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Austerity or Raising the Minimum Wage: Catarina Martins on Portugal's Experience

- Features -

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The Left Block is one of the instigators of the novel progressive left coalition in the EU, the European Left Alliance for the People and the Planet. The party stands in solidarity with the people of Ukraine against the Russian invasion. In November 2024, Catarina Martins together with two other MEPs and other delegates of European leftist parties visited Ukraine. We sat with her to speak about the stance of the Left on Ukraine and the Portuguese political experience, as well as about the lessons urgent for our country in the context of the economic crisis

Denys: Your visit to Ukraine was short, but a very intense one. You met so many representatives of different movements of diverse spheres. What struck you in this visit to Kyiv?

Catarina: I read a lot about the war and about the situation, so there's some information that I already had. But it's quite different when we listen to the people that are living through it, because we are not solely reason ruled: there's an emotional part of it. I knew that there was lots of determination, but it's impressive when you hear it from people that are so different. I met NGOs that work with the government, and I met the people that are very critical of the government, and those who work with the government and were as well critical of the government. All of these very different people were determined that they had to push back Putin. This determination was impressive indeed. Another thing that revealed to me was how Putin had underestimated Ukraine.

I had known you were determined, I'd known that Ukraine was, of course, a nation and that there were Russian speaking Ukrainians did not mean they wanted to belong to Russia. For example, I met some people who defended that Russian was their language and they told me: "I'm a Ukrainian Russian speaker". Ukraine is a plurilingual society like so many others. Those are the things that I had known before, but it was different when I heard people saying it.

On the one hand, of course, it's impressive how Ukraine keeps organized all through the war. But when you talk to those working with displaced people, in healthcare, in the frontline support, you see there is hardly any state there. This is a lucid example of the dangers of neoliberalism, it is clear. Take as an instance the housing situation: there is no prospect of a much needed public program for housing.

Or another example from healthcare: we visited an association that does palliative care. Nine women doing incredible work with an idea that if not them, there wasn't anyone. And then when we talked to the nurses, it was clear that it was not an exaggeration of the NGO. It was really like this. Or the frontline evacuation process — it is mostly done by NGOs. For sure, I understand that resources of the state are highly consumed by the war. But it's also obvious that these problems have been there even before the war. Ukraine is lacking a state with structure helping citizens with basic stuff. That is something I've learned.

You represent the Left Block in Portugal while your MEP colleagues in the delegation, Li Andersson and Jonas Sjöstedt, are from the Nordic left parties. Not only your political forces have been quite clear on the left in their support for the people of Ukraine in this war but also in general, both in the Nordic countries and in Portugal, if I'm not mistaken, the opinion polls show a high level of support and solidarity for the people of Ukraine. Can you tell a bit more about what stands behind?

I think there are various reasons for that. Nordics, because they are near the Russian border, and they have a fear of the war. In Portugal I believe that is because we have a large Ukrainian community, so we feel very close. All of us have some people that have come from Ukraine in the nineties or now. It's the second largest community in Portugal

right now, after Brazilians.

What is actually overseen by many of those people who claim their support to Ukraine, and what is highlighted by the people on the left, both in Ukraine and outside of Ukraine, are social and economic challenges that Ukrainian people are facing in times of war. And I think we also have this common experience with the vicious circle of debt and the problem of the foreign debt. Portugal had this story with the Troika [1], with the suffocation by the creditors, dealing with the pressure by the international financial institutions. Can the issue of debt help to build a broader solidarity between the countries, between those people who have been subject to this burden of the debt and the dictate of these institutions, be it Ukraine, Portugal, Greece or the countries in Africa, Latin America, Asia? What can we do to build this solidarity?

I think the issue of public debt and its cancellation is the one that we need to discuss and build solidarity around. For Portugal, it's not a huge problem now as it has been, yet it has huge costs. And for a country that is bearing the destruction of the war, it's catastrophic to bear the cost of the public debt as well. There is a point about neoliberalism people should internalize: creditors pretend to be helping Ukraine, but indeed they are not. They are doing business with Ukraine's disgrace. And those deals are paid by the taxpayers and workers of Ukraine. That is because, instead of an explicit support, an alleged aid is used once and then it is turned into a debt Ukraine will be obliged to pay off. We should be doing the reverse: in contrast to the debt you are obliged to pay off later, a large-scale support should be an actual one. Ukraine must be supported because it is important and the cancellation of part of the debt is a component of it — not debt accumulation.

And the other thing is the privatization of huge sectors of rebuilding of Ukraine, and multinational interests within. It's not because they [MNC] are generous, it's because they want to control Ukraine as a state with huge economical possibilities. Your country is very important due to the location where you are i.e. your natural richness, your agriculture. There's lots of reasons why you are a really good business. The thing is, you should have a good deal for Ukrainian people, not for some multinational companies. Not for those that come in proclaiming their intentions to help rebuild and then stay operating there, paying low wages, doing whatever they want and pouring the money off Ukraine.

And obviously you see on these international forums that are dedicated to reconstruction of Ukraine that everything is about the investors. So, whether it's a Ukrainian oligarchic capital or multinationals, everything is about business. Almost nothing is said about the labour, about those in Ukraine who actually suffer and pay the cost of the war.

That is why I think the left should assist with the idea of enhancing and maintaining Ukraine's public goods too. Something we've discussed is the need to work together on a project to finance public housing in Ukraine. If that is not done, some European or American constructor will come to Ukraine to rebuild houses and enrich.

Or some Ukrainian developer, who is probably also a very corrupt oligarchic.

Indeed, the cities could be the owners of the houses, why not? You have five and a half million internally displaced people. It's really impressive for a country with a 40 million population. Plainly some refugees are abroad now, nevertheless there are around 5 million in the country still. And some of those out of the country may want to return. This would be good for the reconstruction of Ukraine if some of them came back. They need a place to live, thus Ukraine requires a public housing program. You don't need to fill the pockets of a handful of constructors.

Speaking about neoliberalism and all these austerity policies, Portugal paid one of the worst prices in Europe after the 2008 crisis. But at least when your party and the communists were keeping in check the

socialist government by António Costa after the 2015 elections, it was the least neoliberal government in the EU at that time [2].

It was also the most popular government that Portugal had in this century. We constructed public housing, raised wages and pensions. We introduced the right to books in schools, because in Portugal families had to pay for school books so that after the entitlement they didn't. To sum up, we acted in accordance with universal social politics.

That was important. But then we had elections, and due to the people's sympathy for the government, the socialists received more votes. Thus when the socialists became not as dependent on the other left forces — Portuguese Communist Party and Left Block — as they had been before, they started to do what all socialists are doing around the world: they introduced neoliberal politics. That was a problem. We should have done much more, but I believe those four years proved that if you do something different, the economy will be better. Austerity is not an answer.

Austerity is just an aggravation of the problems.

Yes. In Portugal, there was a discussion that the minimum wage should not be raised, because it would kill the economy. In contrast, we raised the minimum wage every year. And, you see, because we proved that this policy had not killed the economy, from then on the minimum wage had been raised every year in Portugal. I'm not saying that everything is okay: it is still low. But the narrative that we could not raise the minimum wage because the economy cannot handle it: that is an argument no one could apply anymore. We changed it, we proved that austerity did not work. Wages worked for the economy.

But now you have a right-wing government in Portugal after the 2024 elections that also showed the skyrocketing of the far right Chega party. What are the main challenges as you see for the Left Block and for the broader left in Portugal at the moment? How can we combat these right-wing forces?

We have a problem because we supported the Socialist Party government that at some point decided not to cooperate further with the forces to the left of it. And there was not a day when everyone recognized this taking place. So people still associated what the Socialist Party did after 2019 [when it was no more reliant on the Left Block parliamentary support and watered down its social policies] with the left. With COVID and the post-2019 inflation, the socialist government decided to keep deficit rates low as a main priority. They didn't do any investment in public services, thus the latter got a lot weaker because of the inflation. Then COVID, and not any investing either. That was a terrible decision. At the same time, the labour also was not as protected by the law as it should. So, the companies didn't raise the wages as they had to handle inflation. In the end, people associated this lack of investment in public services, and the way their wages did not keep up with inflation with the left policies. But it was not left forces. It was a socialist party doing the same as what the right-wing parties had been across Europe. Therefore, people ceased to support what they perceived as the left-wing policies and began to trust in the right, hoping it could bring changes.

And so we have a right-wing government gaining traction now. We have a rising right-wing, but it probably has to do with these disappointments and hopes, as well as with the international moment. I believe that those hopes will be proven wrong unfortunately. All this is challenging, since the right forces are well financed. Moreover, there is a communication between them in the international arena that goes from Bolsonaro to Putin and Trump. And of course, Portugal has firm links with Brazil. All these render the situation difficult and complicated. In Portugal, as in other countries, right-wing parties gain votes drawing on lies, and on destructive politics.

I believe that the left must have good, solid ideas for the working class. Precisely for the working class as the working class is. Because the working class is not heterosexual white-male only but rather it consists of all the variety. Women, the non-white and immigrant workers are being more exploited than any other kind. Knowing this, the left

needs to have effective mobilizing ideas which, I believe, will be centered around inflation and wages. Also housing, because it's not only Ukraine that has a housing problem. I'm not comparing. Of course, your situation is different, but the trend is penetrating Europe: people cannot afford a house with the wages they earn.

Portugal was one of the few countries in Europe that didn't have an openly far-right party in the parliament. It seems that after the Carnation Revolution that toppled the hard-right dictatorship these ideas were discredited completely, even among those on the right who started to name themselves social democrats as the PSD. So what happened, how did these ideas become more tolerable and the far-right gained such popularity?

It is a mix of two factors. For sure, there are young people that are very far away from the anti-fascist debates, and they are very influenced by social media. Especially the young boys being under the influence of the content, propagating toxic masculinity. That is terrible. But what is more important is that we always have had these right-wing figures in Portugal, they just haven't had a party. And then, the party has emerged, so this audience has gained a political force to vote for. They have always been here, the racists and misogynists, hiding in some conservative parties and traditional right-wing parties. Among them even those with nostalgia for the dictatorship, for the idea of the colonial Portuguese Empire. That always has been existing, though there has not been a party to represent them. Now, the international arena provided the means for a party construction.

There are some people who draw comparisons between Salazar's Portugal and modern Russia. So you have had a right wing dictator growing senile, out of touch with reality, trying to wage colonial wars to preserve the empire. What do people in Portugal in general think about the nature of the Russian regime? Because it seems that at least in this superannuated Portuguese Communist Party, lots of people still think that Russia is some sort of heir to the Soviet Union and that it is still an actual anti-fascist force.

I don't think they see the real picture. I'm very critical of how the Communist Party deals with these things. What they believe is the divided world. You have North American imperialism that is very strong, that has economic means, and military means that no other force has on our planet, and that is true. And so what they believe is that forces that are against North American imperialism can give some kind of a balance. I think that is wrong, because Russia nowadays is aggressive, neoliberal capitalism with imperialist objectives, as well as China. In Portugal, I think, it's good to remember that big allies of Putin are always right-wing.

The right created the Visto gold scheme that oligarchs use to gain citizenship in the EU countries. There were the right-wing ministers who went to Russia with the purpose of selling those golden visas to oligarchy. So never forget that the real links with Putin are retained by the right and, of course, the far-right. For instance, André Ventura of the far-right Chega has a great friend Marine Le Pen who only in one year has received a 9 million euro loan from Putin to make a campaign. Or Salvini wearing a t-shirt with Putin's face. Let's not forget who their friends are.

Like the Tories in the UK that now are so anti-Russian, but actually they also did the "golden visas" for the Russian oligarchs.

Yes, let's not forget their support of Putin's oligarchy. This kind of assistance has never been provided on the part of the left. Never ever.

But I also guess that the following traumatic story plays its role: that the Portuguese dictatorship was a founding member of NATO and the U.S. was actually supporting the colonial wars that Portugal was waging.

That is the reason why it's very dangerous for someone to believe that NATO has anything to do with democracy. It

does not. For instance, NATO has countries suppressing democracy e.g. Turkey. Those that curb the self-determination of the people: think of Kurds. NATO bombed countries against international law without any justification, the U.S. as its leading force lied about weapons of mass destruction in Iraq. Yes, Portugal was a founding member of NATO when we were under the dictatorship and nevertheless we had colonial wars. Thus this is not about democracy but about North American influence in the world. I think what everyone must understand is that NATO is your friend insofar as your interests align with those of the United States. Otherwise NATO might assail.

I think that we should be careful when people believe that NATO is a good democratic force that defends democracy. Even countries that have democracy use the military mainly for economic and geostrategic reasons. They don't use it for the purposes of democracy. If that was the point, NATO would be in Israel saving Palestinians. Is it there?

And I think the story of the Syrian Kurds in Rojava was very telling how the U.S. abandoned them after they actually saved the region from ISIS.

It was a good example because Kurds were allies of NATO and when the latter had lost any use of them, they just dropped Kurds. In effect, Syrian Kurds are in an extremely bad position right now being attacked from all sides. No one is defending them [3].

When we return to this general situation, you represent those currents in the international left that actually recognize the dangers of each and every imperialism. Recently, Left Block has been one of the initiators of the new European Left Alliance for the People and the Planet. Please tell me about this initiative and whether you want to extend to join forces with more parties across Europe or maybe beyond Europe including the Social Movement/Sotsialnyi Rukh in Ukraine. What do you think about the prospects of this new alliance?

We're just at the beginning and we need to discuss and enlarge. This is just starting. I've told you the left requires a project for working class people in their diversity, and this is also something that we have in common in the new alliance. Because we recognize that anti-capitalist and anti-neoliberal struggle at the same time is feminist and anti-racist too. While also we don't have double standards about international rule of law and human rights.

All that is very important in the case of environmental and climate issues. One of the huge problems for the safety of populations around the world is that people continue to do nothing about climate. And right now in Portugal — but also in Spain — so many people have died because of the climate

The process of the becoming of the new left union has not started either because of Ukraine or Palestine. We've been working together on all of these issues before. But no doubt the new escalations are one of the important matters. No double standards! I believe that we can have the left sharing common projects, because today, each government and each country must do better.

Our struggle is both international and European. Thus we need to articulate our struggles and our forces to have mobilizing projects that can defeat the far-right and bring hope. Because democracy is about hope, it's about the idea that you can build something together. The far-right and the neoliberals live out of fear: you either accept everything or it will grow worse. So, we need a space for the active in the society left, having common projects and campaigns that would bring hope. It is exactly what we want to do.

We have seven party members for now, and so we start with that. I think that we should have observer members who could be from outside of the European Union. By observers I mean that they don't have to be parties but can be movements also. I believe a dialogue with the left in Ukraine, which is very important, is also needed. I think that maybe we can start working with the Social Movement in Ukraine. Let's see how this goes. It has just started but I

think that would be very important.

Thank you so much. Maybe you have some closing remarks. Would you like to address something to Ukrainians?

We have not spoken about weapons. For me it's okay to know that the left has different positions on arms. But I believe that everyone acknowledges that Ukraine has the right to resist aggression and to defend itself.

And that's important. You cannot resist without weapons. I think another discussion is whether we just concentrate everything on arms or we use the financial and diplomatic means too in order to stop the war. Take for example, the problem of the shadow fleet that still exports fuel. Lack of financial pressure and diplomatic efforts are problematic because in the end there are some generals talking only about weapons for Ukraine and don't talk about anything else. However it is not they who are dying.

I believe it's significant to stand with Ukraine, but also to oppose the idea that one should not have any project contributing to the end of the war except concerning the weapons. Because in the end Ukraine will be all destroyed, and someone would have won lots of money selling arms. I am sure it is really important to stop the war and this presupposes as well sanctions and other policies. It has to be.

And ultimately, it's also about empowering Ukraine internally. Making the Ukrainian economy fair.

Yes, of course. Ukrainians make decisions of what they want to make about their lives. Ukrainians must decide what they want to do. And I believe that Ukrainians should have a word on what they want for their future.

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