



*Dear Cláudia,*

*Have the financial and social reforms imposed on Portugal by the Eurozone resulted in the development of phenomena like Euroscepticism or Germanophobia? Who is considered 'responsible' for the crisis the country has gone through?*



The process leading to the bailout in Portugal enabled the current CDS-PSD government to complete its conclusion without having to face major internal disruption. The coalition had won the election after the memorandum of agreement had been signed by the previous socialist government and the right of centre electoral programme already included the harsh measures to be taken. The democratic legitimacy therefore was no issue.

However, as the bailout programme evolved and the extent and implications of the reforms became clear, popular support began to erode. There were moments of tension, such as the 2012 mass demonstrations gathering about one million people all across the country in one day, or the repeated episodes of measures planned by the government but failing to pass through the Constitutional Court. In the end, families' income has been substantially reduced, unemployment raised, there were major cuts in social policies, the external debt increased to 130% of GDP. The solution for triggering economic growth still seems remote, although some indicators are now slightly better.

The happy times of European integration are by now long gone... though it turns out that the public perception of the EU is not as negative as might be expected. The government's discourse has been very clever: the road from 'being guilty' – with the guilt attributed to previous 'bad' governments who had to call the 'troika' for help – to 'redemption' (obtained by the 'good' current government) was presented as an overall success story.

Not everybody agrees, though. Some economists and opinion leaders have strongly attacked the government's financial and economic choices, criticising austerity both as an ineffective policy and an ideological (neoliberal) orientation. A good example is the Manifesto of 70 economists for debt restructuring, growth and anti-austerity. Parties outside the mainstream also reinforced their criticisms to the EU and EMU, which are identified, especially on the left wing, with financial global capitalism and neoliberalism.

The idea that Germany benefits from the peripheral position of Portugal through interest on loans, cheap workforce and sovereignty losses, has become common, notably in social networks, but also more broadly in the media and public debates. Again, this is mainly representative of the left wing anti-austerity parties, and it does not target the German people, but the Chancellor and her government.

As a whole, and according to the surveys, the Portuguese do not seem to be willing to leave the Eurozone (but neither do the majority of the Greek); but they are dissatisfied with current policies. The question would then be on whether the majority of the population perceives these policies as temporary and reversible (high taxes for instance) or as negative measures that are bound to last. Confidence in the future is therefore crucial and the parties who will be able to instil trust and hope are likely to gain votes.

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