

CATARINA MARTINS

THE PORTUGUESE EXPERIMENT

Catarina, you coordinate the only party of the left in Europe that exercises an explicit restraining power, in its own country, on the neoliberal imperatives of the EU. Before we ask you about this in detail, can you tell us a little about your personal history, and your route into politics?

I WAS BORN a year before the Revolution of 1974, to parents who were both involved in the resistance to the dictatorship, and went on to become teachers in mathematics, in high schools at first and then at the university in Aveiro. When I was six, they volunteered to serve as teachers in the former Portuguese colonies of São Tomé and Cape Verde, out of a sense of revolutionary solidarity with the newly independent states there. We came home when I was nine, and I attended school in Aveiro in the 80s, entering university in Coimbra in 1991. By then I was already quite politicized. The right-wing regime of Cavaco Silva increased university tuition fees, which had been merely nominal since the revolution, making access to higher education much more unequal, and I was active in protests against that in my school.

You took literature and languages at Coimbra?

No, I enrolled to study law, as I thought that would help in the struggle against tuition fees and the like. Since the courses included political economy, I certainly benefited from these. It was there that I discovered Marx, for instance, who was pretty much a closed book for us in school. Coimbra had always been a conservative university, and of course we were taught Adam Smith, Ricardo and the rest, but in the law faculty there was a Communist economist, António de Avelãs Nunes, who

really made me understand Marx for the first time. But fairly soon I was caught up in drama projects, and so I switched to languages and literature—if you want to read Shakespeare you have to know English. In modern drama, I got to know the work of figures like Augusto Boal, the Brazilian creator of the Theatre of the Oppressed, and Artaud's Theatre of Cruelty.

The troupe you entered called itself Companhia de Teatro de Visões Úteis—what were its 'Useful Visions'?

We did a lot of different things. We were a diverse group of people, and different projects were directed in different ways. I was very involved in the most political projects, and others, which included staging classic dramas like Ibsen's *Enemy of the People*, but also working with communities that normally take no part in cultural activities and have no contact with art. We worked in prisons, in remote villages, in the poorest neighbourhoods of Porto and other cities. We wanted to relate to what was going on here and now. That was our vision of something useful we could do, to help make art a tool for everyone, not just what occurs in theatres. Of course, we also worked in traditional theatres, the National Theatre and others, and that was a huge part of our aesthetic education, learning from leading Portuguese directors. That was good. What made us distinctive was our attention to the here and now, and belief that art should be for everyone.

You wrote plays of your own?

That too.

How long were you involved in the troupe?

Fifteen years. Of course, as you know, if one is acting, it's very hard to make a living out of that. So to survive, I was doing a lot of other things—translating, giving classes, lecturing, recording. But I was also active in political work to do with culture and with precarity from my time in university onwards. At Coimbra we fought against Cavaco Silva's much higher tuition fees, which he combined with the imposition of all-out competition in the education system, principles I was attacking even in secondary school. That was a big struggle in the 90s, which we

lost: they remained. But there was another, smaller campaign to stop the privatization of the university's theatre, and that one at least we won.

After fifteen years in Visões Úteis, you entered politics full-time. This is a very unusual trajectory. It's difficult to think of anyone else in the West who has moved from acting to politics with success, other than the eerie figures of Reagan and Schwarzenegger—there are Asian examples, in India or the Philippines, but not much more encouraging ones. Certainly no one on the left. Acting, of course, does require confidence in speaking and performing in public, skills generally essential in politics too. On that account, did you find the transition relatively easy?

It was very easy, but not because of my acting experience. When you're acting a character, and you're on stage or being filmed, you know what you're going to do with your hands, for example, because that's what the character will do. But when you don't have a character, that part is really, really hard, because now you have nowhere to hide. In acting, we are used to being told, in a sense, what to do—it's in the script, or the direction. Suddenly you have no character telling you what to do—you have to find your own character. That's quite a strange, even weird experience. Everyone in politics has to end up doing it, to protect their private life from their public life. But if you're an actor, you're more aware of this because of what you've done previously, and that makes it more difficult. The change was still fairly easy for me, not because of my profession, but because of what I had done all my life, which was politics. I was doing politics every day, so this in itself wasn't a problem for me. What was difficult was that I had to decide to leave part of my life out. I had to give up art, which was hard for me, since I had enjoyed it so much.

You ran for parliament for the first time in 2009?

Yes, as an independent on the lists of the Bloco de Esquerda in Porto, where I was then re-elected. I had never joined a political organization as such, but I had worked with them a lot. Because when you talk about social exclusion, about discrimination, about precarity, the Bloco was there—none of the other parties were.

The Bloco stands out within the set of new forces of the left in Europe—Podemos, La France insoumise, Sinn Féin, Die Linke, Momentum—in one

very striking regard: the presence of women in its leadership. You are the party's coordinator and spokesperson at large; Marisa Matias was a very effective Presidential candidate last year; in your parliamentary delegation, the Mortágua twins—Mariana and Joana—are outspoken deputies. By many social and economic indices, Portugal is still a relatively 'backward' country within the EU. What would you say explains this cultural advance?

Well, we do have men in the Bloco! More than women, in fact. What is unusual is that we are more balanced—that's what makes the difference. But the Bloco was a feminist party from the beginning, with very important women throughout its history, and over time those feminist origins yielded visible results—women started to emerge in the spotlight. What we have now is a change that a friend of mine formulated about four years ago, when I began to share the coordination of the party with João Semedo; she said to me, in the past it was men who chose the women for roles in the party, but now it is women who are doing so. I think that's right. The change has occurred because now there are enough women to make these choices, rather than their being selected as symbols. Women can now make decisions as men did.

That's a good account of the changes within the Bloco. But it doesn't really explain why nothing quite like this has happened in brother or sister parties of roughly the same political character elsewhere in Europe. Could it have any connexion with the long-standing 'anomaly' that Portugal has a much higher participation of women in the labour force than Spain, Italy, Ireland or Greece—a level that, as of 2001, was even above Britain or the US?

Yes. We were a poor country, with a long tradition of emigration by men to find work in France or Belgium or other states. But, don't forget, we also had a very long colonial war—men were sent out of the country to fight, and women had to take their place. They made up the deficit in the workforce. Then we had the revolution, and women started to have proper access to education—right now there are more female than male students in universities, so in the generations below mine, Mariana's or younger still, there are going to be more qualified women than men in Portugal. I should add that although violence against women is still a huge problem in Portugal, we also have had a lot of advanced legislation upholding women's rights. In forty years, we've gone from being a society where women couldn't even leave the country without written permission from their men, to one with some of the most progressive

laws in this area in Europe. The women who took part in the revolution didn't go home.

For the left in Portugal today—and indeed for Portuguese politics in general—how important is the legacy of the Salazar-Caetano dictatorship, and of the revolution that ended it?

To begin with, I would say there is a greater taboo against the far right than in many European countries. There is a living memory of what fascism meant in Portugal, which distinguishes us from countries where the experience of fascism ended with the Second World War. This is something that we share with Spain, of course. However, unlike Spain, our country experienced a revolution that put an end to the dictatorship; there was no stage-managed transition, but a clear rupture with the old regime. As a result, we have an institutional framework that derives from the revolution, with a constitution that is more open and democratic than other such documents. It defines democracy in terms of social and economic as well as political rights. There is greater pluralism in our institutions; we have always had more than two parties in our parliament, and the opposition has the right to initiate legislation. In comparison to many of our neighbours, our political system is more open.

Is that also true of the state institutions in Portugal? In Spain, the Francoist state was never dismantled—its army and police forces were carried over intact after the transition, and the organizational culture stemming from that is still apparent today.

There were significant changes, of course. We built our public-health and public-education systems from the ground up, in a democratic way; some of that has been eroded in recent years, but we had the experience of democratic management in our schools and universities, which was a real transformation. But the renovation of the state was not complete. In other areas, like justice, or some parts of the police and the military, there was greater continuity. On the other hand, our revolution did begin with a movement among the soldiers, in opposition to the colonial wars, and the left had strong positions within the army. So there is a clear difference between Spain and Portugal. I would not claim that everything was transformed in the 1970s; clearly not, and we still have to deal with some of those legacies today. But certainly our transition to democracy was very different from that in Spain.

What would you say are the principal legacies of colonialism in contemporary Portugal?

Until quite recently, our immigration was mostly from the former Portuguese colonies. With the expansion of the EU, there has been more immigration from Eastern Europe, but traditionally the majority of our immigrants came from Brazil and from the African countries that had been colonized by Portugal. This helps explain why our country has experienced less controversy as a result of immigration; Portugal was a country with relatively few immigrants, and many of those who came here spoke the same language and practiced the same religion as the Portuguese-born population. This particular context, coupled with the experience of resistance to a long-lived dictatorship, has meant that we don't have the same kind of tensions with an organized extreme right that can be found in other parts of Europe. I don't believe that Portugal is not a racist country—we do have such problems, but not to the same political extent as some of our neighbours.

In the period between the consolidation of Portugal's democratic system in the 1970s and the economic crisis of the last decade, two of the principal landmarks were the decision to join the EEC in 1986, and then later to join the single currency. How was Portuguese society transformed during that period, and what role did the EU—and the euro in particular—have in that transformation?

There was a natural tendency for people to assume that all of the developments in our country, which took place at more or less the same time, must have been related to each other. So there was a popular feeling that what we have achieved since the transition to democracy was linked to our membership of the EU, because we had been isolated from the rest of Europe before the revolution. In truth, if we have workers' rights, a national education system and public healthcare, that is because of our revolutionary process, not because of the EU. We have made incredible progress in some areas: education and health, for example. Today we have one of the lowest rates of infant mortality in the world. But many people thought our achievements in the democratic period were linked to European integration. Now, it is true that we received funding to build more infrastructure, which was a good thing for a poor country like Portugal. But we have to look at the price of that. In order to get that funding, we had to sign up to the EU and then to the single currency,

which meant we had to accept that the productive sectors of our economy would be dismantled. Of course, they were still at an early stage of development, and they needed investment and modernization. But the EU didn't help us to modernize our fishing or our agriculture: it helped finish them off. It pushed us to privatize our industries; ultimately the capital behind those firms decided to go elsewhere and shut down the factories in Portugal. Currently the agenda of the EU is to concentrate banking at a European level and to dismantle the public control of banks in Portugal; this means favouring Santander, and eventually some predatory capital from the US or China. So we paid a very high price for what we received from the EU.

Was there any serious debate about the single currency and its potential drawbacks for Portugal before entry?

No, there was never any real debate. People were fed a certain line when it came to the EU: Portugal is a small country, and if we no longer have the colonies, we need Europe. This has really poisoned the discussion over European integration. After all, our country is not that small. We may not be as large as Germany or France, but there are other European countries that are even smaller than Portugal. But that was the narrative: we are not a viable country on our own, without colonies. We never had a referendum on any of the European treaties. Nor was it debated in a serious way during election campaigns, because there was a consensus between the Socialists and the right-wing parties (and the most powerful economic interests, of course). There was even an election in which all the parties pledged to call a referendum on the European treaties; afterwards they forgot those pledges, with the exception of the Bloco. I have heard this argument my whole life: we need to be in the vanguard of European integration, because this is the future of Portugal; we cannot be isolated as we were in the days of fascism. All of the substantial issues about the political and economic consequences of the treaties we were signing up to were blocked out by these false arguments.

How has the role of the Catholic Church in Portuguese society changed since the Salazar period?

Certainly it has changed a great deal, although there is something of a paradox here. We are a country that is predominantly Catholic, where the Church still has a lot of power. Since the revolution, there has been a

clear separation between church and state, which was a real innovation; but we still have a Concordat, and the Church is still represented in many official ceremonies and in the protocols of the state, so the separation is not as great as it should be, or as you would gather simply from reading the constitution and the laws of this country. Nonetheless, the influence of the Church has unquestionably declined. We have some of the most progressive legislation in Europe as far as women's rights and LGBT rights are concerned. You have to consider the impact of emigration on traditional family structures. Often the women would be left in the villages raising their children while the men emigrated to work, or went to war and died. The social networks were not as orthodox as the Church would have liked them to be. Then came the revolution, which made it possible to question everything. One of the first reforms granted equal rights to men and women in the provision of divorce. We have public schools without Church control. This does not mean that there are no issues in small villages; this year, for example, we had a controversy because there was a religious ceremony at Easter in at least one public school. We have the option of providing religious education in the public system, and of course, you can choose whether to send your children to those schools or not. But even if the Church has more influence than it should in a secular state, it certainly does not have the power that it used to possess. All of its influence came to naught when a referendum was called to legalize abortion in 2007, and that was a major setback.

Unusually, Portugal has not one but two parties of the radical left with a significant electoral and social base. Why has there been a historic separation between the Portuguese Communist Party and the forces that came together to make the Bloco?

The Communist Party is a rather orthodox party that has long had a very conservative vision on the left. Groups on the radical left built the Bloco, and the political differences between the two parties were well known and understood. Today, the Communist Party is evolving, and I think it will continue to do so, on the question of women's rights, for example. In the past, that was something that did not really exist for them; it was an issue to be postponed until after an upcoming revolution. Even now, the PCP votes against laws imposing parity in the electoral lists for parliament. But change will come. We now have a certain political situation in Portugal that is possible because we have two parties of the radical left that are strong enough to bring it about. But if we could communicate more, we could be even stronger than we are at present. I don't think the

Communist Party is ready for that yet. There are still differences between us over questions of individual freedom and civil rights, but right now, in the Portuguese context, that is not really the central issue, so we can work together in many areas and fight for major economic changes. Sectarianism is always a sign of weakness and should be avoided, if we are to learn the lessons from so many failures of European left forces.

One point that distinguished Portugal from countries like Spain or Ireland was that in the period leading up to the Great Recession, there had been no property bubble; growth rates had been much lower than in the other 'peripheral' states. What was the impact of the crash on Portuguese society?

It's true that we didn't experience the same kind of bubble. Our banks were smaller than the Irish ones, but they still proved to be expensive for the Portuguese people. What has really happened is an attempt to erase the legacy of the revolution in Portugal's constitution and our laws. The legislation governing workers' rights, for example, has been transformed, so that there is hardly any instrument of collective bargaining in the country today after the ravages of the Troika. Instead of collective contracts, everyone has an individual labour contract; precarity has spread throughout the workforce. Virtually everything was privatized. The privatization of strategic sectors had started much earlier—and it was Socialist governments that drove this process, much more than those of the right—but since the crisis began it has accelerated dramatically. Other changes were blocked because the constitutional court would not allow it, and the right lacked the two-thirds majority in parliament needed to change the constitution. Ultimately, the goal of the Troika was to eliminate the basic social responsibilities of the state as they have been defined since the revolution. The impoverishment of our society has been unprecedented. In a country of ten million people, more than two and a half million live in poverty. Half a million have emigrated, mostly young people, often with qualifications. The majority have gone to other European countries like Britain or Germany; there was also a lot of migration to Angola when its economy was booming. For the first time since the revolution, university attendance has declined. Public services lack the necessary budgets to function properly. There was a massive transfer of wealth from the working class to capital.

The main protests in this country against the Troika and its austerity programme appear to have been concentrated in 2012–13. They were not as widely publicized or reported on as the movement of the squares in Greece,

for example, or the indignados in Spain. Would you say that the Portuguese protests were less significant than those movements—or were they simply overlooked outside the country?

A bit of both, perhaps. I would agree that the protests here were not as strong or as influential as those in other countries. In the first period after the arrival of the Troika, people understood what was going on and felt that they could fight back and defeat it. But when there was a big governmental crisis, and yet the government did not fall—the European elites did everything they could to support it—people became desperate and stopped protesting because they thought it would accomplish nothing. So we had a high-intensity period, demonstrations of one million in a country of ten million, and then it stopped. You cannot have people protesting indefinitely without any kind of result, always facing defeat. Moreover, because of emigration, we lost people from the very age groups you would expect to be in the vanguard of protests: in the Bloco, for example, we know of villages where all of our supporters of a certain age left the country. It has also been a challenge for the trade-union movement to learn how to relate to precarious workers. The unions are well organized in certain sectors and can mobilize people in the streets, but they didn't know how to reach out to these unorganized parts of the working class; they still don't know how to do it, although I believe the situation is improving.

In comparison with Spain and Greece—or Ireland for that matter—the traditional parties of centre-right and centre-left in Portugal have not lost electoral support to the same extent during the crisis. How do you account for this?

One factor is that there are more issues with the political regime as a whole in those countries than in Portugal. Spain is a monarchy, with a constitution that many on the Spanish left and in the nationalist movements consider illegitimate. Ireland has a relationship with the United Kingdom that is very problematic. In Portugal, we do not have the same kind of friction, and people tend to trust in the established institutions a little more.

For the Bloco, the period since the crisis began has not been one of uninterrupted growth: you lost a lot of ground in the 2011 election, and a group of party members broke away to form a rival group, Livre. Was it more difficult for your party to win new layers of support, having been an established presence on the

political scene since the turn of the century? In Spain, Podemos was founded from scratch in 2014 and presented itself as a new party standing in opposition to the old political class.

The context is different. When the Bloco was founded, people said that the political landscape in Portugal was already defined and there was no room for another party. We proved them wrong, and for a decade from our birth in 1999, the party experienced continuous growth—not just in electoral terms, but also through the issues that we put on the agenda: laws against corruption, women’s and LGBT rights, drug policy, etc. We had ten years of being a novelty that could change and disrupt the established political system. Then in 2011, it was very difficult to maintain our support, because many people believed that the Portuguese right had the solution to the crisis, and there was widespread disillusionment with the Socialist Party. Abstention was high, but there was also a part of the population that was frustrated and decided that now it was the moment of the right. There was a sense that everything was failing and perhaps the right could do things better.

There were some very sharp debates at the Bloco’s 2014 conference about the loss of support in the most recent national and European elections; there was much talk in the Portuguese media that these divisions would result in a split. Has that division now been resolved on the basis of the party’s performance in 2015?

We did face a strong attack from the media: people decided that the Bloco was dead. There was an idea that the Bloco should simply be a political force to support the Socialists on their left wing, and when we rejected that, some people did not accept the decision and left the party. We also had a discussion on the big issues facing the country, and here we must distinguish between the media attacks on the Bloco and our own internal debate. To a large extent that debate has now been superseded. The question was whether we should focus on defending the Portuguese constitution as a barrier against the schemes of the right, or if we should put the emphasis on Europe and the need to renegotiate the public debt as the essential precondition for any autonomous political project in this country. Right now, the constitution is not under any immediate threat, so we are left with the issues of Europe and the debt. Of course, all ideological debates reveal some form of malaise, and ours was the pressure of a changing situation. The easy path would have been

to go our separate ways and split when different tactical options were presented. But that is not our way. We knew the political context required us to build a new relationship of forces: concentrating our energies, solving minor disagreements, taking responsibility towards our people. We faced the difficulty, we understood it, we fought it and that has been key for our success.

When António Costa became the Socialist leader, was there already a perception that he would be open to working with the left-wing parties, or did it come as a surprise after the outcome of the 2015 election?

I don't believe that the Socialist Party had ever wanted to work with us. Costa might have made some public declarations saying that he wanted to cooperate with the left, but that was in order to try and reorganize the Socialist Party; Costa wanted to convince people that they needed to vote for the Socialists to defeat the right, and anything else would be a waste of their vote. There were some very aggressive statements against the Bloco. What happened was that the Socialist Party lost the election: they received fewer votes than the right-wing alliance, despite having been ahead in the polls for much of 2015. If they didn't make the agreement with us and with the Communist Party, we would have had a right-wing government with the backing of the Socialists. The Socialist Party looked at the rest of Europe, saw what had happened to PASOK and other parties, and realized that if they supported a government of the right, they could be finished. The Bloco was supposed to be dead, but we proved that wrong and got 10 per cent of the vote: a substantial increase that was the surprise of the election, and crucial in transforming the parliamentary arithmetic. The left was strong enough to ensure that if the Socialist Party supported the right, it would immediately pay the price. During the election campaign, we had taken the offensive with a unitary line. In a TV debate with Costa, I proposed three concrete measures as the basis for a possible arrangement with his party: to lift the freeze on pensions, to scrap the reduction in employers' social-security payments, and to abandon plans that would make it easier to fire workers. After the election, he accepted these conditions. So we made the agreement, which was much more detailed. I believe this was necessary, because Portugal could not have endured further privatizations—we are speaking here of roads, railways and water, because everything else was already sold off—and further attacks on the rights of workers. But as a result of this agreement, we are now in a curious situation, where we helped save the

Socialist Party from the temptation of making a pact with the right: it is almost the only social-democratic party left standing in Europe. This is somewhat surprising, but I think we have done what we needed to do, because our duty is to our people, and we have brought about a significant change in the political situation of the country.

Looking at the government in place since 2015, do you think Costa contrasts significantly with his predecessors in the leadership of the Socialist Party—Soares, Guterres, Sócrates—either personally, or simply as an inflection of the party after its debacle under Sócrates? Or is there no substantial distinction?

Of course, personalities always matter. Costa is a very tough, capable negotiator. But I don't think he differs politically from his predecessors. What is different is the balance of forces. After the election of 2015, the Socialists faced a choice: either they could prop up another government of the right, and risk electoral disaster, or they could reach an agreement with the left, knowing that this would not endanger the economic structure they uphold, and that if this experiment ran into any difficulties, they could count on the support of the right to protect it—as we've seen in the sale of Banif, the bank in Madeira, to the Santander empire in Spain, subsidized by taxpayers. So to survive, they reached an agreement with the left, although a wide space of negotiation and struggle remains open between us.

That means, in effect, no significant shift has occurred in the internal life of the PS, which like most social-democratic parties has traditionally had somewhat harder and somewhat softer conservative wings?

All tendencies in the party are currently represented in the government, so yes there is no change in that respect. What you can say is that Costa is braver as a politician than his immediate predecessor. He is willing to take risks. But not to the point of putting anything that is important to Portuguese capitalism in question. The PS is a party of the centre forced to negotiate with parties of the left. This is new, and difficult for both sides, but it is necessary.

His finance minister, Mário Centeno, isn't even a member of the PS, but an unelected technocrat from the central bank, specializing in the economics of labour markets. Is that new?

Not quite, but this was a much more pointed choice—a clear signal to the Commission and the ECB that the government would remain orthodox. Schäuble was delighted, calling Centeno the Cristiano Ronaldo of finance ministers. Of course, there was still a problem. Centeno had been pressing for—and promising—a series of measures that we drew a red line round, as things we would not accept, and they had to be dropped. Those measures included making dismissals easier, cutting employers' contributions to social security, and doing away with compensation for low-wage work. We red-lined all of these signature policies of his.

It is now almost two years since the Bloco and the PCP reached their separate agreements to support the Costa government. Has the conduct of the government, and the broader pattern of events, matched with your expectations?

There was a surprise. The European Union softened its stance towards Portugal, out of fear after Brexit. When it was in power, the right had promised the EU that it would cut pensions after the 2015 election, and during the campaign the Socialists went along with this. But we made that impossible. Pensions have in fact risen a little. It's not a big increase, but when compared with the cuts that were proposed to the EU, what we have accomplished is not trivial. It amounts to a substantial difference. The minimum wage has now been increased by 10 per cent and there will be a further 10 per cent rise over the next year. The European Commission protested vigorously against this. We had expected the EU to apply pressure on Portugal to start privatizing our pension system, in line with other European countries. We stopped that. Of course, on other issues the EU is doing what it wants, because right-wing regimes are cleaning up banks with public money and handing them over to international capital, as the Costa government has done in Portugal.

After the 2015 election, Cavaco Silva intervened as president to warn that a government relying on support from the left parties could jeopardize Portugal's membership of NATO and the European Union. In effect he was appealing to members of the Socialist Party to rise up against their leader and oppose any such agreement. Was there a real chance that this would work?

I'm sure that's what Cavaco Silva would have wanted to happen, and I'm sure there were people who were tempted to follow his lead. But the example of what was happening to centre-left parties elsewhere in Europe was a very powerful warning to the Socialist Party of what

could happen to them in that scenario. In any case, the powers of the presidency are limited in this country; parliament is the main focus of decision-making power. The president can dismiss parliament, but that is the nuclear option, not to be used if you lack a good reason for doing it, and he was in no position to do so just after the election. Ultimately, the president is only powerful to the extent that he is popular. By the end of his mandate, Cavaco Silva was the most unpopular president we ever had, so while he did propagate a certain narrative about the government, very few people were listening to him.

Since then, a new president has taken office, Rebelo de Sousa, a TV personality also from the right. Has he sought to apply pressure, or been more discreet in his attitude towards the Costa government?

He is more popular than his predecessor, and has been doing everything he can to maintain that popularity. He would like to promote the ‘normalization’ of the Bloco by drawing us into a more formal relationship with the Socialist Party. We did not form a coalition with the Socialists, and our differences with them are transparent. We made a political agreement with some very clear points to protect the Portuguese people: no more privatizations, no wage or pension cuts, and the minimum wage has to rise by at least 5 per cent a year. But we still have strong disagreements. As a party, the Socialists in the past followed the example of Blair and the Third Way, embracing the privatization agenda that was destroying the foundations of peace and prosperity in Europe. That prosperity was based on strong states that could exercise control over strategic sectors of the economy, and thus pay for welfare programmes and guarantee workers’ rights. Then corporations decided that the social state was no longer acceptable, and there was no need for workers’ rights now that the communist threat had gone. The Socialist Party went along with this, and they still approve of the fact that key economic sectors are in private hands. They accept the EU’s fiscal treaties, and do not really seek to renegotiate the public debt, so the margin for investment in our economy and our social programmes is limited. We point this out every day.

What is currently happening is that the Socialist Party is rising in the polls, but not at our expense—it is taking votes from the right. What the president would like is for the radical left to be able to live with the Socialist Party in a very long-term arrangement that would not have

these points of tension and would not challenge the consensus over Europe that has always existed in Portugal. So he takes a conciliatory approach towards the parliamentary majority in his speeches, but always with this objective in mind.

In his post-election broadside, Cavaco Silva singled out the opposition of the Bloco and the PCP to NATO and the single currency for attack. But these issues were not placed on the table in discussions with the Socialist Party over the programme for government, were they?

No, they were not. Going into the negotiations, we were not strong enough to make those kind of changes. This is why we refused to become a coalition partner: we will not be part of the government in a country that obeys the fiscal treaty, follows the European rules on the debt and remains within NATO. We can have a practical agreement between the forces that make up the majority in parliament around a set of concrete policies, but we will not be part of a government that has positions of this kind. At this point, we don't have the relationship of forces that would allow us to change that—not yet. Politics is not a question of how well you can relate to the members of another party; it's a matter of strength and fighting for power.

How are things complicated by the fact that this is not simply an arrangement between the Bloco and the Socialist Party? In order for this deal to work, it had to involve the Communists as well. Have there been any joint discussions between the Bloco and the Communist Party, or do both organizations negotiate separately with the Socialists?

I was the first to raise this possibility during the campaign and the TV debates. I addressed Costa directly and told him that we would be willing to talk about a solution that could remove the right from government if we could agree on some very concrete measures. But when the election took place and the Socialists saw that they had a choice to make, we spoke with the Communist Party to know if they were going to join this process as well, because for us it was very important to have them involved. We needed all three parties to have a majority in parliament, but even if that had not been the case, if you are negotiating with 10 per cent of the vote, and the other party has more than 30 per cent, it's difficult to achieve anything. If two parties with almost 20 per cent of the vote between them are negotiating, it becomes much easier. Of course,

the PCP emphasized that they didn't want to negotiate jointly with us: they would negotiate with the Socialists in their own right, and so would we. But all the same, it was only possible because the two parties were both committed to doing it.

How would you judge the government's record after a year and a half in office? How much of the agreement has been fulfilled?

A significant part of the agreement involved stopping things that were due to come into effect. We built a wall against some measures that would really have killed off what was left of our revolution in terms of social and political rights. Everything in the field of civic freedoms has been done: changes to the abortion laws, adoption by same-sex couples. There we now have some of the most progressive legislation in Europe. Some of the attacks on the rights of workers have been stopped, along with the cuts to public-sector wages and to pensions. Four public holidays that were abolished under the previous government have now been restored. The transport systems of Porto and Lisbon have been returned to public ownership, and there have been no fresh privatizations. We have introduced social measures to assist the poor, such as a new energy tariff. The minimum wage has been increased as agreed. We are now working to designate all those employed by the state under precarious contracts as public servants.

One of the biggest problems now concerns the state of our public services. We want smaller class sizes in Portuguese schools, and that means hiring more teachers; we want each family to have the right to a nurse and doctor, and that means hiring extra medical staff. All of this requires extra public investment. We predicted that the economy would improve when wages and pensions started to recover, because people would spend the money on things they needed, rather than stashing it in an off-shore account, as the rich tend to do. In order for an economy to function, you need a domestic market. As a result, economic growth has picked up, and we have good numbers to report within the framework of the euro. The problem is that the government now wants to use the fruits of that economic growth to reach the targets of the fiscal treaty, instead of investing in public services. If you don't invest in schools and hospitals for one or two years, people can just about manage, although it is still harmful; but if you don't invest for the better part of a decade, there is a very sharp deterioration, and it requires a lot of new money

to repair the damage. So this is the main problem we now face: it is not possible to pay our national debt and meet the deficit targets set by the government while also having a social state that works. At present, we spend more on interest repayments for the debt than on all of our national healthcare services. We have reached one of the most difficult points for our agreement. There are still measures waiting to be fulfilled, but they are the ones that demand the sharpest confrontation with the European Union.

If the government remains in office until the next election is due in 2019, will it be possible to postpone that confrontation over the debt for that long?

I don't think that anyone should feel confident betting on what is going to happen in Europe over the next few years, so I would not say it is impossible, but certainly it will be very difficult. We should be preparing to shield our country from external vulnerabilities. The biggest concern for us is not the measures contained in our agreement with the Socialist Party: it is our relationship to the European Union, and the question of what we do with our financial system. Quite simply, we are running out of banks. A country that does not have a financial system it can control is going to be extremely vulnerable to outside pressure, whether that comes from the economic policy of Trump, Brexit or events in the rest of Europe. We have put €12 billion of public money into the Portuguese banks, then given them away: one to the Chinese, one to Angola, one to CaixaBank, one to Santander; and now the biggest private bank is to be handed over to Lone Star from the US.

The sharpest public disagreement between the Bloco and the Socialist Party was over the status of Novo Banco. What was the proposal that you made?

We believe that it should be nationalized. It has already received a lot of public money that we are not going to get back: €5 billion. Lone Star, the hedge fund that wants to take over Novo Banco, will not pay anything for it; it has recapitalized the bank, but if the losses are over €2 billion, then the state will pay the rest. We are talking here about one of the major banks in Portugal: a bank that supplies credit to companies, which is bound up with the fate of our productive economy (not to mention its role in the housing market). Giving this bank away after what we have already paid—and are likely to pay if there are non-performing loans in the future—makes no sense. We should take it into public hands.

Why is the Costa government unwilling to consider that?

Because it has a strict ideological vision that private banks are better than public ones, whereas we believe that public control over the banking sector is needed. But also because they really do what the European Commission and the ECB tell them to do.

In general, what has the attitude of the European institutions been towards this government? Has there been constant pressure felt from those bodies?

It has varied over time. At first, there was a lot of pressure brought to bear against the government, but then Brexit happened, and there were other problems for them to deal with; they did not have as much time to make difficulties for Portugal. But the pressure is still there. Even after exiting the excessive deficit procedure, our access to the ECB's programme of quantitative easing depends upon the sole ratings agency that gives our bonds an investment rating higher than junk status. So even if they do not make public declarations to apply pressure on our government, there is still a lot they can do to turn the screws. And if you don't have a financial system that can buy your public debt, they have even more power.

In the financial press, there was a great deal of scepticism towards this government at first, but lately there have been a number of articles expressing surprise at the performance of the Portuguese economy: the figures for economic growth, the deficit, the budget surplus. Is there still a feeling that forces outside Portugal are waiting for it to slip, so they have the opportunity to intervene?

Yes, but that narrative is coming unstuck. If interest rates on the debt don't rise significantly—although that is a danger—economic recovery and robust job creation will continue. Of course, some European governments (Rajoy's, for instance) and the right-wing parties here are waiting for precisely those dangers to surface: it is their strategy. They don't present any alternative proposals; they just say 'this is going to go wrong'.

Judging by the opinion polls, support for the Bloco and the Communist Party has remained stable since 2015; if a new election was called tomorrow, your vote would be more or less the same as it was then. But the real political benefits from this government have gone to Costa and the Socialist Party,

whose polling figures have gone up significantly. Does it concern you that they may decide the time is right to call a snap election and seek an overall majority?

It is concerning if it means people believe that obeying the European Union is a solution for Portugal, and that we can avoid having a confrontation. If that happens then things can go backwards; we know from the experience in Portugal and elsewhere in Europe that rights can be lost. At the same time, I don't know if the polls really show us what people think. In the last election, after all, we had 3 per cent in the polls just a few months before the vote, yet we ended up with 10 per cent on the day. I think that people understand more about the balance of power today than this simplistic notion that the Socialists are in government and they are making everything okay again. One thing that has changed is the idea of a 'useful vote': people now see that a vote for a committed and clear political strategy is 'useful' and indeed necessary, and I believe that the time of absolute majorities in parliament is over.

The main example of a confrontation with the European Union in recent times has been the Syriza government in Greece. But that confrontation ended in defeat for them; they ultimately had to sign an agreement that imposed even heavier burdens than the one agreed to by the previous administration. What lessons have you drawn from the experience of Greece?

In the Bloco, we have spent a lot of time discussing this and drawing up political positions on that basis. We believe that a left government has to be ready to leave the euro, and to exercise control over the financial sector—it is the only way. We do not claim that exiting the euro would be the solution to our economic problems: they are bigger than that. But you are not going to have all of the countries in the Eurozone agreeing on progressive policies and democratic reforms of the European Union. We never really believed that this was possible, but now it is hardly open to debate. So if you have a left government, one of the necessary preparations you have to make is for leaving the euro. The steps that we need to take—restructuring the debt, imposing public control over the financial system, reviving the productive base of our economy—are not possible within the framework of the single currency. After what happened to Greece, only the very naive would believe there is another way.

Do you expect this government will last until 2019?

When we started, we knew that we needed to pass at least one budget. At that time, none of us would have bet that it would last as long as it has done already. We have done what we needed to do, so that it would appear credible, because the worst thing would have been to come up with an agreement that did not work. It was possible because it was based on very clear and concrete measures, which depended on the presence of the two left parties. Sometimes people in other European countries ask me, ‘what does it mean to have a left programme for government?’ But this is not a left programme; it is an agreement between parties that make up a parliamentary majority: between the left and the government formed by a party of the centre that has been forced to compromise with the left. So we cannot really bet on how long it will last in the future.

Has the experience of a government which is quite popular, which is seen to be addressing the needs of the population, had a demobilizing effect on protest and social movements?

We already had a demobilized country when we made the agreement, so that was an issue. If we had active social movements, perhaps we could have done things differently. Yes, you do have the problem of people waiting for the government to solve things for them. But we have also worked on some areas that are now starting to become a focus for mobilization—precarious employees, for example. We made an agreement, and now a report has been published which says that there are more than 100,000 precarious workers employed by the state; there is a plan for them to be properly integrated into the public sector. That is mobilizing people, because they want to be part of this process, which is advancing much too slowly. We have been working all over the country, and people are starting to organize. I believe that this struggle against precarity can produce some movement.

Before the Great Recession, it was already clear that parties of the radical left—whether they were communist or post-communist or new left organizations—had started to fill the space vacated by the old social-democratic parties as they moved to the right: as defenders of the welfare state, workers’ rights, public services and so on. Since 2008, those radical-left parties have been positioned as the leading voices against austerity, trying to prevent

these Troika-style programmes from being put into effect, or in some cases trying to roll back some of what has been done. This is quite understandable. But it also seems as if the immediate campaigning platform is moving further and further away from the idea of socialism as an alternative to capitalism. Is it possible to articulate the idea of a non-capitalist economy in the present conjuncture?

We are on the defensive, that is the problem, and I don't believe that there is an easy solution. We don't have the kind of European movement that would make a socialist revolution today; in fact, we have the challenge of fascism and the far right. I believe that you are right: in a way, the traditional space of social democracy is empty, and we need a left that can develop a clear strategy for winning a majority of the population to support policies that are not social-democratic. Within those limits, we can distinguish between two broad strategies on the left. Right now, within the European Union, it is very difficult to change the relationship of forces, because politics has been transplanted from the national level, which is the space of democracy with which people identify, to an international level that does not have the same meaning for them. We need to ask ourselves how we approach the problem of the European Union, and how we can defend democracy against it. There are some on the left that still think they have some kind of obligation to preserve the EU, as if by doing so they were taking a stand against fascism, because fascism is nationalist. There is also a temptation to avoid drawing the correct lessons from what happened in Greece, and to defend what Syriza has been doing instead. We can feel solidarity with those who were subjected to pressure and humiliation, and understand that the Greek government was coerced, but that does not mean that we have to justify what that government is doing: it is unjustifiable.

One part of the left spends a lot of time asking questions like: how can we make the European institutions more democratic? How can we make the voice of our people heard more clearly at the European level? How can we make the euro less harmful to our economies? Could we discuss eurobonds and a renegotiation of the debt for Southern countries? In the past, we had the same kind of discussions in the Bloco, going back ten or fifteen years. But right now, they are really a waste of time. So if we are in this position of occupying a terrain that, strictly speaking, is

wider than the traditional space of the radical left, having to learn and create a movement at a time when successful revolutionary forces do not exist, we should always be clear when we speak to people. We cannot say to the unemployed that perhaps one day the European institutions will change. We need to tell them what we can do in our own countries to change that situation—if we don't, then the far right will do it, even if they are offering the wrong solutions. We should not let defenders of the status quo tell us that it is the European Union that is responsible for the longest period of peace and development in Europe, because that is simply nonsense. It was public investment, the welfare state, and control over strategic sectors of the economy that made peace and development possible, not the EU. It was post-war hopes and well-organized social movements that imposed the 'spirit of '45'. We should not waste our time trying to make the EU a little better; we should concentrate on proposals that are practical and comprehensible, combining public control of banks and other strategic sectors with changes in labour law that advance workers' rights, and state clearly that such proposals are incompatible with the European treaties.

Previous texts in NLR's 'New Masses, New Media' series have included Pablo Iglesias, 'Understanding Podemos' and interview, 'Spain on the Edge' (NLR 93); Francis Mulhern, 'A Party of Latecomers' (NLR 93); Daniel Finn, 'Water Wars in Ireland' and Georgi Derluguian & Zhanna Andreasyan, 'Fuel Protests in Armenia' (NLR 95); Stathis Kouvelakis, 'Syriza's Rise and Fall' (NLR 97) and Suhas Palshikar, 'Who is Delhi's Common Man?' (NLR 98).