

# Presidential Election in Portugal, a round-up one week before the vote

from **Corinne Deloy**

Translated by Helen Levy

**D-7**

7 days before  
the poll

On 23<sup>rd</sup> January nearly 10 million Portuguese voters are being called to ballot in the 1<sup>st</sup> round of the presidential election. 6 people are standing:

- Anibal Cavaco Silva, 71, outgoing Head of State. Professor in Economy and former Prime Minister (1985-1995), he is standing as an independent candidate but has the support of the Social Democratic Party (PSD), the main opposition party, and also that of the People's Party (PP) led by Paulo Portas;
- Manuel Alegre, 74, standing for the Socialist Party (PS), has the support of the Left Bloc (BE) and the Atlantic Democratic Party (PDA);
- Francisco Lopes, 35, Communist Party candidate, supported by the ecologists of "Os Verdes" (Greens);
- Fernando Nobre, 59, independent candidate, founder of the International Medical Assistance Group (AMI);
- Defensor de Moura, 64, former Mayor of Viana do Castelo and Deputy Chair of the Parliamentary Committee for Foreign Affairs. A Socialist MP, he is standing as an independent;
- José Manuel Coelho, General Regional Councillor of the Madeira Archipelago and member of New Democracy, a party that is not represented in Parliament at present.

If none of the candidates wins the absolute majority on 23<sup>rd</sup> January a 2<sup>nd</sup> round will be organised between the two candidates who win the greatest number of votes two weeks later on 6<sup>th</sup> February.

## The Financial Crisis at the Heart of the Campaign

Quite predictably the campaign is focusing on the possible intervention of external forces, notably the IMF in support of the country's finances. Suffering because of the weight of its debt Portugal is considered to be the next State likely to turn to an external body for aid. To balance its public finances José Socrates' government pushed an unprecedented austerity plan through parliament in November 2010: an austerity budget (a rise in fiscal revenues: a two point increase in VAT, that rises to 23% and a reduction in business tax rebates – a drastic decline in spending – a freezing of retirement pensions, a decrease in civil servants' salaries earning over 1,500€ per month, a

capping of social benefits). These measures were the source of great discontent on the part of public opinion and on 24<sup>th</sup> November the country experienced its first general strike in 22 years (3 million on came out on strike).

The need for outside aid has awoken traumatic memories for Portugal. Indeed the country has had to ask the IMF for aid twice already: in 1977 i.e. three years after the Carnation Revolution (on 25<sup>th</sup> April 1974 the dictatorship established by Antonio Oliveira Salazar in 1932 collapsed), and this intervention killed off any hope that might momentarily have been raised during the revolution – Portugal asked for aid a second time in the 80s.

The Social Democratic opposition and the Socialist majority are using the financial crisis each in their

own way. *"If we need to use external aid it means that the strategy that has been implemented has failed. And the person that has led the country into such a situation is not in a position to stay in power and manage recovery tomorrow,"* declared the Social Democratic Party leader (PSD) in the daily *Diario de Noticias*. Pedro Passos Coelho is demanding the resignation of Prime Minister José Socrates if Portugal is forced to bring in the IMF.

*"All I have to say is that Portugal will reach its budgetary goal in 2010 (drop below the country's public deficit of 7.3% of the GDP in 2010 to 4.6% in 2011)",* answers José Socrates adding, *"those who just speak of the crisis and instability are not doing the country service, in fact it is the contrary. The President is not elected to govern but to undertake the presidency as it should be undertaken, as a symbol of Portuguese unity."*

*"If the President of the Republic wants to draw closer to the other European Heads of State to explain that the situation is unjust for Portugal, that we are facing speculative pressure that does not match with the country's economic situation and this includes interrupting the campaign, he will have my support,"* declared Socialist candidate Manuel Alegre. *"It is time for the Portuguese to unite independent of all political and ideological positions,"* he added.

Speaking on TV on 10<sup>th</sup> January the outgoing Head of State refused to speculate on possible outside aid to Portugal. *"If this happens I shall do everything that the country needs to help,"* he indicated. *"We cannot exclude the possibility of a serious crisis in Portugal not only from an economic and social point of view but also from a political one. Therefore we must have a president who has the necessary experience to face complex, extremely difficult situations which no-one can foresee in advance,"* he declared.

In reaction to this Manuel Alegre accused Anibal Cavaco Silva of being *"an element of instability and doubt at a time when the country needs confidence and stability."* *"We need a President who is loyal to the other sovereign institutions and with Portuguese society and who can withstand pressure and the speculative onslaught which is taking place against our country,"* he stressed.

## Anibal Cavaco Silva, an Easy Lead in the Polls

The financial scandal of the Portuguese Bank of Business (BPN – Banco português de negócios) - in which the name of outgoing President Anibal Cavaco Silva was quoted recently returned to the spotlight. In May 2009 the weekly *L'Expresso* revealed the existence of 1.8 billion € discrepancy in the financial establishment's accounts which was nationalised the previous year. For a long time the bank was nicknamed the PSD Bank because of the links that some political party executives maintained with some of the bank's managers. Hence its most recent chair, José Oliveira e Costa who is being prosecuted for embezzlement, fraud, forgery and money laundering, is a former Secretary of State for Fiscal Affairs in the government led by Anibal Cavaco Silva (1985-1991). Two other former ministers, Manuel Dias Loureiro (responsible for the Interior – 1991-1995) and Arlindo de Carvalho (Health Minister 1991-1995) are also being prosecuted. In May 2009 the outgoing President was accused of having made a 140% profit by selling shares purchased two years earlier from the *Sociedade lusa de negócios* (the Lusitanian Business Company) – the BPN's head office. He qualified these accusations as *"dishonest"* and *"unworthy"* and protested on the radio against the *"slander"* that *"bore witness to the despair of his rivals"*. *"The Portuguese know me and they know that I am totally honest with regard to political morals,"* declared Anibal Cavaco Silva who was surprised that no-one had looked into the losses he might have suffered with regard to other savings accounts.

Manuel Alegre qualifies the BPN scandal *"as a serious political affair which the Portuguese will the judge of on 23<sup>rd</sup> January."*

*"The BPN affair is politically damaging for Anibal Cavaco Silva but it will not prevent his victory,"* says political expert Antonio Costa Pinto. He points to the electorate's disinterest in the presidential election due to the lack of suspense and any real motivating divide between the candidates. *"The Portuguese know that the real decisions are made in government and do see any alternative solution to the crisis via this election,"* he said.

According to the most recent poll by Intercampus and broadcast on the channel TVI outgoing President Anibal Cavaco Silva is due to be re-elected in the first round with 60.1% of the vote (all heads of the Portuguese State have been elected or re-elected in the first round since the country returned to democracy after the Carnation Revolution). Manuel Alegre is due to win 25.3%, Francisco Lopes 6.3% and the three other candidates – Fernando Nobre, Defensor de Moura and José Manuel Coelho – are each due to win 5% of the vote.

*“On behalf of Portugal I am asking you for your help. Let no one stay at home. We must decide quickly. Everything must be settled on 23<sup>rd</sup> January”* declared the outgoing Head of State exhorting his fellow countrymen to go and vote.

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