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The fourth way

As politics tends to the right, the left alliance in Portugal could be an example to the rest of Europe

Read Miguel Szymanski's article "Smokescreens and sell-offs" which argues that in spite of the international, feverish praise for Costa's economic policies and the optimist national mood, Portugal isn't in the clear yet.

Amid a crisis of social democracy in Europe, the broadly acclaimed success of the Portuguese government solution has become a best-case scenario of centre-left governance, in defiance of the general rightward shift in politics.

The Socialist minority government under prime minister António Costa has won the support of the orthodox Portuguese Communist Party (PCP) and the Left Bloc for a policy that can be classified as genuinely social democratic, with traits that go back to the previous Socialist governments in 1995-2002 and 2005-2011.

In her 2017 book *The Portuguese Government Solution*, Portuguese political scientist Ana Rita Ferreira advances the thesis that 'maybe this is a kind of "fourth way" to social-democratic politics, assuming that it is closer to the traditional ideological line' that dominated until the advent of the Third Way.

A dose of pragmatism

The present alliance is of interest because it has put an end to the 'curse' of more than four decades of irreconcilable divisions within the left that pushed the Socialist Party (PS) towards the right and isolated the radical left in a ghetto of impotence and noisy self-righteousness.

The new constructive relationship between Socialists, Communists and Left Bloc supports the PS in its effort to follow a coherent centre-left strategy and introduces a considerable dose of pragmatism into the radical left's proposals.

The partners credit each other for the success of the government's effort to repair the serious damage caused by austerity measures under Troika rule, and for getting Portugal back on track towards convergence with Europe's more advanced economies and social states. So the very different forces are going through a mutual learning process that may foster innovative debates, though more in the PS and Left Bloc and less so in the PCP, which continues to be encapsulated in its orthodoxy and is averse to any 'change through rapprochement'.

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After decades of antagonism and non-cooperation, the Socialists and their left partners have a broad field for possible common action ahead, firstly – and more obviously – in the consolidation and renewal of the social state, but also in relation to the socio-economic development model.

The Socialists have had a prominent role in the construction of the Portuguese social state (pensions, education, health) and in its evolution; for instance when they created the Guaranteed Minimum Income in 1996 and the Solidarity Supplement for the Elderly in 2005.

The Left Bloc and the PCP are natural allies for the advancement of this heritage, and Costa's government used their support to swiftly recover the social measures that had suffered cuts under Troika rule. More far-reaching steps are necessary, namely in the crisis-ridden National Health Service, and it will be a major task for the PS, Left Bloc and PCP to find feasible solutions for the many problems within the limits of budgetary discipline.

Reasons to continue

Another major challenge for the left alliance is the preparation of a socio-economic development model oriented towards growth and creating decent jobs. Under prime minister António Guterres (1995-2002), the Socialist government laid the groundwork for the progress Portugal has made during the past decades in its transition from a low-tech to a knowledge-based economy.

The comprehensive overhaul of the education and science sector is among the most important achievements in this endeavour, and the New Opportunities Initiative to improve the qualifications of the Portuguese workforce (2007-2011) was the most recent internationally renowned government measure to have a major modernising impact on the

economy. The socialists' historical record and current approach provide the basis for a debate with the left partners about the socio-economic development.

There are certainly sufficient reasons to continue the cooperation of the broader left for a new era of progressive governance in Portugal, and a realistic appraisal of the programmes of the three involved parties reveals sufficient material for convergence in many areas. The question is if the actors understand whether continuing a common project is in their specific interest, and whether the quality of the project justifies concessions to the partners.

A position of strength

The Socialist Party has strongly benefitted from the alliance. Since January 2017, its approval rate has oscillated around 40 per cent, and in the local elections in October of the same year the party achieved a historic victory. In this comfortable situation, the Socialist government might be tempted to act from a position of strength, thus increasing the risk of a rupture in the relation with its left partners.

There are objective reasons why these centrifugal forces will not prevail, namely the substantial achievements of the government with the Left Bloc's and PCP's support and the solidity of the alliance in relation to the repeated attempts of the right-wing forces to provoke divisions.

In view of the future political and economic uncertainties, the Portuguese experiment of left governance will only have a chance to evolve if it continues to receive adequate treatment from the EU.

Furthermore, there is the figure of the prime minister: Costa has an impressing record of forging alliances, be it as minister for parliamentary affairs in the Socialist minority government (1995-1999), or as mayor of Lisbon, where he was able to increase the Socialists' vote within a broad coalition from 30 per cent in 2007 to 40 per cent in 2009 and to an absolute majority in 2013.

In his very knowledgeable and well-founded but nonetheless biased analysis of the success story of the new left alliance in Portugal, Daniel Finn correctly states that 'the Left Bloc and the PCP have steered a path between sectarian closure and political neutralization'. This is particularly surprising in the case of the Communists, who have an overwhelming tradition of orthodox encapsulation and are therefore most likely to eventually abandon the experiment of cooperation,

particularly with the aim of avoiding its inherent risks of ideological contamination.

The Left Bloc, on the other hand, has social roots in the highly educated urban milieu and cultivates a more open debate and a modern way of political intervention. The Bloc has the potential to enrich the Portuguese left's capacity to formulate and implement a distinctive common project.

A realistic option

It is largely expected that a continuation of the left alliance after the next elections will only be possible with the Bloc, if at all. In mathematical terms this may be a realistic option; polls indicate that Socialists and Left Bloc together can count on approximately 50 per cent of the votes. Despite all the economic and budgetary constraints, this is a great chance and simultaneously a tremendous challenge.

The recently opened debate on the reform of labour legislation will be the first decisive test for the viability of such an exciting project. The Communist Party has a considerable body of knowledge and activists in this area, but it is likely that it will use these resources for its self-promotion as the true representative of the working class rather than investing in a common solution presented by the united left.

The Left Bloc, on the other hand, has little expertise and even less organisational power in the area, and its bargaining capacity in relation to the PS is therefore limited. The Bloc's lack of qualified and experienced personnel in several areas of governance is probably its biggest handicap in relation to a future role as single partner of the Socialists. From this perspective, the PCP's probable withdrawal from the alliance after the next elections may pose a problem to the future of the project.

Raising hopes

Last not least, there is Europe. The success of the Socialist government in Portugal has been possible because it was able to gain the necessary leeway for its gradual move away from strict austerity by compliance with the tight limitations of the European fiscal rules. The complete failure of Greece's open defiance had made it clear to all forces of the Portuguese left that an alternative approach had to work within these rules.

After an early period of suspicion, the European institutions rewarded this compliance with tolerance, and in December 2017 Portugal's finance

minister, Mário Centeno, was elected president of Eurogroup.

In view of the future political and economic uncertainties, the Portuguese experiment of left governance will only have a chance to evolve if it continues to receive adequate treatment from the EU. The entry of the social democrats into the German government has raised hopes in Portugal that this will happen.



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