

# **Portugal - Coordinator of the Left Bloc: “The priority for the Left Bloc is clear: to increase the income of those who live by their labour”**

Monday 20 January 2020, by [MARTINS Catarina](#) (Date first published: 9 January 2020).

**“What is missing in this budget is not just the willingness to negotiate, which the government demonstrated very late. It lacks answers and a strategy for today’s problems”, said Catarina Martins, in her speech in the 2020 budget debate.**

The Coordinator of the Left Bloc, in her speech in the debate on this year’s budget, questioned the government’s claim that this is its best budget ever. Only the first budget, in 2016, she said, actually restored people’s purchasing power.

## **Complete speech by Catarina Martins**

The government has a new mantra: it has produced its best budget ever. But let’s take this debate beyond the slogans. Which is the better budget? That which reversed the cuts in wages and pensions? Or this one, which increases them below the expected rate of inflation? Of course, wages and pensions are now somewhat higher, in nominal terms, than they were. But only the previous budget actually restored purchasing power.

A national budget should be judged by the answers it gives, at a given moment, to the country’s problems, by the difference it makes in people’s lives. And that is why the budget that the government is presenting today is not better than the previous budgets. In fact it stands as the legacy of those budgets, which is just as well. But we should not live by legacy alone.

There are no cuts in this budget. It applies an automatic adjustment of pensions, contributions and wage scales. It reintroduces some basic protections against poverty, free text books guarantee that obligatory education is universal, and it ends the undermining of public transport by making it more expensive than private cars. This budget is based on an economy that, with all its difficulties, is working, and not on exceptional income from ruinous privatizations, which cover temporary expenses but mortgage the future of the country. Social security has stabilized and become stronger, as jobs have been created.

Is that so little? No, it’s a lot. But it is done.

This recovery of the country was one of the most important decisions in recent years, and the Bloc is proud to have been a part of it. It was a path that left the right without a programme and with nothing to offer, as we saw in the last elections and we see again in this debate. More importantly, it gave people answers and put the country back on its feet.

Those achievements make it possible to build a more solid future. But it is dangerous to muddle up what has been done, with what needs to be done.

Now we are into a new cycle. It's a cycle marked by the painful crisis in housing, where the response to the climate emergency needs to be effective, and where public services, in health or transport, can wait no longer. It is a cycle where giving answers to those who labour means having the courage to implement serious changes in economic and social justice: labour rights, erradicating precarious work and strengthening the pension system.

What is missing in this budget is not just the willingness to negotiate, which the government demonstrated very late. It lacks answers and a strategy for today's problems. It is not enough to live on what has already been achieved, or to celebrate the fact that we are not rolling this back.

Will the unfreezing of promotions have an effect in 2020? Of course. That was already decided. Will the wage scales introduced in the previous parliament be felt? Certainly, these decisions have been taken. Will text books be free? The surprise would be if they weren't. Will the updated indexation of social support take effect? We decided that a long time ago as well. If that weren't the case, even the poorest would lose out through inflation. But the truth is, if you add together all these measures to restore incomes - the immense majority of which are just the implementation of decisions already taken - those who struggle to make their money last until the end of the month, will not be getting the increase they need and which is their right.

The same goes for investment. It is going up by 28%, it's true. But 28% of very little remains very little. And when we look at investment, once again we see what comes from the past - and which had to be there - but we don't see what the future demands. From school works to the purchase of trains, this was all decided long ago, and merely awaited implementation. In housing, there is money for those first in line - the answer for those who need immediate rehousing, and were already identified in the previous parliament. But there is no investment capable of developing a public rental market that would combat speculation and guarantee the right to housing. In health, the government's initial proposal tackles over-budgeting, but it doesn't increase spending compared with what has already been done.

In fact there is one novelty in the Budget Proposal. It makes clear that caution in investment serves the strategy of developing a surplus to be able to pay the public debt. And that is a bad sign.

It is a bad sign, not only because it limits investment, and therefore the economy. It is also a bad sign because it is an explicit political retreat compared with the last four years. We always said that only economic growth could protect the country. Thus wages and pensions were increased, despite the pressures from Brussels. And we proved that was the right way.

When the government seems to be focussed on its deficit target, without offering any other understandable perspective for its budget strategy, it is reasonable to ask: has the recovery of incomes in the last four years also left the Socialist Party without a programme?

For the Left Bloc, the priorities are clear: to increase the incomes of those who work to live, and to increase public investment.

Since the government has ruled out changing the labour laws, the budget measure that is capable of increasing the incomes of those who labour, across the board, is a cut in VAT on energy. Less expense on electricity means more is left of your wages or pensions. In one of the European countries where energy is most expensive, it is also a matter of justice. The government may claim that cutting energy bills is contrary to the aim of tackling the climate emergency. But that is not true; implementing the social tariff has already shown that improving access does not mean increasing consumption. Nor would it make sense to have a plan for tackling the climate emergency that discriminates on the basis of wealth. The way to become carbon neutral is through more and

better public transport, through investing in energy efficiency and protecting the land. And the Bloc will continue to fight for all of these objectives. As it will continue to fight for the recovery of public services, the National Health Service, state education, improving the justice system, investing in culture and science, introducing the Status of Informal Carers, as well as measures to ensure dignity without exclusion, to combat privilege and inequality, and to tackle the housing crisis.

We are not closing the door to negotiations. We assume our responsibility, and we do not expect favours. But no one should expect us to forget what we were elected for.

**Catarina Martins**, 9 January 2020

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**P.S.**

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