

## INTERNATIONAL TRADE UNION CONFEDERATION

### Austerity Pushing Portugal to the Brink

Brussels, 4 September 2012 (ITUC OnLine): Portugal's trade unions and business community have insisted that debt-reduction targets be relaxed, as evidence mounts that cuts to public spending are causing deep and lasting damage to the economy, and jeopardising the chance of recovery. Inspectors from the IMF, EU and European Central Bank "Troika" have shown no sign of departing from "austerity at any cost" during their 10-day evaluation in Portugal, which is entering its seventh day.

"The obsession with cutting spending while doing absolutely nothing to generate growth, jobs and revenue for the government is not only illogical, it is causing tremendous hardship and deepening the spiral of recession. The Troika needs to face the facts, instead of pushing ahead with a failed policy which puts ideology ahead of reality," said ITUC General Secretary Sharan Burrow.

With unemployment pushing 16%, banks cutting lending and a further 3% shrink in GDP forecast this year, Portugal is becoming "just another tale of economic orthodoxy before any humanity" according to Burrow.

"The people of Portugal have done everything humanly possible to meet the austerity targets, despite their misgivings. The result is that demand has slumped, business is desperate for stability and workers are being stripped of optimism for decent, secure work for themselves or their children. But the hope that the Troika would in any way relax their destructive approach looks like being dashed, as European and international organisations are intent on dictating instead of negotiating. Whatever happened to social Europe and the so-called new IMF?" said Burrow.

The ITUC represents 175 million workers in 153 countries and territories and has 308 national affiliates.

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