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Portugal

# After a year of absolute majority, first wave of mobilizations in Portugal

- IV Online magazine - 2023 - IV578 - March 2023 -

Publication date: Friday 3 March 2023

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**A year after the Socialist Party (SP) won an absolute majority in the Portuguese parliament, the political situation has been altered by the popular struggle. This struggle is already splitting up into multiple battles. From the struggles of teachers, doctors, nurses, the judiciary and civil aviation personnel - marked by the demand for wage rises in response to the pressure of inflation and rising interest rates - to the transversal mobilizations, such as those planned for 25 February (demonstration for a Just Life, against the rise in the cost of living) or 1 April (demonstrations for the right to housing).**

## **Absolute majority, social crisis and political instability**

At the end of 2021, by rejecting the left's demands on labour legislation and investment in health, Antonio Costa managed to bring forward the elections with a promise of political stability. It was an electorally winning tactic. The absolute majority he obtained in the January 2022 elections became, after a year, a parliamentary stalemate of a government that, in constant internal convulsions, did not respond to the worsening problems. In the first year of the legislature, three elements came together: degradation of political standards in government, alignment with the employers in the "social pact" on wages (signed by the employers and the UGT) and a commitment to protect the extraordinary profits of the economic elite in times of inflation. This hits particularly hard a population that, without counting social benefits, has nearly 40% of people living in poverty. [1]

A succession of scandals has rocked the government, even if many of them had no judicial implications. In just nine months, the government suffered 13 resignations (11 secretaries of state and two ministers).

When the Prime Minister decides to appoint as Deputy a former mayor [Miguel Alves] accused in two court cases, starts by refusing any clarification and ends up being forced to accept his resignation [in November 2022], this becomes a political issue.

It was not an actual crime to appoint as Secretary of State a former administrator [Alexandra Reis] of the TAP airline company who had left the (mostly public) company with a compensation of half a million euros. The Minister of Finance who chose her was not willing to take cognizance of the millionaire award that the government itself had authorized. It may not be a crime, but it is a flagrant violation of ethical standards that should guide the government.

The hiring of another member of the government by a company that had been granted tax benefits by the government is an example of the revolving door between the centre of political power and big business.

These cases are not *casinhos* or mere mishaps, they are symptoms of rotteness in an absolute majority that, after only one year of existence, exhibits the same culture of arrogance and opacity that marked previous majorities of the same type, including those of the PS.

In 2022, inflation surpassed thirty-year records (7.8%) and recent projections of a slight moderation in its pace in 2023 (5.4%) confirm the prolongation of the loss of purchasing power of salaries and pensions. Prices continue to rise in an oscillating fashion, most sharply in foodstuffs, where inflation exceeds 20%, with the poorest being particularly hard hit.

The absolute majority insists on the thesis that updating wages and pensions to the inflation rate would aggravate the inflationary cycle, which is supported by the Brussels authorities. The average wage increase for civil servants is only 3.6 per cent (and decreasing across the wage scale). And the government/management/UGT agreement set a mere 5% benchmark for voluntary increases in the private sector, in fact well below inflation, while offering a fiscal reward to companies, in the form of tax cuts. In practice, most companies are either freezing wages or practising wage increases below this value.

The thesis of the spiral is contradicted by reality: the inflationary cycle does not originate in wages, being above all the fruit of a speculative movement that accelerates the transfer to capital of workers' incomes, in their condition as consumers and debtors. In Portugal, this impoverishment of the working class and this deepening of social inequality has only a recent parallel in the austerity of the Troika, at the beginning of the last decade. The profits of the biggest economic groups are soaring, and some fifteen large companies listed on the Lisbon stock exchange paid out €2.5 billion in dividends to their owners, the highest ever. The government claims to be a victim of successive international crises.

By refusing to control prices or limit profit margins in the marketing of products, it chooses to protect speculators in energy, department stores and telecommunications. In the face of all this, the triumphal announcements about economic growth (6.7% in 2022, a record rate since 1987) and budget deficit (below 1.5% of GDP) only show the government's inability to address the real situation in Portugal, preferring an accounting game to investment, wages and jobs. Without accepting progressive reforms that are fundamental in labour and public services, without even a plan to mitigate the impacts of the speculative assault, the absolute majority government embraces the right-wing opposition, with no resources for divergence in the debate on government policy, the substance of which it shares.

## Teachers: in just one month, strikes and three huge demonstrations

Teachers and all education professionals are rebelling for compelling reasons. They are suffering from a reduction in salaries in real terms, blocked career progression by the imposition of quotas, disregard for the calculation of length of service, precariousness and lack of compensation for travel expenses for schools far from home. The situation is not new, but the real loss of salary under inflation set schools on fire. The deterioration of the teaching career has alienated young generations from the profession while thousands are retiring. The lack of teachers is already being felt in many disciplines, grades and areas of the country. Thousands of children and young people were already out of school before the strikes due to lack of teachers. And the situation is getting worse every year. Instead of finding solutions by fully counting service time, paying travel expenses or creating incentives for impoverished areas (as is the case with police or doctors), the government decided to attack the teachers' right to strike and demand minimum services from teachers for the reception and feeding of students, and for classes. The progress of the negotiations points to very partial and insufficient responses and to the prolongation of a battle in which the teaching class is mobilised at an all-time high. [2]

## Housing at the centre of the struggles

The ECB announced a new increase in the reference interest rate, which has now reached 3%. This increase pushes the economy towards stagnation, hurts employment and wages without touching the main causes of inflation - supply bottlenecks and speculation. The increase in interest rates has a direct effect on the incomes of people with housing loans who have seen the bank's interest rates rise by up to 50% and without any effective protection mechanism.

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In Portugal, the fundamental right to a house has yet to be fulfilled. In less than a decade, house prices have doubled and renting costs 50% more. Housing consumes a brutal percentage of labour income, the result of public policies that promoted speculation and luxury residential tourism. In 2015, when the PS came to power, housing was already a ticking time bomb, but nothing prevented the new government from maintaining the laws that promote the sale of real estate to foreign capital. With the support of the right, it even bet on the creation of new forms of financial exploitation of the real estate sector. Taking advantage of the policy of low (and even negative) interest rates, international capital flowed into the guaranteed profitability of real estate. [3]

In Lisbon, the campaign for a referendum on housing is growing, with the aim of severely limiting the facilities granted to the transformation of housing into tourist accommodation. At the same time, a series of demonstrations for the right to housing are being prepared in the main cities, with the prospect of large crowds on 1 April, as well as other forms of protest over wages or the climate. Spring is going to be hot.

19 February 2022

Translated from [Viento Sur](#).

PS:

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[1] In 2021, 1.9 million people were living below the poverty line, that is with less than 554 euros net per month, and the situation worsened in 2022.  
- Translator's note.

[2] The Portuguese daily *Publico* reported on Saturday 25 February: "We continue to mourn in the struggle": teachers symbolically "buried" the quality public school in front of the Assembly of the Republic in Lisbon on Saturday. Before that, they marched from the Palace of Justice, occupied Rua Ferreira Borges, stopped in front of the official residence of the Prime Minister, in São Bento, and booed the government. "It's very difficult, I came today to fight for better conditions for those who are still in schools," said Pureza Silva, a 70-year-old retired teacher, as the demonstration continued. Shortly after 2pm, teachers, educators, non-teaching staff, children and their parents left the Palácio da Justiça, still in their hundreds - which quickly turned into thousands - towards the Assembly of the Republic, where they dispersed only at 7pm, under an already heavy rain. The demonstration was organized by the Union of All Education Workers (Sindicato de Todos os Profissionais da Educação-Stop).

[3] Governments have decided in the past to distribute "golden visas", i.e. residence permits offered to foreigners who invest more than 500,000 euros in real estate. In addition to this, the authorization of tourist accommodation in large cities, and in particular in Lisbon, stimulates multiple speculative operations, ranging from cascading purchases and sales (with a large number of empty, "pending" properties) to the development of Airbnb. Golden visas should come to an end. The smallest measures of the Costa government face the mobilization of the social power of the land rent professionals. (Tr. note)