Towards an assessment of Portuguese union strategies in the context of austerity and adjustment: union leaders’ discourse meets sociological and political analysis

Alan Stoleroff

Centro de Investigação e Estudos de Sociologia,
ISCTE- Lisbon University Institute

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The economic-financial crisis of 2008-09 and the following sovereign debt crisis, which climaxed in the signing in 2011 of a Memorandum of Understanding with the Troika and acceptance of outside intervention, have brought about a radical reconfiguration of the underlying ideology of Portuguese employment relations (Louçã 2011) and a concomitant deregulation of industrial relations (Palma Ramalho 2013; Leite et al 2013; Campos Lima 2014). These transformations came in the wake of two decades of progressive whittling away at the pattern of industrial relations established with the Portuguese revolution and democratic consolidation in 1974-76. However, in this critical situation of visible breakdown, the ability of Portuguese trade unionism to develop effective defensive strategies has been limited by its internal ideological and political competition (see Costa 2012; Campos Lima & Artiles 2011; also for the public sector, see Stoleroff 2013a), on the one hand, and the constraints derived from the general decline in trade union strength, on the other. In this context the union confederations have maneuvered between divergence and convergence in action. The Confederação Geral dos Trabalhadores Portugueses (CGTP), the majority labor confederation situated ideologically and politically outside of the “governing block”, generally continued on a path of radicalized discourse, programmatic and bargaining intransigence, and politicized mobilization. The União Geral dos Trabalhadores (UGT), ideologically and politically aligned with the governing parties of the center (the Socialist Party and the Social-Democratic Party), kept itself within the hegemonic governing block through the negotiation of concessions in the interest of competitiveness of the national economy while attempting to establish and affirm the limits and price of its cooperation with the politics of adjustment. To maintain intramural cohesion, both confederations have, in their own way, had to placate loyal oppositions within their leadership. (The Communist majority in the CGTP’s leadership mainly had to hold on to its organized Socialist Party tendency while the Socialist leadership of the UGT had to deal with the traditional reluctance of Social-Democratic trade unionists in breaking with a

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1 For useful critical analysis of the sovereign debt crisis in Portugal and the ensuing austerity program, see Castro Caldas (2012) and Pedroso (2014).

2 For the record, I do recognize that the formulation of this aim may appear contains presumptuous. However, my stance as a researcher has increasingly involved a certain degree of intervention within the labor movement and politics and therefore in developing this analysis I have had to acknowledge and take into account my own advocacy of a change in the strategic lines of Portuguese trade unionism.

3 Indeed, in the interview with the CGTP’s Secretary General reported here, he affirmed the continuity of the PECs with the Memorandum and a view of the PECs as a process that would lead necessarily to
Social-Democratic government.) In this way, the union confederations have been able to assure their role as relevant actors in the processes although neither confederation’s strategy and their consequent joint or autonomous action have managed to put a stop to the liberal deregulatory revolution with more than residual effects upon its outcomes. Neither the mobilization of resistance nor the posture of bargaining responsibility were able to put a brake upon a government determined to change the face of Portuguese industrial relations in the opportunity context of crisis. Indeed, it can be argued in fact that judicial and court action, more than by trade union resistance, have been crucial to holding back the completion of this radical transformation – particularly with regards to austerity. In these circumstances it is therefore incumbent upon industrial relations research to reveal the sources and repercussions of what amounts to a significant historical defeat, or at least retreat, of Portuguese trade unionism.

The objectives of this paper then are to begin to confront the discourses of the trade union leaders themselves about the labor movement, its strategy and action during this period of crisis adjustment and austerity with an evaluation of union effectiveness. My goal, in other words, is to evaluate the efficacy of union strategies in this period with an eye to emerging tendencies towards a reconfiguration or, indeed, a refounding of Portuguese trade unionism.²

This paper will report partially upon recent interviewing of leaders of the two representative Portuguese trade union confederations and various federations that had as its aim the sounding out and recording of their own assessments of union strategy and action in this historical period. Leaders have been asked to evaluate trade union goals and the extent to which they were achieved as well as how the successes and failures of this period will have repercussions upon the short and medium term prospects of trade unionism in Portugal. The research has also benefitted from other recent, less structured conversations and informal contacts with trade union leaders and cadres. The paper will conclude with our own assessment of the effectiveness of union strategy in this conjuncture and the emerging prospects for union revitalization.

Union efficacy at peak association level

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Effectiveness of union action - as effectiveness of political action in general – requires some criteria of measurement. In politics this may be electoral results or success in specific advocacy campaigns. For trade union action obvious yardsticks in “normal” times are bargaining results, unionization or organization-building. However, for radical trade unionists effectiveness may be evaluated by non-tangible results, such as building class-consciousness or by various forms of mobilization regardless of the achievement of concrete, recognizable victories. But these are not “normal” times even in Portugal, a country that has never fully experienced the social-democratic development path of the “European model”. Since 2011 the Portuguese economy has been subject to a policy strait-jacket devised by external creditors-international financial agencies and internal political forces that have sought to transform its economic institutions and forms of regulation. Previous to the signing of the Memorandum of Understanding with the Troika Portugal had experienced effects of the international crisis of capitalism. So what is effectiveness in the context of a significant crisis such as that being experienced by Portugal? Taking into account the characteristics of Portuguese trade unionism the criteria of evaluation may range across values going all the way from satisfaction with its contribution to economic recovery (an integrative position) to the degree of resistance afforded by the workers to the “capitalist offensive” (the radical position). In any case, a sociological analysis of union efficacy ought, in the first instance, to refer to the assumed values and criteria of the trade unionists themselves and seek to analyze whether or not and to what extent their own goals have been achieved.

This sort of exercise demands a cold assessment and a distancing, especially in the case of industrial relations researchers who frequently also assume ideological or political positions with respect to the labor movement. In a following phase of analysis, it might be interesting to contrast this first assessment with ideal types of trade union action and goals or with ideal types of trade union efficacy.

But what would be an ideal type of trade union efficacy? Is it possible to establish such an ideal type or are all conceptions of trade union efficacy associated with ideological conceptions of what unions are for? Indeed, the highly ideologically divided Portuguese model of trade unionism makes it evident that the sociologist him or herself is taking a position somewhere along the line, even when a very critical stance is adopted. In the case of this research and analysis, it is obvious to me that my
conclusions regarding the need for a refoundation of Portuguese trade unionism precedes the analysis of the assessment of union efficacy!
Thus, this approach however does not solve methodological problems; these will necessarily remain and to a certain extent leave the door open for difference with regard to the analysis of our conclusions. Fortunately, this is what I see as the goal of a reflexive and interventive sociology!

**Background**
As stated briefly above, the changes of interest here came in the wake of two decades of progressive whittling away at the pattern of industrial relations established with the Portuguese revolution and democratic consolidation in 1974-76. From the mid-1980s and throughout European integration, until the present crisis, the pattern of industrial relations established during the democratic transition in Portugal had been undergoing a protracted and incremental transformation. This was most visibly evidenced by the drastic decrease in unionization from the mid 1980s through to the mid 19990s (see Stoleroff 2000; also Barreto & Naumann 1998) and continuing to the present (Carvalho de Sousa 2011; Stoleroff 2013b). The following tendencies are some of the key constitutive component of the pattern of industrial relations that was being consolidated up to the turn of the century:

- **Institutionalization of social concertation.** This process resulted in the celebration of various three-party agreements and social pacts but was, however, a very partial institutionalization on the union side as it failed to integrate the majority CGTP confederation in agreements and, except for the very specific agreements on health and safety, occupational training and the minimum wage, was limited to the minority UGT confederation (Campos Lima & Naumann 2011).

- **Privatization of most of the financial sector and many of the largest industrial enterprises.** This process led by the 1990s to the reconstitution of national and international capitalist groups within the Portuguese economy and subsequent restructuring. The breakup of the large industrial establishments of the state enterprise sector and subsequent restructuring (FIEQUIMETAL 2011) led in turn to a reduction of the industrial bastions of trade union organization and mobilization and the shift in the union locus to the public administrative and service sectors.
- **Significant decline in unionization in private sector.** There has been a consistent and significant decline in union membership since the crisis of the mid-1980s (Stoleroff & Naumann 1992; Cerdeira 1997). The ILO reported a rate of unionization of 25.6 per cent for Portugal in 1995, a drop of 50 per cent in relation to ten years earlier. Ten years later again, union density was around 20% and today we can only guess where it would be. Portugal and Vilares (2013) estimate the average private sector union density rate in mainland Portugal for 2010 as 10.9 percent (full-time employees, between 16 and 65 years of age, excluding the workers of agriculture, forestry, fishing, public administration and extraterritorial organizations and bodies).

- **Significantly growing reality of managerial unilateralism in workplace industrial relations and growing gap between sectoral collective bargaining agreements and enterprise practice.** As early as the mid-1990s survey research detected significant discrepancies between wage determination through sectoral collective bargaining agreements and various forms of effective decentralization, with a preponderance of managerial unilateralism (Stoleroff 1994 & 2009; see also Ministério da Economia e do Emprego 2006);

- **Significant growth in “precarious” employment relations (Rebelo 2004).** The rate of non-permanent employment fluctuated greatly since the mid 1980s: fixed term contracts rose noticeably throughout the second half of the 1980s and decreased as a proportion of dependent employment in the early 1990s, however, by 2004 it reached almost 20% of full time salaried employment and around 15% of the employed population (Ministério da Economia e do Emprego 2006: 44-50). Since the late 1990s other forms of non-permanent precarious atypical employment (false self-employment, for example) have become increasingly important (Matos & Domingos 2012).

- **Progressively decreasing strike frequency and participation (Costa et al. 2014).** While the rates of conflict are not necessarily a measure of labour strength, in a system characterized by adversarial industrial relations, it may be symptomatic of labour’s capacity to mobilize. In the Portuguese case strike incidence and participation have largely decreased since the turbulent 1980s.

By the turn of the century, so-called “neo-liberal” approaches to Portuguese economic and social development had become increasingly hegemonic, arising from broad
consensuses within the political establishment with regard to the need to flexibilize labour regulation, although with varying nuances from the Socialist left to the Right. In 2003 under the aegis of a center-right coalition, the recodification of Portuguese labour legislation had already succeeded in introducing new parameters within industrial relations, particularly with respect to processes of collective bargaining. This was most noticeably the case of the introduction within the law of terms for the expiration of collective agreements. It was a relatively short jump however to the next phase of development of the industrial relations system, which, following 2005 and the warning shocks of the first excessive deficits within the EMU, was to concentrate upon the Reform of the Public Administration, inspired by New Public Management, and the convergence of public sector employment relations with the private sector model (Stoleroff 2007).

Throughout this protracted process of incremental change the basic ideological divide established within the labor movement following the 1975 revolutionary situation and its demise was maintained: a majority CGTP that was oriented by precepts of class struggle and a minority UGT oriented by a neo-corporatist commitment to concertation. This divide had political consequences, maintaining and strengthening the political alignment of the CGTP with parties outside of the governing block - principally the Portuguese Communist Party - while aligning, and even confining, the UGT with the governing blocks of the Socialist and Social-Democratic Parties. On the other hand, the CGTP conserved its fluid character as a union organization and a working class social movement (see Stoleroff 2000, 2004, 2007b) and the UGT secured its position within the institution of social dialogue.

The question that this assessment begins to address is whether such an ideological and political divided trade union movement could and did produce strategies that could adequately deal with the challenges that arose from the shocks of economic crisis and austerity.

**The context: Economic crisis, debt crisis and the intervention of the Troika**

The first step on the way to an exploration of this question is to look directly at the extent of the challenge involved.

Following several years of on-again-off-again budgetary discipline by Socialist Party governments (2005-2011), genuine austerity took off as excessive budget deficits and therefore interest rates on public financing went from bad to worse. In its last phase,
from March 2010 until March 2011 the Socialist government elaborated 4 versions of a Program for Stability and Growth (PEC) in an attempt to reign in the debt. Economic crisis nevertheless deepened and the pressure of the markets did not let up as the government had hoped. With the employers more than ready to take advantage of the situation for a general offensive on labor, the Socialist government used social concertation and decrees in a day-by-day struggle to ward off a bailout. In spite of initial public sector wage cuts, it reached an understanding with employers and the UGT trade union confederation for a mini-pact, an “Initiative for Competitiveness and Employment”, focusing on a reduction in the indemnity for dismissal, the stimulation of sectoral collective bargaining and changes to the rules for dismissals. The CGTP, on the other hand, reacted intransigently to the PECS, protesting rollbacks in public services and cuts in salaries of public servants.

Nevertheless, as pointed out by Campos Lima and Artiles (2011) and Costa (2012), trade union responses already fluctuated between common purposes and distinct strategies and tactics. Campos Lima and Artiles (2011) cleverly refer to a two-way game of boxing and dancing, covering the range of protest and participation, that is, the mobilisation for general strikes and the negotiation and signing of social pacts.

The Socialist government failed in its attempts to stabilize the situation through PECs. The government fell and austerity rolled on.³

On May 17, 2011, the Socialist Government concluded an agreement with the IMF-ECB-EC “Troika”, producing a detailed “Memorandum of Understanding on Specific Economic Policy Conditionality” (MoU) in order to obtain 78 billion Euros of financial assistance for the continuity of state operations. The MoU reaffirmed the Government’s previous PEC measures, “with a view to lower labour costs and boost competitiveness”, introducing targets subject to periodic evaluation by the Troika.

The purported objectives detailed in MoU were: sustainable fiscal policy, stabilization of the financial sector, fiscal-structural reforms, labor markets reform and liberalization of markets in goods and services (energy, telecommunications and postal services, transport), adjustment of the housing market, judicial reform. With respect to fiscal policy, the objectives and proposed measures were to reduce the

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deficit and control debt. Secondly, it aimed at stabilization of the financial sector and controlling private debt. Thirdly, it proposed fiscal-structural measures for public sector rationalization (that the PSD government would refer to as a “refoundation of the state”) and thorough and sweeping privatization. With regard to the Public Sector, the Memorandum established the conditions of austerity to be further applied to public servants, including explicit measures to “ensure that the aggregate public sector wage bill as a share of GDP decreases in 2012 and 2013”. The section on measures for Human Resources in the Public administration explicitly requires the preparation of “a comprehensive plan to promote flexibility, adaptability and mobility of human resources across the administration, including by providing training where appropriate.” This is followed by the specific goals to reduce personnel at all levels. The wide-ranging objectives and proposed measures for the labour market involve significant reductions in labour protection and rights including:

**Unemployment protection:** reduction of the duration of unemployment insurance benefits (to no more than 18 months) and reduction of the necessary contributory period to access unemployment insurance (from 15 to 12 months)

**Employment protection and dismissal:** reduction of compensation and severance payments for dismissal (from 30 to 10 days per year of tenure for new open-ended contracts, from 36 to 10 days per year of tenure for contracts shorter than 6 months and from 24 to 10 days for longer contracts for fixed-term contracts); promotes changes in the Labor Code to allow individual dismissals linked to unsuitability of the

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4 The MoU stated: “Reduce the Government deficit to below EUR 10,068 million (equivalent to 5.9% of GDP based on current projections) in 2011, EUR 7,645 million (4.5% of GDP) in 2012 and EUR 5,224 million (3.0% of GDP) in 2013 by means of high-quality permanent measures and minimising the impact of consolidation on vulnerable groups; bring the government debt-to-GDP ratio on a downward path as of 2013; maintain fiscal consolidation over the medium term up to a balanced budgetary position, notably by containing expenditure growth; support competitiveness by means of a budget-neutral adjustment of the tax structure.”

5 This was to be achieved through:

- the limitation of staff admissions in public administration “to achieve annual decreases in 2012-2014 of 1% per year in the staff of central administration and 2% in local and regional administration”;
- a wage freeze “in the government sector in nominal terms in 2012 and 2013 and constrain promotions”;
- a reduction in “the overall budgetary cost of health benefits schemes for government employees schemes … lowering the employer’s contribution and adjusting the scope of health benefits…”
- “Reduce management positions and administrative units by at least 15% in the central administration.”

For 2013 the Memorandum stipulated further cuts to central administration, rationalization in education and the school network and, in relation to the wage bill, “annual decreases of 1% per year in headcounts of central administration and 2% in local and regional administrations.”
worker even without the introduction of new technologies or other changes to the workplace, to allow individual dismissals linked to the extinction of work positions without necessarily following a pre-defined seniority order if more than one worker is assigned to identical functions, to eliminate the obligation to attempt a transfer for a possible suitable position in the case of such dismissals

**Working time arrangements:** flexibilization of working time (adoption of “bank of hours” working arrangement by mutual agreement of employers and employees negotiated at plant level) and lowering the payment for overtime work ((i) reduction to maximum 50% (from current 50% for the first overtime hour worked, 75% for additional hours, 100% for overtime during holydays); (ii) elimination of the compensatory time off equal to 25% of overtime hours worked)

**Wage setting and decentralization of collective bargaining:**

- any increase in the minimum wage will take place only if justified by economic and labour market developments
- define clear criteria to be followed for the extension of collective agreements based upon the representativeness of the negotiating organisations and the implications of the extension for the competitive position of non-affiliated firms
- promote wage adjustments in line with productivity at the firm level - implementing "organised decentralisation", allowing the possibility for works councils to negotiate functional and geographical mobility conditions and working time arrangements, to conclude firm-level agreements without the delegation of unions, and lowering the firm size threshold to 250 employees for works councils to be able to conclude firm-level agreements
- The specific case of the ports and dockwork: “Revise the legal framework governing port work to make it more flexible, including narrowing the definition of what constitutes port work, bringing the legal framework closer to the provisions of the Labour Code.”

The MoU’s targets and measures go way beyond its purported justification to solve the sovereign debt crisis and comprise a far-reaching “neo-liberal” program for the adjustment of labor relations with measures impacting upon industrial relations through austerity, internal devaluation, labor market flexibility. As pointed out by Campos Lima (2014):
• Austerity > reduction of the public deficit, cuts in public sector spending (wages, social benefits, pensions, health and education services);
• Internal devaluation > to reduce labor costs through direct intervention in the evolution of wages (moderation, freezes, cuts) and structural reform of the collective bargaining system with a view to increase wage flexibility;
• Flexibilization of the labor market/flex(in)security > facilitating procedures and costs of collective and individual dismissal, reducing unemployment benefits.

In effect we are looking at a program for “wage devaluation” (Castro Caldas 2014) involving:

• Fiscal and wage devaluation as strategies for adjustment within the Euro
• Changes to unemployment insurance to promote re-entry in devalued employment (reduction in installments, reduction of amounts after 6 months) increasing vulnerability of long-term unemployed;
• Changes in compensation rules for dismissal (significant reduction in severance pay and indemnities) making severance cheaper and increasing employer discretion in choosing who to dismiss (based on performance assessment);
• Changes in laws for employment protection (individual dismissals, extension of fixed-term precarious contracts) increasing insecurity in employment
• Intensification and flexibilization of labor time (implementation of “bank of hours”, cut in over-time pay to 50% maximum, elimination of compensatory rest periods following over-time, elimination of 4 paid holidays)
• Wage devaluation (minimum wage has not been increased as agreed previously in concertation, freezing of extension decisions, decentralization of collective bargaining, suspension of collective agreements after non-renewal)

In sum, this has been a program for the transfer of wealth (national income) from labor to capital.

It should be pointed out that in the main this academic analysis is pretty much shared by trade union leaders – at least those somewhat on the left – and is mixed with class analysis in the discourse of the CGTP. In his analysis of the aims of the MoU, Arménio Carlos translates wage devaluation as the ends of obtaining cheapened and precarious labor power, the profound alteration of labor regulation, reduction of the public functions of the state in areas of public services and a retaliatory reckoning with the rights that the workers had obtained with the 25th of April. It should also be pointed out that the academic analyses share with the CGTP analysis an emphasis upon what can be called the strategic intentionality of the MoU.
Castro Caldas (2014) further asks whether the internal wage devaluation has been successful? His answers: Yes, it has weakened collective bargaining and decreased coverage; yes, it has decreased labor costs and intensified work time; yes, it has shifted income to firms; yes, it has improved the relation of imports to exports to some extent (based upon decreased demand and consumption); no, it has not reduced the ratio of debt to GDP! No, it has not reduced the gap between increasing imports and internal demand! (See also Rocha & Stoleroff [forthcoming]). In the words of Maria da Paz Campos Lima (2014) “the wave of neoliberal austerity experienced in Europe aimed at competitive wage devaluation and the competitive deregulation of social legislation” based upon a reconfiguration of the employment regime in the sense of “flex(in)security” and a reconfiguration of the labor relations system in the sense of blockage and disorganized decentralization.

The strategic orientations of the labor confederations in the crisis: a cold assessment

The onset of the regime of the Troika in Portugal with the application of the MoU by the Portuguese government has been a rigorous test for trade union strategy formulated in and inherited from previous phases of Portuguese economic and political development. The crisis and the MoU, with its subsequent austerity and readjustment, based upon a strategy aimed at a “brutal transfer of value from labor to capital” (cited in Louçã 2011), presented the labor movement with the tremendously painful prospect of a historical setback in relation to the achievements of 40-something years of consolidated democracy. This risk was perceived very early on in the evolution of the crisis, particularly by the CGTP, who, from the very beginning, i.e., from the time of the Socialist government’s PECs, decried the attacks upon the social and labor rights achieved by the revolution of the 25th of April 1974 and a “civilizational retrocession”. Nevertheless, in accordance with their contrasting ideological viewpoints, the trade union leaders confronted the situation with their

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6 My ongoing observation of labor demonstrations affords me some curious observations. Here’s an example: In a photograph taken at the CGTP demonstration of May 29, 2010 against the Socialist government’s PEC, I registered a protester amongst members of the municipal workers’ union with a sign reading “Sócrates/PS pôs o país na mais dramática e profunda miséria!” (Sócrates/Socialist Party put the country in the most dramatic and deep poverty!) At the time public employees had not yet felt the effects of the salary cuts and unemployment was only a bit over 10%. I wonder whether this demonstrator could have even imagined at the time what the country would look like a year later and what superlatives could be found to describe the situation.
divergent appreciations and evaluations of the strengths and weaknesses of the Portuguese model of industrial relations. With the outbreak of the crisis, however, both of the strategic groupings of Portuguese trade unionism, CGTP and UGT, sensed and correctly recognized the impact of shocks to their existing programs, and the confederations and their respective unions proceeded to adapt their strategies in accordance with their established positions (Costa 2012).

So what are the strategies of the two labor confederations as they have been developed during the crisis?

In the following I resume the main points of strategic orientation of the confederations based upon very extensive recent interviews with their top leadership (see annex for the interview protocols in Portuguese).

The CGTP’s strategy, based upon my paraphrasing of the General Secretary, consists of:

- Resistance, i.e., mobilization and organization of the workers through conflict in the workplace and its continuation in protest action;
- Proposition; i.e., it’s not enough to protest; it’s necessary to protest and propose, to present concrete alternative proposals to the most varied problems of the economy. The CGTP puts forward an alternative of a relatively planned economy based upon the maintenance and expansion of the state sector as much as possible in line with a return to the economic structure established with the April 25th revolution. This is based as well upon public investment and publicly established economic and social objectives, a sort of a more socialist Keynesianism, and a more egalitarian redistribution of the wealth;
- Need for an alternative politics (meaning opposition to the hegemonic governing block), rejection of external intervention and the liberalization-flexibilization project as well as renegotiation of the debt;
- Need to advance alternative economic policy in convergence with the “Left”;
- Mobilization in order to bring about an unsustainable situation and the fall of the government and convocation of early elections with the aim of producing a “Left” government;
- Priority to issues of collective bargaining relative to those of social concertation.
The UGT’s strategy, based upon my paraphrasing of the Executive Secretary, consists of:

- Bargaining moderation and preference to social concertation;
- Defense of the interests of the workers taking into account the functional role of trade unions in the promotion of the national economy and firms;
- Reformism; i.e., does not advocate an anti-capitalist project and therefore its objectives in relation to the crisis of the state and the economy will always be formulated within the parameters of possible solutions to problems oriented towards equity within this framework and its legitimation.

So what can we extract, even tentatively, from these recent interviews with regard to the leaders’ assessment of their strategic approaches? In the following I will focus on the two most expressive aspects of strategic orientation of each of the confederations: firstly, the orientation to concessions in the negotiation and celebration of social pacts by the UGT and, secondly, the political mobilization for the calling of early elections by the CGTP.

From the beginning of the sovereign debt crisis, the UGT had demonstrated its willingness to make the significant compromises and concessions deemed necessary to restore confidence to the markets and economic competitiveness. It concretized this disposition derived from its basic strategy – and the influence of its Secretary General at the time - in the signing of explicit compromises even before the signing of the MoU and continued through to the signing in January of 2012 of a pact for competitiveness and recovery with the employers and the PSD-CDS government, which contained major concessions defined by the MoU, including cuts in indemnities for unjust dismissal, cuts in over-time pay, changes in labor legislation, etc. This agreement and the practice of concessions, though not entirely unanimous amongst the UGT unions, placed the UGT deep within the governing block, although the UGT held up the economic growth components of the agreement aimed at economic growth as the litmus test for the maintenance of its pact. Some time thereafter the UGT changed leadership at its 12th Congress, which had given signs - through both rhetoric and plans for united action with the CGTP – that the limits to its integration within austerity had been reached. Although the UGT has since then shown that its fundamental integrative orientation remains intact through its open and tacit collaboration with the government and acceptance of further labor reform, in my
interviews and contacts, its new leadership, particularly those elements associated with the Socialist Party, displays a self-critical and reflexive posture, particularly with regard to the achievements of its signing of agreements, explicitly recognizing the difficult situation of Portuguese trade unionism. Again, although its leadership does not go so far as to go through the door that leads to opposition, in interviews leaders do express a greater willingness to assume the conflict at heart. Nevertheless, this self-critical attitude seems to have its limits as the practice of agreeing to the previous pacts is accepted and not rejected allegedly due to the seriousness of the situation of the Portuguese economy at the time. In other words, and this has been expressed in similar words, in similar circumstances, they would do it again.

Since the arrival of the Troika and the application of the MoU, the CGTP, in concert with the Communist Party, denounced the “outside aggression” and its program of “impoverishment” and mounted a protest campaign, mixing defensive labor demands with the demand for the fall of the government and the convocation of early elections. The years 2012 and 2013 were years of significant latent class conflict, as the government daily applied a cascade of cutback measures, reducing labor’s protective employment rights, and as the economy and the public debt worsened, driving unemployment up to over 17%. There had also been an escalation in the CGTP’s mobilizing activity through protests at workplaces, sectoral strikes and general strikes. In May-June of 2013 the tension came to a head and the government alliance nearly broke and the Finance Minister resigned in a gesture of exhaustion and disguised admission of failure of the austerity policies. Even as participation in CGTP protests was decreasing, the CGTP increased its efforts to mobilize for the fall of the government and the height of its campaign coincided with the governmental crisis. This was also a moment of convergence of left-wing and autonomous political movements with the CGTP who also advocated the fall of the government. Due to the intervention of the President of the Republic, the government however did not fall. This moment revealed the relative political isolation of the CGTP-PCP-left-wing movements and their incapacity to mobilize sufficient massive support in the streets for this political change, although there had been massive semi-spontaneous demonstrations that year that had expressed the discontent and resistance of the population to austerity.
Within the CGTP leadership - and specifically as expressed explicitly by the General Secretary, there is a discreet (non-public) recognition of the failure of its mobilizing campaign to bring about the resignation of the government and achieve early elections and the consequences of this failure. This is generally explained, and explicitly by the General Secretary, by an under-estimation of the institutional power and resolve of the President of the Republic. The majority of the CGTP leadership seems to have believed that it had sufficient strength in the streets and latent public opinion to force the President to dismiss the government. It is further recognized that this erroneous judgment and the disappointment in the outcome of its attempted mobilization have resulted in a sort of shock or trauma and have had serious effects upon morale and ability to continue to mobilize. However, it is clear that this self-criticism has either not gone very deep or is a dissimulation as in fact the CGTP has not changed its course in either strategy nor tactics since then and very few leaders are able to deny in serious discussion that there has been a serious fall off in its mobilizing capacity. Furthermore, in his speeches at subsequent rallies and demonstrations throughout the rest of 2013 and 2014, in spite of the clearly noticeable drop-off in participation in public demonstrations, the Secretary General of the CGTP has continued to express the idea that the Government has lost the support of the working people and that the CGTP represents the will of the people. Throughout the year, the demand for the dismissal of the government and early elections has continued to be in the forefront and this is reflected in the maintenance of the same slogans as throughout the years 2011-2012-2013. “Com mais um empurrão e o governo cai ao chão!” (With just another push, the government will fall!)

**Summing-up**

UGT: Up to the crisis and the external intervention of the Troika successive Portuguese governments not only made an effort to maintain the UGT within the mainstream consensus as well as to offer enough benefits to the UGT in order to attract it to this role. The PSD-CDS government and its submission to the MoU and policy of the Troika seem to have changed the general governance strategy in relation to the UGT. As before, the Government continue to seek to squeeze agreements for concessions out of the UGT in order to help legitimize its reforms but it has less to give in the way of exchange values. With regard to strategy it does not seem that the UGT itself has changed so much (with the changes in top leadership) but rather the
context and the realities framing its action and unionism in general. It is increasingly difficult to convince Portuguese workers that this integrative strategy can produce benefits or stop the offensive against their rights. Thereby the ideological conviction of leaders to the integrative strategy has been weakened to the degree that its limits have been revealed. It is very hard to convince workers that this government is a partner and not an adversary.

CGTP: In a recent article I characterized the CGTP’s strategy as “mitigated anti-capitalist radical political unionism” (Stoleroff 2014). By this I meant “discursive radicalism and forms of action in accordance with a scale ranging between ‘maximalism’ and ongoing radicalization. By maximalism I mean, here, an appeal to the references of a ‘maximum’ radical program in varied rhetorical and tactical forms; this is a sort of ‘bluffing’ that leaves a significant gap between radical rhetoric, sporadic recourse to radical action and routine normal action. By ongoing radicalization I mean ‘upping the ante’, the advocacy and tactical tendency towards rupture with the existing political and socio-economic order. However, both of these poles on a short scale can lead to what, in other times, was called adventurism or ‘vanguardism’, that is, a going ahead of the ‘masses’, the playing out of a risk strategy, and playing all the cards with little real expectation of winning.” This characterization was formulated pretty much at the beginning of this period of crisis and “adjustment”. As I see it at this point, the CGTP indeed has run out in front of the masses, presuming a radicalization and mobilization concomitant with the worsening of the capitalist crisis and to a certain extent hasn’t looked behind to check whether the masses are actually following. In fact there has been a much less active and extensive mobilization of the workers throughout the period of crisis up to now than that expected by the CGTP. It is not clear to what extent this situation worries the majority leadership of the CGTP, which is largely Communist. Firstly, given this point of view, although they cannot say this outright, the leaders would see an increase in working class support for the Communist Party as a form of victory, whether or not that increase contributed effectively for a change in politics. Politicization of union mobilization has thereby served at least this aim. And this also contributes to explaining the point of view of the CGTP’s present leadership to the issues of trade union effectiveness as I have defined them here. That is, this leadership does not conceive of efficacy in terms of immediate results. On the contrary, as the
CGTP General Secretary states, and I paraphrase, in this conjuncture, effectiveness cannot be evaluated in terms of immediate results, given that the bosses in various sectors are trying to qualitatively turn back existing collective agreements. In some sense he is saying that, in spite of the underlying objectives of the CGTP, the possibility of immediate victories is diminished and is not a measure of union effectiveness.

References


