# FONDATION ROBERT SCHUMAN

## European **Elections monitor**

## from Corinne Deloy Translated by Helen Levy

## The rightwing opposition (PSD) wins the general elections in Portugal



The Social Democratic Party (PSD) easily won the general elections that took place on 5th June in Portugal. Led by Passos Coelho, the PSD won 38.65% of the vote and 108 seats (+ 27 in comparison with the previous election on 27th September 2009). The Socialist Party (PS), led by outgoing Prime Minister José Socrates came second winning 28.06% of the vote (73 seats, - 23). It came out ahead of the People's Party (PP) led by Paulo Portas which won 11.70% (24 seats). The left, which is against economic liberalism, suffered a severe defeat: the Communist-Green Coalition (CDU) led by Jeronimo de Sousa won 7.94% (16 seats, + 1) and the Left Bloc (BE) of Francisco Louca, won 5.19% (8 seats, - 8).

Turnout which is traditionally low in Portugal totalled 58.07% i.e. slightly below that recorded in the last general election in September 2009 (- 1.36 point). It was the lowest in the country's history.

"The general feeling is that everything is already settled," declared Luis Carvalho, professor of economic policy at the University Institute of Lisbon (ISCTE), before the general election.

The President of the European Commission and former Portuguese Prime Minister (2002-2004), José Manuel Barroso, called on the Portuguese to turn out to vote en masse. "Given the country's economic and financial situation I believe that these general elections are the most important since those that followed 25th April 1975 (which confirmed the country's return to democracy after the dictatorship established in 1932 by Salazar)". On the eve of the election the President of the Republic Anibal Cavaco Silva called on his fellow countrymen to turn out to vote in these general elections which he qualified as being "particularly decisive", since Portugal in his opinion "was in the midst of a deep economic and social crisis." "The government which emerges after this election will have the responsibility of honouring the extremely demanding commitments taken in terms of the rescue plan," added the Head of State. "Apart from the implementation of a drastic austerity regime, the government will have to guarantee social justice and fight to counter unemployment," he concluded.

Given the country's serious socio-economic crisis the

Portuguese chose to change government. With its allies in the People's Party, the PSD will enjoy an absolute majority in the Assembly of the Republic, the only chamber in parliament. "It is the clearest option," stressed Antonio Barroso, a geo-political analyst with the consultancy Eurasia. "Both parties have clearly committed to implementing the conditions of the rescue plan and should easily agree on a joint economic programme." "The desire for change on the part of the Portuguese people is clear and unambiguous," indicated Miguel Relvas, the PSD's Secretary General.

"The Socialist Party lost the general elections," declared José Socrates who announced his resignation as head of the PS. "This electoral defeat is mine and I want to assume it fully. I believe that the time has come to open a new political round at the head of the Socialist Party," he stressed. "The opposition forces brought things to an intolerable pitch. It was not only about preventing the government from working - it was about preventing the country from moving forward," the outgoing Prime Minister added bitterly.

The socialists in office since the general elections on 20th February 2005 have undeniably paid for the austerity policy they implemented in an attempt, albeit in vain, to prevent Portugal turning to the international community for aid. José Socrates has always said that this might have been avoided if the opposition forces had not rejected the austerity plan (the fourth in under one year) which it presented to Parliament on 23rd March last. "They have triggered off this political crisis in order to bring in the IMF and to implement an extremely liberal programme more easily," he declared accusing the PSD of wanting "to destroy the Social State."

Heavily in debt Portugal is now the third European country after Greece and Ireland, to have called on the IMF and the European Funding Mechanism to help it out of its financial turmoil. The recession is due to reach 4% of the GDP over the next two years – the unemployment rate totals 12.6% , the budgetary deficit represented 9.3% of the GDP in 2010 and the public debt is due to lie at around 101.7 billion € in 2011 and 107.4% in 2012.

The next government will have the difficult task of implementing the drastic austerity plan finalised on 6th May last, with the IMF and the EU in exchange for a loan of 78 billion €. Over three years this plan will however not sanction the country's financial collapse as much as it does the failure of successive policies over the last two decades. "The structural funds in Brussels and then the euro and easy borrowing have blinded and excused governments from trying to converge with the other countries. Portugal has lived beyond its means," said the political expert Manuel Cabral who denounces the clientelist excesses of the social State.

The rescue plan has been conditioned by austerity measures. The next Portuguese government should balance Portugal's public finances and implement structural reform to restore the country's competitiveness and reduce public debt. The EU is demanding that Lisbon adopt an "adjustment programme" i.e. both budgetary savings measures and structural reforms. The public deficit is due to fall to 5.9% this year, 4.5% in 2012 and to 3% the following year, i.e. the limit set by the Stability and Growth Pact. Portugal will soon receive the first payment of the loan totalling 18 billion €.

The IMF and the EU have demanded guarantees with regard to the implementation of the rescue plan. Except for the anti-liberal parties - the Communist-Green Coalition and the Left Bloc - the country's three main political parties have promised to respect and implement the programme. "In Portugal there is a political consensus

on the IMF-EU agreement and social protest is extremely pacific," stresses the professor of economy, Luis Campos e Cunha. Pedro Passos Coelho repeated during the electoral campaign that he would "go beyond" the demands set by the troika (IMF, EU, ECB) in terms of privatisations and labour market, public services and social policies reform. "I shall do everything possible to reassure those watching us abroad that Portugal will not be a burden weighing on other countries who have lent us what we need to assume our responsibilities and our commitments. We shall do everything we can to honour the agreement established between the Portuguese State, the EU and the IMF to win back market confidence," he declared after the announcement of his victory.

The PSD has promised to light the burden of the State in the economy and society and to extend the privatisations planned for in the aid programme to the media and hospitals managed by the state bank Caixa Geral de Depositos. Pedro Passos Coelho also said that he would establish a "strong government that was able to put Portugal back on its feet again." He has suggested reducing employers' contributions in support of employment and the creation of "community work" which would mean that those receiving unemployment benefit or social minima would have to work for the community in order to "facilitate their re-insertion back into the labour market."

"We know that we are going to go through a difficult period. The next two or three years are going to be hard," declared Pedro Passos Coelho after voting in Amadora, a town in the suburbs of Lisbon. "I am sure that we shall make the necessary changes and that Portugal will recover its prosperity again," he concluded. Pedro Passos Coelho, who will soon be 47, comes from Coimbra (north) and has a degree in economics from the University of Lusiada of Lisbon. After a career in the private sector he returned in 2005 to the politics which marked his adolescence since he joined the Social Democratic Youth Movement (JSD), the PSD's youth movement, when he was 14. Elected chair of the JSD he then became an MP in the general elections in 1991. In 2005 Pedro Passos Coelho became Deputy Chair of the PSD. On 26th May 2010 he won 61% of the vote as head of the party in which he replaced Manuela Ferreira Leite after the Social Democratic defeat in the general

elections on 27th September 2009.

The social democratic leader was criticised for his inexperience during the electoral campaign. He responded to this by promoting his close contacts in the business sector, which in his opinion, makes him a better candidate in terms of managing the present socio-economic crisis. The full results of the general elections will be announced on 15th June after the votes cast by the Portuguese abroad, who can elect 4 MPs, have been counted. ten to boycott the general elections on 12th June. According to the latest poll by Konsensus for the daily Haberturk published on 1st June the AKP is due to win 48.6% of the vote. It will come out ahead of the CHP which is due to win 28.3% and the MHP with 11.6%.

#### Results of the General Elections on 5th June 2011 in Portugal

Turnout: 58,07%

Political Party	No. of votes won	% of votes won	No. of seats won
Social Democratic Party (PSD)	2 159 742	38.65	108
Socialist Party (PS)	1 568 168	28.06	74
People's Party (PP)	653 987	11.70	24
Communist-Green Party Coalition (CDU)	441 852	7.91	16
Left Bloc (BE)	288 973	5.17	8
Others	247 499	4.43	0

Source: http://www.legislativas2011.mj.pt/index.html

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