pundit Marcelo Rebelo de Sousa, his "maximum loyalty and full institutional cooperation" (as did Martins).

Rebelo de Sousa stipulated that his priority is to prevent any "financial slippage"—i.e., maintain compliance with EU demands—and to ensure political stability.

Portugal's "financial slippage" became the subject of a warning last week by the EC, which said the austerity measures in the PS's draft 2016 State Budget were "well below" target.

Economic Affairs Commissioner Pierre Moscovici and vice-president of the EC for the euro Valdis Dombrovskis declared that the EC's calculations showed Portugal's budget deficit would be 3.6 percent of GDP this year and not the 2.6 percent claimed by the government. "It's very important that we work together so that the final Portuguese budget is coherent with rules of the pact and the commitments Portugal has taken on," Moscovici told reporters. If Portugal does not comply with the EC's demands, it could declare the country at "default risk" and order it to impose new measures or redraft the budget. Heavy fines and other sanctions could follow.

At the same time as the EC issued its statement, the financial markets and credit ratings agencies intervened, with Fitch threatening to cut Portugal's rating because its budget proposals were "unrealistic."

Portugal's parliamentary budget oversight unit (UTAO) made similar criticisms, virtually accusing the PS of fiddling the books by using "incorrect and irregular accounting for extraordinary measures" to exclude "one-off" costs of around €2 billion from the budget deficit in order to come to its 2.6 percent estimate. The one-off costs refer to the limited social measures the BE and PCP proclaimed in order to justify their agreement with the PS.

Costa rejected the criticisms, insisting, "We have sound economic arguments to defend our position. We're engaged in a re-orientation of policies introduced over the past few years [but] within the framework of our European commitments."

In reality, none of the minimal measures agreed by the PS can be achieved within the framework of the EU. The measures that have so far been "delayed" will later be cancelled altogether.

The BE responds by portraying the PS as a hapless victim, "facing a difficult equilibrium between what is demanded by Brussels and the promises made in the agreement with the left-wing to reverse the measures of the previous right-wing government." This is a fraud, similar in all respects to the cover its co-thinkers provided for Syriza in Greece. The BE knows the PS will do whatever the EU demands—and so will the BE.