



## **UGT PORTUGAL SECRETARY GENERAL CARLOS SILVA SPEECH DURING ITUC/IMF MEETING – WASHINGTON, JUNE 18TH 2014**

Distinguished Colleagues and Participants,

My participation here and today is not as an academic, or a politician, but as a trade unionist leader and as a worker, in this case, a Portuguese one.

During the last three years, Portugal has been under a dramatic and very difficult Adjustment Program proposed and imposed by a troika of international organizations, including IMF and also ECB and European Commission, being a dark period of sacrifices for the people of my country, where austerity measures and policies were the only way found to rescue the Portuguese economy from the bankruptcy.

Cuts on wages – where the public services workers suffered the worst of the sacrifices, considering that today, in 2014, the level of their salaries is from 2003/2004;

Cuts on pensions above 675,00 euros, as if a pensionist receiving this value could be considered as a rich person;

New contribution, called of “solidarity” for all the pensionists whose pensions were situated above 1000,00 euros;

Reduction of the number of public services workers, from around 610.000 in 2011 to 540.000 in December 2013;

Closing of public services all over the country, but with a notorious damage in the countryside, abandoning populations with so important structures such as Medical Centers, Courts, Financial Services, Schools and a lot of other services whose existence is to serve citizens;

Destruction of a model of Social Welfare State – education, health, justice, social security.

We do not understand why IMF and respective troika partners insisted in such a way that forced to changes in the rules that have founded European Union – solidarity, understanding, cohesion, help...

We do not understand the attacks to democracy, through some speeches of high level European members, and also from the IMF, against the Portuguese Constitutional Court, because of some of its decisions were the opposite of the expected from the troika and the Portuguese Government.

But those decisions have been extremely relevant, because they defended the rights of the people, seen at the interpretation of the Portuguese Law.

The attempts to destroy or weak the trade union movement, if we analyse the proposals to suspend or cancel the collective bargaining since 2011.

With some of the impositions, we have a decrease in the relevance of the social dialogue, where TRUST is no more, at least in this current moment, the X-Factor for social understanding and a real Forum to find shared solutions between social partners and government.

When we defend “Less State but a Better State” we assume that the bilateral relationship is our preferred table for discussions.

But during the Adjustment Program, the influence of the Government, under pressure by troika, has been much intensive than the desirable.

For us, the ILO model is acceptable and we have always agreed with it.

And some of ILO conventions determine that social partners should not be forbidden to develop their relationship in order to promote a more intensive social dialogue.

And this has not happened during these last three years.

We don not understand why some measures were against trade union movement. We remind the arguments of the low membership, to avoid our influence in collective agreements, as well as the suspension of the extension of many collective agreements, something that represents a historically decrease of workers defended by negotiation.

In 2008, the coverage of collective agreements published represented a protection for about 2 million workers.

But in the end of 2013 there were less than 200.000 workers covered by collective agreements.

This is a dangerous level for what we call the Trade Union Democracy.

What is the role of the Unions ?

Why do they exist?

Are they part of the system?

If they are part of the system, and we believe they are, how do we explain to the people the loss of so many rights we judge they were solid and immutable?

Even the increase of the minimum wage has been forbidden. And we are talking to an amount of 485,00 euros per month since 2010.

We cannot understand such stubborn policies.

Two week ago, UGT has proved its availability for social dialogue and commitment with social partners and government, giving its agreement to some changes in the labour code, in order collective bargaining could reach a new improvement.

And we remind that collective bargaining is blocked since 2011.

The country is now worst than in 2011 before the adjustment program.

In 2008, more than 2 million workers were covered by collective agreements, whether sectorial or company level.

In December 2013 less than 200 thousands workers were protected by such agreements.

When we talk about unemployment, we give you some facts and numbers:

2010 – 10,8%, 2012 – 18,2%, 2013 – 16,2%, 2014 – 14,6%

Is there any policy against such dramatic numbers?

Almost 36% of young workers between 18 and 25 are unemployed.

The public debt is now situated in 130,2% of GDP.

More than 350 thousands employments have been lost in these last 3 years.

There is no economic growth and no stimulation in the internal market, and we verify private investment is still very shy, far and away from our needs.

788 thousands workers are inscribed in the recruitment centers.

This year of 2014, about 52% of unemployed people receives absolutely nothing as social help from the government.

More than 250.000 portuguese workers, specially young and graduated workers emigrated – our best qualified generation ever.

About 2 million people on the limits of poverty.

More inequality,

Bankruptcy of thousands of micro and small companies,

No social mobility,

Social devaluation of factor “WORK”,

One of the highest fiscal charges in the EU, and the highest among the 34 OECD countries.

And we also must notice the devastating situation of TRUST inside bilateral relationship, which has no comparison with our past.

Competitiveness and productivity are two major facts always presented by troika to create pressure on wages increase, namely the minimum wage, situated in the 485,00 euros.

Upon all these austerity measures, how is the country?

How are Portuguese families?

How to explain people they are obliged to impoverishment?

Is it really necessary such sacrifice?

How can such policies be helpful to fragile economies?

And how to explain the role of trade unions, being part of the system?

Even when we all know that social dialogue, considering ILO universe and behaviour, is inexistent if Unions are not there.

How to resist to decrease of affiliation level, when affiliates do not understand why they are losing rights we all thought were permanent and inscribed in collective agreements?

Is this democracy?

People will never understand measures that oblige them to become most unequal and poor.

We consider that public national debt will be paid for eternity by all next generations. It's impossible sustainable development under this scenario.

And when we expected that democratic governments freely elected by the people could assume their obligations to the people, we verify that financial power is more powerful than democracy.

That's why today and here, in a land of democracy like The United States of America, I remember former President Abraham Lincoln, in his Gettysburg speech in 1863 "... that Government of the people, by the people, for the people, shall not perish from the earth."

And if he could see and listen to us in these times, I am sure he would be very disappointed, because such way of living in democracy is now a disgrace.

I end my speech reminding Mr. Olivier Blanchard that in his questions to Bernadette Segol, he said that IMF only suggests to governments what must be done during adjustment programs, but governments decide and implement them.

I am very sorry but I must say that in Portugal, at least, those suggestions always meant "no application of our suggestions, no money."

It really seems to me this is a blackmail and an imposition, quite different from merely a suggestion.

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General Secretary