

# Portugal: The plot thickens

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## **An update of the situation after the July 10, 2013 presidential address in Portugal.**

On the night of the 10<sup>th</sup> of July, the president of the republic, Cavaco Silva, addressed the country. Everyone had been expecting a very simple ratification of the governmental reconfiguration formulated by the CDS-PSD coalition. Brussels and Berlin had both ratified it. But Cavaco, who has lingered in an criostasis of inaction which has lasted for the last years, had different thoughts for the night.

After explaining why, on his opinion, it was dreadful to hold general elections due to budgets, the need to continue implementing further austerity measures, the troika evaluations, market reactions, a second bailout and so on and so forth (the day before the confederation of tourism went as far as saying that there shouldn't be any elections because that would drive away the tourists in the summer!). Cavaco went on to shock the government it has stood firmly by, by not supporting the agreement reached by Portas and Passos Coelho after last week's meltdown.

He further proposed a national salvation agreement signed by the three parties which support the troika memorandum – PSD, CDS and opposition PS. This agreement comprised three main points:

1. The parties would have to establish a calendar for future elections before the end of the term, with the proposal of July 2014, date for the supposed end of the troika program;
2. The deal includes all three troika parties to guarantee the support necessary to complete the program and guarantee the payment of the debt to international creditors;
3. The deal should hold for the medium term, and the government out of the next elections should count on these three parties to assure an absolute majority, public debt repayments, tight control over public accounts, etc., that is, maintaining austerity beyond the troika.

Although his intervention was quite shocking to many (many newspapers claim that he has vetoed the government and further increased the political crisis), the president has maintained quite clearly the focus: a troika government must be in power, whichever parties of the troika may need to combine to guarantee this. He has further hinted that, if these agreement he proposes does not go forward, he may hold the reigns of power himself, triggering the possibility of a presidential government initiative.

In the meantime, the Socialist Party has already come public, stating that it will not support any government that doesn't come out of elections. The open exclusion of the parties which are in Parliament but outside the troika arch – Left Bloc and Communist Party – has demonstrated the utter contempt this 74-year-old economist has for democracy. Because democracy in Portugal is now defined only inside the austerity sphere, inside the troika sphere, inside the debtocracy sphere. He has publicly shamed PSD and CDS and its leaders, tried to pin down the Socialist Party into austerity at whatever cost and for the long run, and openly admitted that only markets matters, while the whole country is in tatters.

As is predictable, Portugal's political crisis is far from over, and the twists may yet find us once again unprepared for the burlesque and the grotesque of the troika Theaterpolitik.

**João Camargo**

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