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Portugal

Interview with Francisco Louçã, economist and leading member of Portugal's Left Bloc

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Description:

Francisco Louçã is an economics professor at Lisbon's Instituto Superior de Economia e Gestão. He is the author of numerous books and essays including *Ensaio para uma Revolução* [Rehearsal of a Revolution]; *As Time Goes By* — *From the Industrial Revolution to the Information Revolution*, with Chris Freeman; *Portugal Agrilhado* — *A Economia Cruel na Era do FMI* [Portugal in Chains — The Cruel Economy in the Age of the IMF]; and most recently, co-authored with Mariana Mortagua, *A Dividadura* [The Dictatorship of the Debt] and *Isto é um Assalto* [This Is a Robbery].

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Louçã was part of the student movement against the Salazar dictatorship in the 1970s. He was arrested for a protest against the colonial war in December 1972. He is one of the Left Bloc's founding members, stood in the Portuguese Presidential Elections in 2006, and served as the Bloco's chief coordinator between 2005 and 2012. He continues to play an active role inside the Bloco and the social movements internationally.

Q: Last year Germany's Finance Minister Wolfgang Schäuble labeled Portugal "the good pupil of the Eurozone." Now Portugal faces a difficult economic outlook. Unemployment, for example, has hit 18 percent. The PSD-CDS coalition government is demanding more time to implement its austerity measures. What are the underlying reasons for Portugal's downward trend?

The recession was caused by austerity and the transfer of resources for the payments. As a consequence unemployment has reached unprecedented levels. Declining wages and pensions have created a downward spiral in the economy. This is anything but acting like a good pupil. It certainly is the price you pay for accepting Merkel and Schäuble's rule.

Q: The economic crisis has created fractures in the regime. At the beginning of April, Portugal's Constitutional Court out ruled down four of nine contested austerity measures. A senior member of Portugal's cabinet, Miguel Relvas resigned. What's happening at the top of Portuguese society?

There is a crisis in the coalition government. The two right-wing parties in power have difficulties imposing the Troika's solutions — increase unemployment, cut public services, raise taxes, reduce social security and welfare. The Constitutional Court's decision to challenge these policies proves that it is more than a political crisis: this is the beginning of a regime crisis. In Greece and Italy, such a regime crisis is obvious. Eventually the same will happen to Spain. It is the direct consequence of the democratic deficit, the austerity measures, and their bankrupt policies.

Q: Across Europe we have witnessed three strands of resistance to the Troika: mass strikes by workers, youth revolts like the indignad@s, and electoral revolts such as SYRIZA in Greece, Front de Gauche in France, or the CUP in Catalonia. In Portugal we have witnessed the former two but haven't seen an upsurge in support for the Bloco or the Communist Party for that matter. Why hasn't the Portuguese left been able to take advantage of a favorable situation?

The opinion polls indicate growing support for the left anti-Troika parties. Today they represent more than 20 percent. In order to elect a left government — one which is anti-memorandum and calls for the end of the Troika's rule — much more would be required. A left government would have to restructure and partially cancel the debt to regain the capacity for investment and employment. The million-strong demonstration on March 2 showed the readiness of a large section of the Portuguese people to fight for their wages and pensions as part of

their democratic responsibility.

Q: At the Bloco's congress in November 2012 delegates voted overwhelmingly to adopt the slogan for a "government of the left." You outlined some of the premises for a left government in your opening speech. However, a left government would only be possible with the participation of the Socialist Party who isn't explicitly against all austerity measures. What does the slogan mean and what can it achieve?

It is not a slogan. It is a proposal to all those men and women fighting for a viable left-wing alternative. In that sense, it is not a compromise with the Socialist Party. As long as they support or accept the memorandum and the IMF's blackmail, this party is absolutely unable to provide a solution. To accept the Troika simply means to pursue the policy of unemployment. A left government is defined by its popular mandate to break with the Troika — just as SYRIZA has proposed in Greece. We do not abdicate responsibility or hesitate in the fight for a strong short-term solution. We advocate a rupture with the impositions of finance capital, Merkel and her associates. This policy represents the popular demand for a left government against the Troika.

Q: With the current balance of forces do you believe that a left government in Greece or Portugal could beat the Troika?

It is the only way. Of course, such a government would come under threat. It must be ready to look for allies in Europe and elsewhere since the EU and ECB are devoted to austerity and serve the interests of the finance capital. Its victory depends on popular support, its coherence and capacity for initiative.

Q: The total of Portuguese state debt amounts to Euros209 billion, equivalent to 126.3% of the Gross Domestic Product. During the alter-globalization movement activists demanded the cancellation of Third World Debt. Today there are similar discussions about "debt re-negotiation," "debt cancellations," and "debt jubilees" amongst the left in Europe. How should the European left respond?

Exactly in the same way. An economy with a deficit of 3 percent cannot pay an interest rate of 4 percent. If debt creates debt, cancellation is the only possible solution.

Q: We have witnessed a number of strikes by TAP workers, in the public sector, and a number of general strikes called by the CGTP trade union confederation. On the other hand, we have seen outbursts of popular anger in the streets on the "Que Se Lixe a Troika" demonstrations. How do these two strands of resistance relate to one another? Are there common initiatives?

The strike movement is weak. The popular movement by young people and the social movement has mobilized for very large demonstrations on two occasions: September 15 and March 2. Both times more than a million people marched in a country with a population of ten million. This is a huge success! It demonstrates to what extent an open and united political platform can transform the situation.

Q: In 1974 a coup by left-wing military officers of the MFA overthrew the Salazar dictatorship and ignited the revolutionary upheaval of the Portuguese workers. What role does the memory of the Revolution of Carnations play in the current round of mobilizations against austerity?

The Revolution of Carnations was the last revolution in 20th century Europe. It ignited the movements to replace the dictatorships in Greece and Spain. It is deeply engrained in the memory of older generations. Young people today chant "Grândola, Vila Morena," the wonderful and meaningful song used as the radio signal for the military operation

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in April 1974. One generation later people have re-appropriated the symbols of the revolution. But new modes of politics require different visual representations. We need to provide solutions through the proposal for a left government rather than rest on what happened some decades ago.

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