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### EUROPEAN REGION-ETUCE

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## **ETUCE** European Trade Union Committee for Education EI European Region

# THE ETUCE CALLS FOR A MORATORIUM ON AUSTERITY POLICIES IN PORTUGAL

The recent developments in Greece have raised important questions on the legitimacy of the Troika (European Commission, European Central Bank and International Monetary Fund) to impose austerity policies on sovereign countries. Nevertheless the Troika continues to experiment its ability to steer a country away from public mandate, for the sole short-term benefits of the financial markets.

Portugal is once again under fire from the Troika, whose requirement to drastically reduce public expenditure has led the Portuguese government to adopt a 2012 Budget that decreases the investment in education by 1,5 billion Euros. Since 2010, public investment for education in Portugal has dropped from 5, 1% of GDP to 3,8%, when the country was already below the OECD average in 2008 and 2009. By 2012, no less than 18% of the workforce in the Portuguese education sector will have been dispatched.

These reductions have a damaging impact on teachers' working conditions and on the quality of education. Closure of primary school institutions, oversized classrooms, lack of equipment, loss of counseling and support programmes to tackle early school dropout have all been reported by the ETUCE member organisations in Portugal as a direct impact of the cutback policy of the government under the Troika's pressures, not to mention the clear reduction of teachers' wages and pensions.

Aware that Portugal is struggling with a high deficit, the ETUCE wishes to stress that sacrificing a whole generation of pupils on the altar of the public debt will not have any positive result. Since the launch of the Lisbon Strategy, for which the Portuguese leadership had been instrumental, and the Europe 2020 Strategy, it is widely recognized that a sustainable economy in Europe requires massive investment in education and training. The European knowledge-based economy needs a well-educated and well trained workforce to be competitive on the global scene. As this has been explicitly acknowledged by the European Council at various occasions, this is especially true in a period of crisis. Moreover, several years of austerity policies in some European countries have demonstrated that the cuts in public spending might momently calm down the panic of financial markets, yet are undermining the domestic demand and therefore blocking a new growth cycle to start.

Time has come to end the headlong rush of public authorities, pushed in that way by the Troika, towards austerity as the sole response to the public debt crisis. A major reform of the tax systems has to be undertaken at the EU level. For that purpose, a rational debate over alternative solutions such as Eurobonds, the harmonisation of corporate tax, a tax on financial transaction, the abolition of tax havens and a possible partial transfer of sovereign debt into a European debt has to take place, taking into account the basic public investments needed in Europe, among which education and training are a recognized priority.

Within this context, the ETUCE is calling for a Moratorium on the austerity policies imposed by the Troika to any sovereign state, in the present case Portugal.

Facing the absence of will from the public authorities to hear these common sense reflexions and open a constructive dialogue, the only choice for the trade union movement is to undertake industrial action. The ETUCE fully supports its member organisations in Portugal, FENPROF, FNE and SINDEP in their action, including their decision to join the general strike on the 24<sup>th</sup> of November 2011.

For the ETUCE,

Martin Rømer European Director

Brussels, 16 November 2011

The ETUCE, the European Trade Union Committee for Education is the European Region of Education International. It represents 135 teacher unions in Europe, i.e. 12.8 million teachers from all levels of the education sector in 45 countries. The ETUCE is a social partner in education at EU level and a trade union federation of the ETUC, the European Trade Union Confederation.