

# Presidential Election in Portugal, 23<sup>rd</sup> January 2011

from **Corinne Deloy**

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**ANALYSIS**1 month before  
the poll

On 11<sup>th</sup> October last head of State Anibal Cavaco Silva set the date of the first round of the presidential election on 23<sup>rd</sup> January 2011. A few days later on 26<sup>th</sup> October he announced that he was running for re-election as he spoke during a televised speech live from the Belem palace, home of the Portuguese president in Lisbon. "After a great deal of thought I have decided to run again for the Presidency of the Republic. Given the extremely difficult situation Portugal finds itself in I think it is my duty to stand. With my experience and my knowledge I can help my country," he declared. Just one month before the presidential election Anibal Cavaco Silva is the favourite. Several polls are forecasting his victory in the first round. If none of the candidates wins the absolute majority on 23<sup>rd</sup> January a second round will be organised between the two candidates who win the greatest number of votes two weeks later i.e. on 6<sup>th</sup> February.

**The Presidential Function**

The President of the Republic of Portugal is elected every five years by direct universal suffrage. Anyone who wishes to stand for the supreme office must be aged at least 35 and collate the signatures of at least seven thousand citizens. The function of Head of State is mainly honorary. The President of the Republic is the Head of the Armed Forces whose Chiefs of Staff he is responsible for the appointment of. On the government's proposal he also appoints the ambassadors. He may declare a State of Emergency or State of Siege and even war if there is a real or imminent act of aggression. He signs the laws and decrees over which he holds the right to veto. On the government or parliament's proposal he decides on the organisation or not of a referendum. Finally the President of the Republic can dissolve Parliament (article 172 of the Constitution), a dissolution that leads de facto to new general elections.

6 people are officially running as candidates:

- Anibal Cavaco Silva, 71, outgoing head of State, Professor of Economy and former Prime Minister (1985-1995), stands as an independent candidate but enjoys the support of the Social Democratic Party (PSD), the main opposition party and the of People's Party led by Paulo Portas; - Manuel Alegre, 74, the Socialist Party

candidate (PS) also supported by the Left Bloc (BE) and the Atlantic Democratic Party (PDA). He stood in the previous presidential election on 22<sup>nd</sup> January 2006, when he did not enjoy the support of the Socialist Party whose official candidate was former President of the Republic (1986-1996), Mario Soares. Manuel Alegre came second winning 20.72% of the vote, 14.34% going to Mario Soares); - Francisco Lopes, 35, the Communist Party candidate (PCP), also supported by the ecologists in Os Verdes (the Greens) party; - Fernando Nobre, 59, an independent candidate, founder of the International Medical Assistance Group (AMI); - Defensor de Moura, 64, former mayor of Viana do Castelo and Vice-President of the Parliamentary Committee for Foreign Affairs. A Socialist MP he is running as an independent; - José Manuel Coelho, regional councillor of Madeira and member of the New Democracy Party which is not represented in Parliament.

**The Portuguese Crisis**

At present Portugal is experiencing a serious socio-economic crisis. In 2009 the GDP contracted by 2.6%, the budgetary deficit rose to 9.3% of the GDP and public debt rose to 82% (it is due to rise to 86.6% in 2011). Unemployment totals 10% of the working population

(10.9% in the third quarter of 2010). The country is suffering a structural deficit due to its low growth potential that is in turn linked to a lack of competitiveness of its companies. On 10th June last, the day of the Portuguese national festival, President Cavaco Silva said, *"As I warned previously we have come to an untenable situation. We have a great deal of work ahead, an enormous task and inevitable sacrifices to make. Political leaders have a specific responsibility in the national cohesion contract that we have to establish. It is the Portuguese people as a whole which has to be the focus of the priorities on the political and social agenda that is guided in effect by the values of justice and cohesion."* Last autumn Anibal Cavaco Silva met the representatives of all of the political parties – *"a necessity to avoid a political crisis that would affect the markets negatively,"* he said. *The outgoing President called on the Social Democratic Party to come to a consensus with the government led by Prime Minister José Socrates (PS) as the austerity plan was being voted upon in parliament. The minority government indeed needed "the constructive abstention" of the Social Democratic Party in order for its austerity measures, vital for the recovery of public finances, to be approved. But opposition leader, Pedro Passos (PSD) firstly rejected the initial budgetary negotiation offer refusing to have anything to do with the new tax rises which led to further tension on the international markets and to the rise in interest rates on the debt in Portugal.*

José Socrates' government approved an unprecedented austerity plan (reduction in the salaries of civil servants earning over 1,500€ per month, the freezing of retirement pensions, the capping of social aid, a 2 point VAT rise which now lies at 23%, a reduction in tax rebates for businesses) in order to reduce radically the country's deficit. Indeed by the end of 2011 this has to be brought down from 7.3% of the GDP to 4.6% by making five billion euros worth of savings; 2/3 of these will come from budgetary cuts and 1/3 from an increase in taxes. On 24th November last three million Portuguese went on strike in protest against the austerity measures taken by the government and the country experienced its first general strike in 22 years. Prime Minister José Socrates, however rejected the idea that Portugal might need a rescue plan from the International Monetary Fund (IMF). *"We have not had a bank*

*crisis nor a real estate bubble. Our only problem lies in an excessive public deficit linked to the world crisis and we are now correcting that,"* he declared.

### The Presidential Campaign

Outgoing President Anibal Cavaco Silva has promised to undertake a simple, cheap electoral campaign out of respect for the economic difficulties experienced by Portugal. If he is re-elected the head of State is promising to govern in a neutral way together with the government led by José Socrates. In March last 45 year-old Pedro Passos Coelho became the new leader of the Social Democratic Party in place of Manuela Ferreira Leite. With 61.05% of militants' vote he came out ahead of his rivals, José Pedro Aguiar-Branco and especially Paulo Rangel, who had however been pinpointed as the favourite before the internal election took place. The latter, an MP in Madeira was the PSD's lead candidate in the European elections on 4-7<sup>th</sup> June 2009 when the party won by a wide margin (31.7% and 26.53% for the PS). Pedro Passos Coelho supports the candidature of Anibal Cavaco Silva in the presidential election and said he was confident that the outgoing head of State will be re-elected by a wide margin in the first round of the election. On several occasions Manuel Alegre has criticised Anibal Cavaco Silva, a trained economist, with regard to his silence over the *"the most serious interest rate crisis since the carnation revolution (25<sup>th</sup> April 1974, the date on which the dictatorship established in 1932 by Antonio Oliveira Salazar came to an end) and which threatens our country's ability to take autonomous decisions."* He also protested against the PSD's desire to modify and liberalise the Portuguese Constitution. The PSD has indeed said that it wants to do away with the articles in the fundamental law which qualifies education and healthcare as belonging to the public sphere. Manuel Alegre sees in the outgoing President's party's desire a threat to *"the balance of power and the constitutional foundations of the country notably with regard to education, public health and labour law."* Prime Minister José Socrates has declared that this modification of the Constitution would *"handicap"* the Welfare State. The socialist candidate said that if he is elected head of State he would place his veto on any attack on the Welfare State and that he would protect the Constitution

of Portugal. Manuel Alegre is undertaking a campaign amongst Portuguese emigrants living abroad whom he is calling on to *"take part in the decision and vote in support of a candidate with a progressive vision."*

Portugal has modified its electoral law abolishing the postal vote for the five million Portuguese living abroad (700,000 live in France). Now they have to go to an embassy or a consulate to fulfil their civic duty. Socialist MP José Lello, one of the authors of the law justified this reform because of the need for greater transparency in the election and a more effective fight against electoral fraud. *"During the last general elections the press spoke of the unexplained disappearance of several hundred voting slips that were intended for emigrants,"* he declared. Manuel Alegre said he was pleased with this recent change which in his opinion *"removes all discrimination and restrictions,"* and comprises *"a major step for citizens' rights that improves our democracy and the presidential election."* For its part the PSD is accusing the PS of *"being afraid"* of the emigrants' votes. With each election the party in power is always slightly outdone by Pedro Passos Coelho's party amongst the voters abroad. *"I support Manuel Alegre, the candidate who believes and has a progressive vision of the country,"* declared José Socrates, whom Manuel Alegre sometimes criticises. The PS approved 200 votes against 10 and one abstention support for Manuel Alegre on 23<sup>rd</sup> January. The socialist candidate who has been able to develop relations and form links with other leftwing parties in view of the election is convinced that *"it is possible to defeat Anibal Cavaco Silva and therefore beat an outgoing president of the Republic for the first time in either the first or*

*second round."* We should remember that all Portuguese heads of State were elected (or re-elected) in the first round since the country's return to democracy in 1974.

As in 2006, the socialist candidate will be facing another socialist in the first round. Indeed MP Defensor de Moura decided to run for the supreme office. *"My campaign is complimentary to that of Manuel Alegre; my opponents are not Manuel Alegre or Fernando Nobre but the rightwing campaign undertaken by Anibal Cavaco Silva,"* he declared. Further to the left there is Francisco Lopes, an electrical engineer from the communist stronghold of Setubal. *"The president's seat has to be occupied by someone who supports something other than the rightwing policy undertaken by the socialists in office or the Social Democratic opposition,"* declared the communist candidate.

According to the most recent poll by Eurosondagem published at the end of December the outgoing head of State, Anibal Cavaco Silva is due to win the presidential election in the first round with 60% of the vote. The gap separating him from his main rival Manuel Alegre is said to have grown in comparison with the previous polls. The socialist candidate is due to win 30%. Far behind is the independent Fernando Nobre who is due to win 4.8%, then communist Francisco Lopes with 4.5% and socialist MP Defensor de Moura with 0.7%. Regional councillor for Madeira, José Manuel Coelho was not on the list of candidates when these polls were undertaken.

The official election campaign starts on 9<sup>th</sup> January and will end on 21<sup>st</sup>.

**Reminder of the results of the 1<sup>st</sup> round of the Presidential election on 22<sup>nd</sup> January 2006 in Portugal**

Turnout: 61.53%

Candidates	Number of votes won	Percentage of votes won
<b>Anibal Cavaco Silva (Social Democratic Party, PSD)</b>	2,773,431	50.54
<b>Manuel Alegre (Socialist Party, PS), dissident</b>	1,138,297	20.74
<b>Mario Soares (Socialist Party, PS)</b>	785,355	14.31
<b>Jerónimo de Sousa (Communist Party, PCP)</b>	474,083	8.64
<b>Francisco Louca (Left Bloc, BE)</b>	292,198	5.32
<b>Antonio Garcia Pereira (Communist Workers' Party, PCPT/MRPP)</b>	23,983	0.44

Source: Portuguese Electoral Commission

# Presidential Election in Portugal, a round-up one week before the vote

**D-7**  
7 days before  
the poll

On 23<sup>rd</sup> January nearly 10 million Portuguese voters are being called to ballot in the 1<sup>st</sup> round of the presidential election. 6 people are standing:

- Anibal Cavaco Silva, 71, outgoing Head of State. Professor in Economy and former Prime Minister (1985-1995), he is standing as an independent candidate but has the support of the Social Democratic Party (PSD), the main opposition party, and also that of the People's Party (PP) led by Paulo Portas;
- Manuel Alegre, 74, standing for the Socialist Party (PS), has the support of the Left Bloc (BE) and the Atlantic Democratic Party (PDA);
- Francisco Lopes, 35, Communist Party candidate, supported by the ecologists of "Os Verdes" (Greens);
- Fernando Nobre, 59, independent candidate, founder of the International Medical Assistance Group (AMI);
- Defensor de Moura, 64, former Mayor of Viana do Castelo and Deputy Chair of the Parliamentary Committee for Foreign Affairs. A Socialist MP, he is standing as an independent;
- José Manuel Coelho, General Regional Councillor of the Madeira Archipelago and member of New Democracy, a party that is not represented in Parliament at present.

If none of the candidates wins the absolute majority on 23<sup>rd</sup> January a 2<sup>nd</sup> round will be organised between the two candidates who win the greatest number of votes two weeks later on 6<sup>th</sup> February.

## The Financial Crisis at the Heart of the Campaign

Quite predictably the campaign is focusing on the possible intervention of external forces, notably the IMF in support of the country's finances. Suffering because of the weight of its debt Portugal is considered to be the next State likely to turn to an external body for aid. To balance its public finances José Socrates' government pushed an unprecedented austerity plan through parliament in November 2010: an austerity budget (a rise in fiscal revenues: a two point increase in VAT, that rises to 23% and a reduction in business tax rebates – a drastic decline in spending – a freezing of retirement pensions, a decrease in civil servants' salaries earning over 1,500€ per month, a capping of social benefits). These measures were the source of great discontent on the part of public opi-

nion and on 24<sup>th</sup> November the country experienced its first general strike in 22 years (3 million on came out on strike).

The need for outside aid has awoken traumatic memories for Portugal. Indeed the country has had to ask the IMF for aid twice already: in 1977 i.e. three years after the Carnation Revolution (on 25<sup>th</sup> April 1974 the dictatorship established by Antonio Oliveira Salazar in 1932 collapsed), and this intervention killed off any hope that might momentarily have been raised during the revolution – Portugal asked for aid a second time in the 80s. The Social Democratic opposition and the Socialist majority are using the financial crisis each in their own way. "If we need to use external aid it means that the strategy that has been implemented has failed. And the person that has led the country into such a situation is not in a position to stay in power and manage recovery tomorrow," declared the Social

Democratic Party leader (PSD) in the daily *Diario de Noticias*. Pedro Passos Coelho is demanding the resignation of Prime Minister José Socrates if Portugal is forced to bring in the IMF.

*"All I have to say is that Portugal will reach its budgetary goal in 2010 (drop below the country's public deficit of 7.3% of the GDP in 2010 to 4.6% in 2011)", answers José Socrates adding, "those who just speak of the crisis and instability are not doing the country service, in fact it is the contrary. The President is not elected to govern but to undertake the presidency as it should be undertaken, as a symbol of Portuguese unity."*

*"If the President of the Republic wants to draw closer to the other European Heads of State to explain that the situation in unjust for Portugal, that we are facing speculative pressure that does not match with the country's economic situation and this includes interrupting the campaign, he will have my support,"* declared Socialist candidate Manuel Alegre. *"It is time for the Portuguese to unite independent of all political and ideological positions,"* he added.

Speaking on TV on 10<sup>th</sup> January the outgoing Head of State refused to speculate on possible outside aid to Portugal. *"If this happens I shall do everything that the country needs to help,"* he indicated. *"We cannot exclude the possibility of a serious crisis in Portugal not only from an economic and social point of view but also from a political one. Therefore we must have a president who has the necessary experience to face complex, extremely difficult situations which no-one can foresee in advance,"* he declared.

In reaction to this Manuel Alegre accused Anibal Cavaco Silva of being *"an element of instability and doubt at a time when the country needs confidence and stability."* *"We need a President who is loyal to the other sovereign institutions and with Portuguese society and who can withstand pressure and the speculative onslaught which is taking place against our country,"* he stressed.

### **Anibal Cavaco Silva, an Easy Lead in the Polls**

The financial scandal of the Portuguese Bank of Business (BPN – Banco português de negócios) - in which

the name of outgoing President Anibal Cavaco Silva was quoted recently returned to the spotlight. In May 2009 the weekly *L'Expresso* revealed the existence of 1.8 billion € discrepancy in the financial establishment's accounts which was nationalised the previous year. For a long time the bank was nicknamed the PSD Bank because of the links that some political party executives maintained with some of the bank's managers. Hence its most recent chair, José Oliveira e Costa who is being prosecuted for embezzlement, fraud, forgery and money laundering, is a former Secretary of State for Fiscal Affairs in the government led by Anibal Cavaco Silva (1985-1991). Two other former ministers, Manuel Dias Loureiro (responsible for the Interior – 1991-1995) and Arlindo de Carvalho (Health Minister 1991-1995) are also being prosecuted. In May 2009 the outgoing President was accused of having made a 140% profit by selling shares purchased two years earlier from the Sociedade lusa de negocios (the Lusitanian Business Company) – the BPN's head office. He qualified these accusations as *"dishonest"* and *"unworthy"* and protested on the radio against the *"slander"* that *"bore witness to the despair of his rivals"*. *"The Portuguese know me and they know that I am totally honest with regard to political morals,"* declared Anibal Cavaco Silva who was surprised that no-one had looked into the losses he might have suffered with regard to other savings accounts.

Manuel Alegre qualifies the BPN scandal *"as a serious political affair which the Portuguese will the judge of on 23<sup>rd</sup> January."*

*"The BPN affair is politically damaging for Anibal Cavaco Silva but it will not prevent his victory,"* says political expert Antonio Costa Pinto. He points to the electorate's disinterest in the presidential election due to the lack of suspense and any real motivating divide between the candidates. *"The Portuguese know that the real decisions are made in government and do see any alternative solution to the crisis via this election,"* he said.

According to the most recent poll by Intercampus and broadcast on the channel TVI outgoing President Anibal Cavaco Silva is due to be re-elected in the first round with 60.1% of the vote (all heads of the Portuguese State have been elected or re-elected in

the first round since the country returned to democracy after the Carnation Revolution). Manuel Alegre is due to win 25.3%, Francisco Lopes 6.3% and the three other candidates – Fernando Nobre, Defensor de Moura and José Manuel Coelho – are each due to win 5% of the vote.

*"On behalf of Portugal I am asking you for your help. Let no one stay at home. We must decide quickly. Everything must be settled on 23<sup>rd</sup> January"* declared the outgoing Head of State exhorting his fellow countrymen to go and vote.

## Presidential Election in Portugal, 23<sup>th</sup> January 2011

### RESULTS

#### **Anibal Cavaco Silva is easily re-elected as President of the Republic of Portugal**

Outgoing President of the Republic Anibal Cavaco Silva, (Social Democratic Party, PSD), did not go against the tradition whereby Heads of the Portuguese State are elected in the first round of the election. On 23<sup>rd</sup> January he was re-elected for a second five year mandate as head of the country with 52.94% of the vote i.e. a higher result than the one he achieved in the previous presidential election on 22<sup>nd</sup> January 2006 (+2.6 points). He came out ahead of Manuel Alegre (PS) supported by the Left Bloc (BE) and the Atlantic Democratic Party (PDA) who won 19.75% of the vote (1 point less in comparison with 2006).

They were followed by Fernando Nobre, independent candidate, founder of the International Medical Assistance Group (AMI) who won 14.10%, Francisco Lopes, the Communist Party's candidate (PCP) supported by the ecologists of the "Os Verdes" (The Greens), 7.14%, José Maneul Coelho, member of the New Democracy Party, 4.5% and Defensor de Moura 1.57%.

Turn out in this election was exceptionally low: only 46.63% of the electorate went to ballot – a record since the country's return to democracy in 1974. The issue at stake in this presidential election seemed of little importance to the Portuguese who are concerned about the rise of unemployment and poverty and who since the start of the year are suffering their third austerity plan in 12 months. The election was also not very exciting since the Head of State's executive powers are limited (he can however dissolve government). Finally the size of the victory was the only issue at stake in this presidential election.

*"I shall be a point of reference in terms of confidence, stability and solidarity without relinquishing the powers the Constitution provides me with,"* declared

*Anibal Cavaco Silva. The President of the Republic, who stands at the "defender of political stability" and who has promised to "be impartial and above all political parties,"* put his experience forward as being his main advantage in the campaign given the concern caused by the financial crisis that has affected Portugal very badly. He called on the electorate to *"vote responsibly"*. *"Never has the situation of our country been so critical. It is not the time for adventure: others are watching us and Portugal needs credibility,"* he declared adding, *"I will be demanding of the government and I shall look carefully at the parliament's and executive's proposals"*

Socialist candidate Manuel Alegre admitted and assumed his personal defeat. Prime Minister José Socrates stressed that the Portuguese had voted *"in support of no change, for continuity and political stability."* The head of government promised to work *"towards institutional cooperation,"* with the Head of State.

However the President of the Republic's success can undeniably be considered as a rejection of the Socialist government's policy. *"Voters will take the opportunity*

to punish the Socialist Party in office because of the country's economic difficulties," forecast Antonio Barroso, an analyst of the Eurasia Group just before the election. Manuel Alegre also took great care in repeating during the campaign that he was not the government's candidate.

"I am expecting Anibal Cavaco Silva and the Socialists maintain their habit of institutional stability, it is the tradition," declared Adelino Maltez, a political scientist from the University of Lisbon. Political expert Antonio Costa Pinto said that Anibal Cavaco Silva's victory would not change political life in Portugal. "The government needs stability to continue to counter the crisis and financial turbulence. One thing is certain, the President of the Republic will play a greater role after the election than before it. Not only because of the crisis but also because we have a minority government and the Head of State has room to manoeuvre."

Some analysts have indeed expressed the idea that since he has been re-elected by a wide majority the President of the Republic may dissolve parliament. Prime Minister José Socrates does not have a majority in parliament which is sometimes deemed dangerous in times of economic crisis and whilst the country, heavily in debt, may very well have to ask for international aid. Some of the outgoing President's adversaries have also accused him of wanting to precipitate the fall of the Socialist government. During the electoral campaign the Social Democratic leader Pedro Passos Coelho insisted on saying that his support to Anibal Cavaco Silva was not intended to regain power. "If one day we get back into government in Portugal it will be because the Portuguese want it and not because of the president," he said.

The economic results of the first quarter of the year expected in April or the debate over the next State budget may provide opportunities for political crises. "If the government does not succeed in reducing the budgetary deficit it will lose its credibility and the probability of it having to face a verdict from the ballot box will increase," declared political analyst of the University of Lisbon, André Freire. "If no agreement is found for the approval of the 2012 budget we may witness a vote of defiance on the part of parliament which will bring the present government down. In that case the President of the Republic will not need to dissolve the

government but encourage the formation of a consensus of the parties on a vote against the government," stressed Joao Cantiga Esteves, an economist from the Technical University of Lisbon who did say however that he did not believe this would happen. "The Presidents of the Republic tend to intervene more in their second mandate since they have nothing to lose," declared political analyst José Miguel Judice adding, "Anibal Cavaco Silva is a careful man. He will not take any initiative against the government except if there is a crisis."

Anibal Cavaco Silva, who is 71 years old, is a trained economist and has worked as a teacher of economy at the Higher Institute for Economic and Financial Science in Lisbon and at the Faculty of Economy at the Catholic University of Portugal. He has also been a researcher at the Calouste Gulbenkian Foundation and at the Central Bank of Portugal.

After becoming a member of the Social Democratic Party in 1974 he rose rapidly amongst the party's ranks and was Planning and Finance Minister from 1980 to 1981. After having helped greatly to overthrow the Social Democratic Party-Socialist Party in power at the time he was re-elected president of the PSD and as its head he won the general elections in 1985. Anibal Cavaco Silva was then appointed Prime Minister, a post he occupied for 10 years. In 1996 he lost the Presidential election against Jorge Fernando Branco de Sampaio and withdrew from Portuguese political life returning to his job as a teacher of economy and advisor to the Central Bank of Portugal. Ten years later on 22<sup>nd</sup> January 2006 he made his come-back and was finally elected as head of State.

Anibal Cavaco Silva will start his second presidential mandate on 9<sup>th</sup> March.

**Results of the first round of the presidential election on 23<sup>rd</sup> January in Portugal**

Turnout: 46.63%

Candidates	Number of Votes Won	% of votes won
<b>Anibal Cavaco Silva (Social Democratic Party, PSD)</b>	2 230 104	52,94
<b>Manuel Alegre (Socialist Party, PS)</b>	831 959	19,75
<b>Fernando Nobre</b>	593 868	14,10
<b>Francisco Lopes (Communist Party PCP)</b>	300 840	7,14
<b>José Manuel Coelho (New Democracy Party)</b>	189 340	4,50
<b>Defensor de Moura (Socialist Party), dissident</b>	66 091	1,57

Source : <http://www.presidenciais.mj.pt/>

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