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European Conference against Austerity

The Left Bloc and Resistance across Europe

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Portugal's Left Bloc will be participating in the European Conference Against Austerity in London on 1 October. Jorge Costa spoke to Feyzi Ismail of *Counterfire* about the crisis and the need for Europe-wide mobilisation.

FI : What kind of mobilisations has Portugal seen in recent months over the financial crisis and austerity drive?

JC: The most recent mobilisation was on 12th March this year. In response to an appeal called on Facebook, over 200,000 people demonstrated in central Lisbon against rising unemployment and attacks on wages and pensions. This is a huge number of people in a metropolitan area of around 3.5 million. The organisers were four young people. From that date until today, it's small groups of young people that are mobilising and it's just beginning, but we have big expectations.

FI : Can you describe the IMF intervention and the current political situation?

JC: The political climate is very subdued in the country for the moment. Of course it was already quiet because of summer but generally speaking we are still living the aftermath of the elections and the victory of the right. Elections were held in June after the resignation of the Prime Minister, José Sócrates, of the Socialist Party – the equivalent of New Labour in Britain. The government is now a coalition made up of the main bourgeois party, the PSD (Partido Social Democrata), which is conservative, and the PP (Partido Popular), which is even more rightwing.

There were austerity measures in place throughout the socialist government, with wage cuts and cuts in welfare. But last year there were two new austerity packages introduced, which included rises in VAT, freezes on pensions, further wage cuts, cuts in public services and a big plan of privatisation. So half of the Greek-style austerity package was already introduced before the IMF coming in, during the socialist government, and now the other half is being implemented through the IMF directly, by their presence here, and by the current government.

The IMF is loaning Portugal €78 billion from this year, for three years. It's going to condition every aspect of society: wages, pensions, welfare, public services, labour laws and so on. Unemployment benefit will be reduced by a third. All this together will produce an even bigger rise in unemployment and the recession will deepen.

FI: What is the public mood over the bailout?

JC: Many people believe that things will be better after this. That was the spirit that led them to vote for the political parties that support the troika – the EU, European Central Bank and the IMF. Most people think the left is correct in theory, but that it has no policy to answer the blackmail of the bankruptcy, and so many people voted for the parties that brought in the IMF. Soon I believe people will understand this policy is wrong and it will not answer their problems. They will understand that it will not pay the debt and it will lead us to a situation in which we have a bigger debt and fewer resources to address it.

There is also fear. Unemployment is exploding – we are now reaching figures of 800,000 unemployed, which is 12 percent of the population. So it's very high and this produces a social fear of course. We feel it in a very real way. So we are living in a moment when people are waiting to see what happens. The impact of the cuts will be felt more deeply in the coming months. Further wage cuts and tax rises will be implemented from next month, and Christmas bonuses will be cut from this Christmas. So this will change the political and social situation. The left must prepare

itself and discuss ways of mobilising amongst the widest section of the population under these new conditions.

FI: Do people look at Greece and say that it only delayed another crisis?

JC: There are people looking at Greece. But the mainstream media tells people that Portugal is not Greece, that we should not behave like them, and that we're not in as much debt as Greece. So people feel that the situation looks the same but they are told it's not the same, that we have more options. Ireland is also shown as an example of how the economic crisis is not unfolding like in Greece – it's portrayed as a success.

These are times of intense media propaganda. There are news programmes on TV telling us how to cook for €2 per person. They are explaining to people how they can feed themselves for less money, because they will be earning less money. And so the mainstream media is assuming a role in this process of mass manipulation of the facts and of the future of this IMF intervention.

There's a big transfer of wealth taking place, from the working class to the financial sector and the bosses. The media operate to build a consensus to push these policies forward. And this all builds an atmosphere of inevitability: let's try to adapt, save and so on. So the conditions for mobilising are not very easy. We need to be aware that times of foreign intervention are times of very harsh conditions for activists.

But against expectations and every prediction, the way that people rose up in the streets last March shows that we have to be ready to answer people and help them find ways of resisting. Spain is a good example. There have been mass mobilisations on the scale we haven't seen in years. These mobilisations are spontaneous and have a direction of their own, which has its problems, but the mobilisations also have a very deep credibility in society. And they can develop. We need to encourage them to develop into mass coalitions to fight the cuts and fight unemployment and build more permanent forms of organisation and participation. In the squares of Barcelona and Madrid and elsewhere they are signs of that possibility. We hope that we can move in that direction in Portugal in the short-term.

FI: What has been the Left Bloc's response to the IMF intervention?

First, we want an audit of the debt. We want to identify its elements, understand who our creditors are, how much we owe, for what and what the money has been spent on. In short, we want to know what is being demanded of Portugal. And how we got here.

Second, we want to renegotiate the debt. Because there are parts of the debt that are the result of corruption, and therefore illegitimate and shouldn't be paid. So we need to renegotiate the whole debt – the size and terms of the debt, the interest and the time in which it should be paid. Because even if we had a very strict austerity plan for the next 20 years, and by some miracle these austerity policies brought us 4 or 5 percent economic growth a year, even in that case we wouldn't pay the debt in the time the IMF is proposing. So we are working on science fiction. The debt is not feasible even under the most ideal circumstances. So we must renegotiate the debt and do it now because we will be in a weaker condition to do it afterwards.

At the same time we are demanding the development of financial economic instruments on the level of the EU to address the economic crisis and help the peripheral countries find solutions to their debt crises. Parts of these debts should be mutualised, mainly through the creation of Eurobonds, and this has to be done on a European scale by way of developing a European level fiscal policy, so that we can build the resources to redistribute wealth.

Of course we know that the EU today is not an institutional space where this can happen. So this has to be built by a

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mass mobilisation on a European scale. It's a very difficult situation for the left when the European bourgeoisie is organising a mass transfer of wealth from workers to themselves, and when they have developed the institutional architecture to facilitate this – from the monetary plans to the financial institutions to the political establishments, which are built to organise this transfer – it's very difficult for the left to present an alternative to this framework. But that's what the Left Bloc is trying to do.

FI: Are there circumstances in which the Left Bloc would argue that the debt should not be paid at all?

JC: The troika is building the conditions for that. They are creating an economy in this country that will bring us to a level of indebtedness that will obligate us to refuse the debt. That's for sure. But our position for the moment is to renegotiate the debt with our creditors, refuse the illegitimate parts of this debt and make huge fiscal reforms to generate the resources to face the social crisis.

FI: What further mobilisations are planned and how are the unions involved?

JC: On 10th September there is an appeal for a demonstration in support of teachers, whose numbers are now being reduced dramatically. The unions calculate between 15 and 25,000 teachers will lose their jobs starting this September because class sizes and working hours are being reduced. Over the past few years there have been tens of thousands of teachers contracted by the state under very precarious conditions, and now we are seeing the first victims of this policy. So the demonstration on 10th September will be very important.

Also the organisers of the 12th March demonstration are now calling another demonstration, which is an international appeal, together with other movements, including those of precarious young people and the unemployed, on 15th October. It's just beginning as a grassroots initiative, so the Left Bloc is in solidarity with it. We will help mobilise for it, and participate in it, and some of our members are helping to organise it, but we want it to live and create its own space in society.

We believe Europe can turn 15th October into a continental-scale mobilisation against cuts and austerity. But we also need to develop new forms of permanent, direct, democratic participation, which are not necessarily the old trade unions, or not necessarily the old associations. We should learn from the good experiences that workers and mass movements have made in the last century to understand what should be done to fight.

We should not be conservatives and say that the old forms of organisation are the only effective ones, but we should also not worship the cult of the new. We should see new tools and forms of expression, participation and democracy as ways of avoiding the same mistakes, of finding better ways of engaging people – and large numbers of people – to have a say and develop their consciousness. At the same time we need to build antagonistic organisations, the Counterfires. We need more than 'likes' on Facebook. We need to have our own media, we need to have our own organisation, not just in the squares but also inside workplaces and schools – to put fear into the ruling classes, which is the sentiment on the streets of Greece.

FI: How does the Left Bloc organise and what has it been doing specifically around the IMF intervention?

JC: We organise in local groups and across sectors, including the environment, youth and students, media and others. The website in particular is important for us – at peak times we have over 10,000 visits a day. At a national level, we also co-ordinate amongst the municipalities, and our members participate in various campaigns. We have a free newspaper that comes out every two months with a circulation of 150,000 copies. This has been a real success for us. In the past there has been a tradition of selling the paper, but we lost it. The fact is that people have had enough of it, they are used to free papers, and of course there is the web. We reach more people and that's the

point. People respect it as a paper and take it, and members engage with it because it's a big job to produce and give out.

We also have co-ordination meetings, assembly meetings and we organise public meetings. There are hundreds of initiatives locally and Lisbon-wide. And we have branches across the country in all the main cities and in most urban areas. We have elected people at local level and have two MPs in the European Parliament. The founding organisations of the Left Bloc organise as associations, with their own activities and publications. There are three associations of this kind: a group that split from the Communist Party, known as Manifesto, UDP (União Democrática Popular), which has Marxist-Leninist roots, and PSR or Revolutionary Socialist Party, which is part of the Fourth International. The Left Bloc is organising its annual socialism conference 9-11th September and a conference on debt the first week of November.

The Left Bloc is also participating in an audit commission on the debt. The idea was along the lines of a Citizens' Audit Commission, like in Greece, based on the voluntary participation of union activists, left activists and critical economists that can analyse parts of the debt, understand what's been spent on specific things, like soccer stadiums, submarines, corruption, health and so on, and produce a report on the kind of debt we have. So our critique of the debt is informed. But it's only just beginning.

FI: Most economists who understand the financial crisis in Europe talk in apocalyptic terms. What do you see happening?

JC: Yes, the possibility of a total crisis in Europe, with the disintegration of the Euro and an even deeper recession than the one we have now, is a possibility. It's even a possibility worldwide because of the repercussions that the recessions in the US and Europe can have on emerging economies. But in Europe they are playing a very risky game. The German bourgeoisie is leading the process in a risky and arrogant way since they are trying to transfer as much as they can and as quickly as possible into their own pockets. And although they are being told by every Nobel prize-winning economist and even moderate politicians to watch out – you could be bringing Europe's financial system to a point of no return – they are still trying to take it as far as they can. The German and French banks are mainly the ones going in this direction.

The problem is that German and French banks were the ones that built the debt of the peripheral economies. These banks lent money to the Portuguese banks so they could lend, in a very easy way, to ordinary people: to buy houses instead of renting them, to build new houses instead of renovating them. If you go to the centre of Lisbon houses everywhere are abandoned. Ask the German banks how this was possible.

Mass private debt has been created over the past 20 years, but mainly in the last decade. Germany was able to produce a high degree of capital accumulation over this period mainly for two reasons – they were selling technology to emerging countries and at the same time cutting wages in Germany. So they put this capital on the financial markets and lent it to the peripheral economies to favour credit policies that in the end went wrong. And the bailouts have been transferred to the state. In Portugal, the way public debt has risen is very visible. The banks pay almost no taxes in Portugal – they find ways of avoiding or minimising taxes. Last year they paid around 5 percent. The Left Bloc has had some important interventions around this but there is no mass campaign against it.

There will be more demonstrations in Athens very soon, and in Spain the possibility also exists for this movement to develop. In Portugal there will be a movement. The ruling classes in Europe are turning to repression in a very harsh way, and they will do it across Europe. What happened in Britain after the riots will be followed elsewhere. That's why we need mass mobilisation at a European level, to stop the assault of the ruling classes and defend democracy.

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The Left Bloc will definitely have a presence at the European Conference Against Austerity in London. We are very interested in building wider unity and popular participation around the crisis. And we must build this unity across borders and on a European scale. That's why this conference is so important.

This interview was conducted by Feyzi Ismail for Counterfire [<http://www.counterfire.org/index.ph...>].

[The European Conference Against Austerity](#) will take place on Saturday, 1st October at the Camden Centre in London, with a range of international speakers, debates and workshops.