

Lessons and not Myths about the Portuguese non-model



Jacobin published on June 9 an essay by Catarina Príncipe under the title “The Portuguese Myth.” We’ve deeply appreciated her thoughts on the political changes in the country since 2015, considering it was written by a spokesperson for a minority current inside the Left Bloc, a status Príncipe failed to mention. This should have been stated, for transparency’s sake, since Príncipe offered an alternative political resolution and a competing list for the leadership of the Party in 2016, which were defeated.¹

This is an extra reason for noting her fair treatment of the difficult decisions the Portuguese left had to make during the last three years. Indeed, Príncipe has repeatedly stated agreement with the choices made by the Left Bloc. She wisely considered the challenging situation Portugal went through in the troika period and during the 2015 elections, and she supported the political action of the left since then. In fact, Príncipe accepted and promoted the agreement between the Left Bloc and the PS (Socialist Party) and emphatically opposed any notion of breaking it.

This is the reason why we were surprised by her startling conclusion: “The truth is that the Left Bloc is today hostage to the PS. It has been weakened at many levels, from its membership numbers to its level of activity and program. And despite the difficulty of the present situation, the party is skeptical of serious strategic debate or internal divergence of any kind.” This “truth” is false on facts and on conclusions. But, furthermore, Príncipe is faced with a contradiction: if the political choices were correct and she

supported them all along, how is it possible to conclude that the party is “hostage to the PS” and that a “radical rethinking” is required, to the point of suggesting the creation of a new political formation? We challenged that conclusion in a reply sent to *Jacobin* but the journal decided to reject it. We were surprised since *Jacobin* opened a discussion but declined to publish a different point of view. Our response is included in this text and we thank *New Politics* for its openness.

In what follows, we will discuss the conditions for the Portuguese “non-model,” since the circumstances were so peculiar that no generalization is possible, and we explore the experience of the Left Bloc. The social conflicts and the growing mobilization of different sectors are briefly indicated. They prove, we believe, that the political parties of the left are right to present their alternatives to austerity and to challenge the government on crucial issues such as precarious labor contracts, or proposing debt restructuring or nationalization of energy firms and banks.

1. A difficult decision in October-November 2015

After four years of austerity and social destruction, under the right-wing government and the troika (the European Commission, the International Monetary Fund, and the European Central Bank), the Portuguese 2015 elections imposed a setback to the government parties (the coalition of PSD and CDS, the two bourgeois parties, lost almost one million votes and got 38% of the vote) and a modest recovery for the Socialist Party (PS, which received 32%). As the two left parties, the Left Bloc (10.2%) and the Communist Party (PCP, 8.6%), got almost one in five votes, the parliament was faced with two alternatives: a minority government of the right wing with no allies, except if the PS chose to help it; or a minority government of the PS with the possibility of parliamentary support from the two left parties. To make a long story short, the then-President of the Republic empowered the previous

prime minister, Passos Coelho, to form a new right-wing government, which was defeated in Parliament and, then replaced by a new PS government (prime minister António Costa) with a formal pact with the Left Bloc and the PCP. So, for the first time ever, the PS was forced to establish an alliance with the left, and the left accepted this alliance, also for the first time.

On the eve of the parliamentary vote defining this change, Príncipe was interviewed by Telesur and explained the success of the Left Bloc: the “best result ever” of the party was obtained thanks to a “very good campaign,” in which “Catarina [Martins, the spokesperson of the Left Bloc] won all the debates [on TV, against all the other party leaders] as she was very well prepared and was able to communicate very complex ideas in a simple language everyone could understand.” Moreover, when Tariq Ali, who was interviewing her, asked about the risks of an agreement with the PS, Príncipe was adamant: “We are doing what we must do.” She explained: “We need to do this agreement. It was our proposal so we need to go on with it. And we need to answer to the feeling that people have, a lot of people in this country, we need to get rid of the right and we need to give people some time and space to breath, which is a very important feeling.”

Príncipe was right. The popular perception was that a new right-wing government was too dangerous and that the center (PS) and the left (Bloc and CP) should establish a platform to avoid the continuation of the policy the ex-prime minister aptly called “impoverishment.” She was also right on the courage and path-breaking orientation followed by the Left Bloc in that campaign, since Catarina Martins at a TV debate challenged Antonio Costa, the leader of the PS, to drop three essential points of his program (freezing the pensions, creating a new form of easy firing, and reducing the firms’ contribution to social security). Her clear conditions for a dialogue on the future government became a decisive question

in the national debate. This was not an electoral trick but a clear answer to the needs of the people. That is how a left party should act to lead a political change, and Left Bloc acted as such.

2. After two years, the same conclusion: the agreement was necessary and correct

Recently Príncipe maintained the same conclusion: “this was a smart tactic” and the “Left Bloc’s outstanding result, and the active role it had taken in offering the PS baseline terms for an agreement, pushed it into the center of these negotiations.”²

Let’s go on reading Príncipe. At the end of 2017, after two years of PS government, even after proposing a defeated list and resolution to the congress of the party, Príncipe once again writes that the Left Bloc was right: “But the position of the radical Left is as difficult as it is new. Being called upon to take responsibility and keep the Right out of power put the Left in a position of not really being able to say no—especially when the Left Bloc had been the first party to even mention a government solution with the support of the Left. Navigating this hard situation demands a good deal of prudence from the Left, as well as plenty of internal debate.” Again, we agree. It was a difficult choice, but it was imposed both by the political choice of the party and by popular pressure. “We are doing what we must do,” she stated.³

But, still, could it or should it be different? Should the Portuguese left reject the agreement with the PS or force new elections, even after some time? Was it wrong to pursue the measures of the agreement and vote for the state budgets accordingly? Just when the third state budget of the new government was approved in parliament, Príncipe answered those questions with a categorical *no*: “As choices have to be made, we need first to consider the alternative positions towards

the government. At this moment, the country is experiencing a decompression period following a time of extreme austerity. The government and the coalition agreement are popular and the signed pact has been partially fulfilled. Given this, and irrespective of the criticism that can be leveled at the agreement process in the first place, *it would be counter-productive and unsustainable to defend a toppling of the government*" (our emphasis). This was just six months ago.

3. A "smart" turn for argument sake

Six months have passed, and Príncipe presents her new version in *Jacobin*. Was it a "smart" move by the Left Bloc to propose this agreement? Yes, but that was last year. Now, for the *Jacobin* piece, everyone was "smart": the left, for signing the agreement, and the PS, for signing the agreement. A win-win.

As Príncipe states in her *Jacobin* essay, "This was a *smart* tactic [by the Left Bloc]: it forced the PS to define itself politically and to clarify its loyalties." But then she immediately adds, distributing the same label to the PS: "In hindsight, this was a *smart* tactical move [by the PS]: in a climate of slow but steady economic recovery at the European and national level, it allowed the PS to use the breathing space to its own advantage, with the introduction of austerity-lite policies. At the same time, it was the perfect moment to co-opt the Left into a very difficult situation of supporting a government that would never be meaningfully anti-austerity or adopt the Left's own demands" (our emphasis).

So, everyone was "smart," but finally the PS imposed a government that "would never be meaningfully anti-austerity." Does this tortured language mean that the PS government is pro-austerity? Príncipe had just written that it would be "counter-productive and unsustainable to defend a toppling of the government." But six months after, is she suggesting in *Jacobin* that we should? Again, it is not clear and this

conclusion is never made explicit. The text even proceeds with a fair description of the political evolution: "this agreement has put a stop to the process of mass impoverishment (which was the government's real aim, rather than overcoming austerity as such)." She even adds that Portugal "liberated" itself from austerity: "far from being a solution, austerity aggravates the problem, creating a vicious cycle of lower wages, lower consumption, tax hikes, and rising public debt. But Portugal has in fact gained some breathing space, liberating it from this process." So, despite thinking that the PS was "smart" to "co-opt the left" and the left was "smart" to promote the agreement, Príncipe finds the fundamental reason for the change: impoverishment was stopped. What a difference that makes for people, right? "A very small income rebound," mainly for public sector workers and pensioners, and for the "dismantled middle class," not a bad result to begin with these days.

Curiously, although arguing that the government "would never be meaningfully anti-austerity or adopt the Left's own demands," Príncipe shows an electrifying confidence in the possibility that the PS could move left. The PS "could therefore be forced [in the negotiations] into accepting bolder proposals that were not only about stopping the impoverishment process, but could also reverse austerity in the mid-term—placing the renegotiation of public debt at the core of the discussion." So, after all, the government that would "never accept the Left's own demands," and instead "co-opted" the left, could eventually be moved to "accept bolder proposals" and be "co-opted" by the left. It would have been nice, but is clearly fiction, as stated throughout the text.

We believe this in an overstatement and an illusion about the possibilities of the agreement. The PS could not be forced to move from its nature, a center party rooted in the European Union orthodoxy, towards a left strategy of rupture with the debt and the euro. What was at stake, as Príncipe by the way

clearly noted, was to stop impoverishment and to pave the way for workers, retired people, and youth to recover from the attacks of austerity.

4. The results of the agreement and conflicts with the PS government

As Príncipe already mentioned some of the economic results of the anti-“impoverishment” measures, no more detailed account is necessary. For the sake of systematization, we will nevertheless summarize the main achievements and conflicts with the government under three groups of questions: first, the democratization measures, which she ignores, second, the economic and social implications of the agreement, and third, the conflicts on financial issues and the labor laws.

A. Moving forward on basic rights

During the almost three years of the minority PS government, different laws were passed in order to abolish fees on abortion (the legalization of abortion was approved through a referendum but the previous right-wing majority imposed some fees in order to deter its use), to enlarge the rights of gay couples including adoption, to generalize medically assisted procreation to single women and lesbians, to rule the conditions for surrogate maternity, to establish a full gender parity political representation, and the medical use of cannabis. In some cases, the Left Bloc and the PS were able to get the laws passed despite the PCP voting with the right-wing parties (lesbian rights, gender parity, surrogacy, and cannabis); more recently, both the Left Bloc and the PS proposed laws in order to legalize euthanasia, but these were defeated by only 5 votes, with the PCP again voting with the conservative parties.

The relevance of this agenda is obvious since it furthers a process of democratization and effectively challenges different forms of oppression. Global social movements will

value these achievements.

B. Social and economic effects

The following measures of the agreement were applied throughout this period, among others:

- The privatizations or concessions established by the right-wing government in public transportation (national airline and public transportation of the two largest cities) were reversed;
- New privatizations were explicitly forbidden;
- The minimum wage is raised by 20% until the 1st January 2019;
- Four holidays were reestablished after being cut during the previous government;
- The pensions were unfrozen (at the rate of inflation) and the smaller ones were augmented every year by 3 to 4%;
- The program for displacement of public servants against their will was ended;
- The collective bargaining process of public servants was reestablished;
- The tax on consumption in restaurants decreased from 23 to 13%;
- All children will have a nursery by 2019;
- Books are offered to all students until they are 17 years old, in successive steps;
- The extraordinary tax imposed on wages and pensions during the troika period was abolished;

- The taxes on labor income were reduced and the tax on large firms increased;
- A new tax on luxury real estate was created;
- Foreclosures are suspended for old or disabled people living in the same place for 15 years, and the rent law is being revised to protect tenants.
- New rules were established for self-employed workers who provide services to different firms assuring them social security protection.

The global effect of these measures in 2016 and 2017, in a favorable context with lower oil prices and better export prospects given the mild recovery in Europe, was a combination of a small growth of GDP (plus 4.3% in real terms, after falling 7.9% during the recession and austerity period), strong creation of employment (the reduction of official figures of unemployment from 17.5% in 2013 to 7.4% now) and a reduction of the public deficit (from -3.1% in 2015 to 0.9% in 2017 and to a prospective virtually zero in 2018), in this case thanks to the effects of the recovery and also to freezing public investment. In any case, aggregate demand expanded as the joint result of more confidence and more pensions and wages. Fighting impoverishment had a real social impact. It is a fact that no other European country pursued this sort of policies.

Although major challenges are still unmet and the PS will not address them, such as reducing external and public debt, the fact that the Left Bloc was able not only to study and to present concrete alternatives on such topics but also to force a dialogue on them shows the way forward: indeed, a report presenting a concrete proposal of mutualization of 52 billion euros was approved by the Left Bloc and the PS, with the participation of members of the government, stating that the current European Union budgetary rules are “unfair and

unsustainable” (although the government does not intend to act on it). This concrete plan strengthens the fight against the debt.

Let’s keep looking at difficulties and challenges, and again whether the left is “hostage to the PS” or if it fights and exposes the contradictions. As the budgets were being applied, many conflicts have emerged between the left parties and the government, and frequently with the European authorities; some came to be solved and others not. With no exception, the Left Bloc put forward its views, knowing that building a political relationship of forces requires detailed and convincing alternatives and strong will.

Certainly, we know that the reader has no means to directly check the different views of this effort and its consequences. This is why some examples of our argument are shown here, with the help of front pages from the major daily papers in Portugal, below.

The first refers to the critique of the daily choices by the finance minister, the most powerful in the government. As you can see, Catarina Martins discusses in different moments detailed alternatives on banks, on the euro and its damaging effect, on the status of the scientific researchers and on the management of public services expenses.

Photo 1
Alternatives to austerity



Catarina Martins challenges austerity and the action of the Finance Minister. "Captives cannot serve to comply with Brussels and fail with partners"; "Austerity has not ended. The conditions for that have not been met yet."

Look now at the second example. Mariana Mortágua, an MP and spokesperson for the Left Bloc for finance and banking, challenges the priorities and the low level of public spending, as further incentives are required for the creation of jobs. That's what she is arguing in the newspaper.

Photo 2
Budget at the center stage of the debate



Mariana Mortágua, MP, criticizes how the government is managing its expenses and investment. "A government managed by the Finance Minister is an error"

Left politics is not a gala dinner, so alternatives must be created and presented, they must attract, convince and mobilize the working people. If we look at some other conflicts, the differences between the Left Bloc and the PS and its government become even more obvious, as they have become for the working people in our country throughout the process.

C. Conflicts on finance and banking, and labor laws

The two most important areas which were not covered by the written agreement are the regulation and management of the financial system and the labor laws. In some cases, themes that were not covered by the agreement were included in later negotiations and a consensus was eventually established (that was the case with the new tax on luxury property or of many instances of other budget rules). But that was not possible, given divergent strategies, in major cases in finance and labor regulation.

As a consequence, the left parties opposed the sale of Banif, a small regional bank, to Santander, and that of Novo Banco, which used to be the largest private commercial bank, to Lone Star, a US real estate firm. In other cases, the left opposed arrangements to ease the future taxes of the banking industry or to concede that industry special benefits. These conflicts proved why the left parties were right not to consider actually joining a PS-led coalition, since there is a huge divergence between a center government and the left on finance and other questions.

The divergence on the labor laws is a fundamental one since, for two years, the Left Bloc pushed with the PS a package of measures to address precarious labor contracts. A part of

those measures was approved after long discussions: it changed the way the precarious independent workers pay their dues to the social security, and how much the firms contracting their services should contribute. It was a major victory, not only for the left parties, but also to the social movement built by precarious young workers, which has been the most militant for the last decade.

Again and again, the social contract came to the front of the national debate. On one occasion, in early 2017, when the PS government proposed a reduction of the payment by firms to social security, the bosses applauded. It was the first case of a direct violation of the written agreement with the Left Bloc. The party reacted and rejected the proposal, since it would damage the receipts of the public pension system, fought it and finally defeated it.

The most important victory for the workers movement and for the Left Bloc was forcing the government to accept the inclusion of the precarious workers in public services (schools, hospitals, etc.) as permanent public servants. This opportunity extended to more than 30,000 individuals who applied. And the application process is still going on. This is a strategic movement for the Left Bloc, both as a militant force for self-organization and as a political actor able to impose the new rule.

After being defeated on the social security payments by firms and agreeing to implement important changes in favor of the precarious workers, the government proposed in March and April 2018 new changes in the labor laws. Some were convenient for workers, such as reducing the number of years (3 to 2) of successive term contracts or limiting the number of contracts as temporary work (very short-term contracts). But some represent the worst-case scenario: augmenting the experimental period (no rights, no compensation if fired) or establishing the possibility of verbal contracts up to 35 days (mostly for touristic services but now extended to the whole economy). The

trade unions and the left parties are mobilizing against these proposals.

Our final example of a conflict with the government is the energy issue. The Left Bloc, following its agreement with the PS government, was able to deliver very quickly an important change to poor families: the access to the social tariff on energy, substantially lowering its price, was enlarged from some 50 to 700 thousand families (one in eight families), simplifying the procedure to verify the income tax declarations and avoiding any bureaucratic obstacle. But the big conflict on the energy question would occur by the end of 2017, when the parliament approved a new tax on the energy rents, worth some hundreds of million euros, after a negotiation between the Left Bloc and the ministries of finance and economy. Yet, the government came under pressure from the Chinese government (public Chinese firms own, through privatization in 2012, the largest Portuguese energy firms) and, with the help of the right-wing parties, a new parliamentary vote reversed the previous decision. This major political storm proved how difficult it is to challenge the international capitalistic interests, how vulnerable the PS is to their power, and also how the Left Bloc should pursue its fight for the benefit of the people.

5. Social action not just for representation, but for presentation

You know by now what we are living through: there is fight everywhere and every day. It is a clear confrontation for social and economic alternatives. Read the papers, as those we pictured as examples, follow the blogs, learn about the social movements, and talk to the militants and the working class. You will learn that the left grows and is able to mobilize if it is up to the task of presenting not only ideas or slogans but solutions, objectives, measures, accountability and motivation for change, and is prepared to fight for it. You will hear from some reactionary commentators that the left is

“hostage,” but not from the leaders of the right-wing parties and the big bosses, who say the opposite—that the left has too much power nowadays. They are wrong on effective power, but that is their perception of the strength of the movement led by the left.

The construction of social action is therefore a defining role for the left. Three contemporary examples will conclude our argument. The first one is the teachers’ strikes and protests for wages, leading to a recent large demonstration. Whoever argued that the agreement between the left parties and the PS prevented the social movement or imposed restricted forms of protest, is wrong. Precisely the opposite: as many workers know that the government is more vulnerable to social pressure and that the left parties are their allies, more mobilization is indeed possible. The fact is there, teachers demonstrate and prepare a long period of fight with strikes for September and October if necessary.

Our second example is the organization of different collectives and organizations against oil exploration and, in general, for a radical change in climate change policies. They are particularly strong at the local level, and converge in some initiatives, such as the Portuguese-Spanish demonstrations against the Almaraz nuclear facility or the Retortillo Uranium Mine, which was recently closed by a parliamentary decision in Spain. Mobilizations against other mines, against the pollution of rivers or intensive agriculture companies, and the defense of animal welfare against agrobusiness, for example through internationally articulated demonstrations against live cattle transport, gained momentum in the last couple of years.

Finally, a third social movement that has proved to be resourceful and growing is the feminist movement, in particular rejecting insulting Portuguese court decisions considering violence against women and feminicide judgments, street harassment and denouncing rape culture. But as well,

the feminist movement has been inserting a women's working-class agenda articulating gender inequality in the productive and reproductive realms, as well as income and rights inequality as a result of capitalist patriarchal society. The feminist movement has organized some minor local demonstrations, but also big national demonstrations taking place simultaneously in various Portuguese cities, whether they are marches against Trump and misogyny, or demonstrations on the 8th of March. They are now preparing the 8th March 2019 Women's strike.

Photo 3:

Demonstration for the 8th of March



Demonstrations were called in different cities on the 8th of March and the preparation of the 2019 Women Strike is under way.

The same could be said of other movements, such as the tenants' movement against expulsion from their homes and against gentrification of the cities or the informal caretaker's associations that now arise. In all this, the Left Bloc is part of the movements. They all represent the social struggle as it is: moving, sometimes slowly, sometimes effervescent, joining forces, contradictory and motivating. Nonetheless, bigger and more organized than it was when there were no alternatives. Representing this strength as "hostages" to the PS is not only a mischaracterization, it is sheer

insult.

As we repeatedly state in this text, we do not present the Left Bloc or the Portuguese experience as a model. When mass politics is at stake, there are no models: only a well-rooted capacity of learning and fighting alongside its own people prepares a party for its strategic choices.

6. An agenda for social justice

During the less than three years of the PS government, these movement inspired political debate and generated new ideas. They also influenced the political framework. As far as the Left Bloc goes, it signed an agreement with the PS in 2015. This imposed a new cadre to its activity but did not change the party's aims: to create a large class movement for socialism. Steps in that direction are made at different levels, such as favoring the recovery of the standard of living of workers and retired people, creating better conditions for trade union collective bargaining, promoting self-organization of precarious workers, taking the fight to the core of the economic and social system.

In this case as in others, the Left Bloc challenges and confronts the politics of the center. We persist and insist. And this is how left politics will win: talking to people that share the same ideas, including in other parties, a social movement that is created, standing for concrete proposals and becoming able to deliver an alternative and not just a protest.

We fight for the majority in every arena. We are no "hostages" except for our determination as militants for socialism.

Notes

1. Catarina Principe's list for the leadership obtained 11.4% of the votes of the members of the Left Bloc at the last Convention.

2. Catarina Príncipe, "Anti-Austerity and the Politics of Toleration in Portugal – A way for the Radical Left to develop a transformative project?," Rosa Luxemburg Foundation, Berlin, December 2017.

3. Furthermore, the agreement did not mean becoming part of the government and presupposed independence in every matter not covered by the pact: "This allowed the parties to declare that this was not their government and it would not solve the country's fundamental problems, but it would still to try to address the public's immediate priority of ending the most damaging austerity measures. Moreover, it allowed the parties to vote against some governmental measures," as Príncipe rightly describes.

Maria Manuel and Jorge are members of Parliament; the three are members of the leadership of the Left Bloc, elected for the majority list, which obtained 79.7% of the votes of the members at the last Convention (2016).