

Neoliberal Economic Austerity Measures in Portugal: Mass Protests Point to Government Crisis

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Global Research, March 13, 2013

[Green Left Weekly](#)

Region: [Europe](#)

Theme: [Global Economy](#)

Whenever there is a protest in Portugal you are almost certain to hear the haunting song “Grandola, Vila Morena” (“Grandola, sunburnt town”), with its line “who most rules within you, O city, is the people”. On March 2, at huge protests across Portugal, “Grandola, Vila Morena” was sung by more voices than ever before.

That day, up to 1.5 million Portuguese responded to the call “Screw the Troika, Who Most Rules is the People!”. They filled the squares of 40 cities and towns to demand the immediate resignation of the government, a right-wing coalition of the Social-Democratic Party (PSD) and Democratic and Social Centre-People’s Party (CDS-PP), headed by prime minister Pedro Passos Coelho.

“Grandola, Vila Morena” was broadcast early on April 25, 1974, as the signal to launch the “Revolution of the Carnations” that ended the decades-old fascist regime. It is again becoming the freedom hymn of the biggest Portuguese protest movement since that time.



More than 1.5 million people marched throughout Portugal against austerity and for the resignation of the government. (right)

There is a popular tsunami against the austerity policies being imposed by the “troika” — the European Central Bank, European Union (EU) and International Monetary Fund (IMF) — as condition for the country receiving a 78 billion euro bailout.

March 2, which coincided with the seventh troika inspection of its Portuguese protectorate, was organised by the “Screw the Troika” coalition of over 100 social and community groups.

Passo’s implementation of austerity — a million-strong Lisbon demonstration on September 15 last year.

September 15 showed the depth of popular anger against a specific government measure, a proposed increase in social security contributions that was later dropped — a success for the movement.

March 2 was much more: a protest against the entire gamut of Troika austerity policies and one that had a precise demand — government resignation and fresh elections.

As the “people’s censure motion”, voted by the 800,000 in Lisbon’s vast waterfront square Terreiro do Paco, said: “This government does not represent us. This government is illegitimate. It was elected on the basis of promises it did not fulfill.

“It promised that it would not increase taxes, but has increased them to unbearable levels. It guaranteed that it would not rob pensions nor cut financial support to workers, but not a day passes when it doesn’t rob more money from workers and retirees.

“It swore that it would not sack public servants nor increase unemployment, but every hour that passes there are more people without work ...

“This people’s censure motion is the cry of a people that wants to participate. It is the public affirmation of the growing desire of the people to take the leadership of the country into their own hands, overthrowing a corrupt power ... let the people rule!”

Greater participation

Compared to September 15, March 2 was more organised, with greater participation and support from trade union and left political forces, including the Left Bloc (BE), the Portuguese Communist Party (PCP) and the General Confederation of Portuguese Workers (CGTP).

The Socialist Party, which in government had invited the Troika into the country in the first place, had to express its “sympathy” with the movement.

The various sectors of the population most affected by government policy — education workers, health workers, retirees and pensioners, the LGBTI community, culture workers and the unemployed—took part in the protests in various-coloured “tides”.

March 2 also brought out new sections of the community, included people attending their first demonstration. Notable was the increased presence of retirees who face cuts to already miserable pensions as part of the IMF’s latest proposal to cut Portugal’s spending by 4 billion euros this year.

Another increased presence was that of the lower ranks of the armed forces, not wearing uniform but grouped behind the banners of the three armed forces associations.

Popular chants of the day (which rhyme in Portuguese) included “With Passos at the helm, the country goes on sinking”, “It’s time for the government to exit”, “Your sacrifices are in their wallets”, “Passos, thief, you’re not worth a cent” and “One more push and the government bites the dust”.

The anger of the day was summed up by protester Fabio Carvalho in an interview for Reuters: “The government has left the people on bread and water and flogged off state assets at bargain-basement prices so as to pay the debts run up by corrupt politicians to benefit the banks.”

Hardening mood

Writing in the March 5 *Expresso*, political commentator Daniel Oliveira noted the hardening mood among the protesters, especially the older generation: “One of the things talked about most on Saturday was the children who emigrate, who are unemployed, who are desperate. And the lack of prospects for their grandchildren ...

“Some of the retirees who took to the streets on Saturday were participating in a demonstration for the first time in their lives ... and it is only now, at more than 60 years of age and after almost 40 years of democracy, that they feel propelled into the street.”

The anger has been intensified by the growing realisation that the government and troika's Thatcherite claim that “there is no alternative” is bunkum. In a February survey by *Diario de Noticias* about what interviewees thought the government could cut to save and restore spending on health, education and pensions, 36% nominated interest payments on the public debt, 33% military spending and 57% spending on private-public partnerships.

On March 3, Left Bloc MP Jorge Costa made this assessment: “Saturday's massive demonstrations have changed the immediate future of social struggle in our country ... that large scale popular mobilisation is not an isolated phenomenon or an occasional cry of the soul.

“It is the expression of concrete social struggle, a permanent fact of the national situation, of a majority that is speaking out against the cuts that are crushing our society.”

That “permanent fact of the national situation” is being reinforced by Portugal's disastrous economic plight. Growth in the year to December 2012 shrank 3.8% and, in the year to September 2012, consumption dropped by 5.9% and investment by 14.2%. Official unemployment rose from 14.8% to 17.6% in the year to January.

During the crisis government consumption has fallen, from 22.1% of GDP in 2008 to 17.5% last year. A recent report by the Organisation for Economic Co-operation and Development states that the spending cuts in the health sector in Portugal have been twice as large larger than those agreed by the troika.

The Portuguese Ministry of Health denies this but the report adds that Portugal's spending in the health sector is expected to fall to 5.1% of GDP in 2013, down from over 10% in 2010, and much lower than the average of 7% of GDP for the eurozone.

In Portugal's poorest neighbourhoods, children increasingly come to school on Monday dizzy with hunger because school meals are the only ones they have. Without the country's remaining social safety net the percentage of the population below the official poverty line would more than double to 43.6%.

Yet, despite the country being sunk in depression and with unemployment on the rise, union struggles have not disappeared. In February alone there was a week of struggle for public education and teachers' wages, big demonstrations against the planned privatisation of state shipyards as well as strikes in the hospital sector.

State rail workers were on strike for a week in early March and March 15 will be a national day of action for public servants. Further bitter labour struggles in the private and public sectors are in the pipeline.

Can Passos survive?

All the signs are that Portugal is entering a critical phase. The call for the government to

resign grows louder and louder as tensions rise within the governing coalition between those, like Passos, committed to “staying the course” and “not governing according to demonstrations” and those, like increasingly nervous MPs of the CDS-PP, who see their parliamentary careers vaporised unless Passos at least pretends to heed the people’s voice.

However, with all signs showing that Passos is determined to see out his parliamentary term, the pressure remains on the protest movement to build even stronger action.

Even more critical is giving concrete and feasible form to the alternative to Passos, the alternative of a left government. Jorge Costa sums up the challenge like this: “The people who form part of this mass movement require anti-Troika forces to develop a common response and to take concrete steps for a shared political alternative.

“First, the Left Bloc and the PCP should demand new elections and together seek a leftist government to break with the Troika. But this unity should not stop at dialogue between the anti-Troika parties. Rather, the design of a leftist government will be as broad as the program it promotes is clear...

“It is among the many, many voices of the people who have ‘occupied’ our cities that the project will draw strength. And among these voices are many socialists who refuse to accept the watered down austerity program [pursued by the SP leadership]. They are those who recognise the need for debt renegotiation and a complete change in policies for the real economy. Unity on the left will shred the [Troika] memorandum.”

On March 7, Left Bloc national co-coordinator Joao Semedo carried the mood of March 2 into the national parliament: “[The prime minister] must understand that the people are sick of him, his policies and his government ... Prime minister, resign! Don’t be afraid of elections. Let democracy solve the country’s problems to which your government has been unable to respond.”

The same message had come in parliament a fortnight earlier, in musical form. As Passos was preparing to speak, a packed public gallery started to sing “Grandola, Vila Morena”, forcing the prime minister to stop. Will that moment symbolise Portugal’s future?

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