

CGTP-IN statement on the review of the Single Social Tax, wage cuts and the right-wing policy

1. The package of measures announced last week by the government, which are intended for inclusion in the 2013 state budget, represent the insistence on a model of reduction of the Portuguese people's living standards and is responsible for the grave situation of our country. The current concerted actions, namely regarding the Single Social Tax, are aimed at misleading the Portuguese, in order to save a measure aimed at cutting the workers salaries.
2. Should this measure be enforced, it would have consequences in the reduction of households' incomes and domestic demand, in the functioning of enterprises, in higher unemployment, decrease of the fiscal revenue, and in the country's growing impoverishment.
3. While work incomes are being strongly penalised, only in the three last years the profits distributed to shareholders of the 15 economic groups that are quoted in the Stock Exchange (PSI) amounted to around 7.5 billion Euros. In view of what is already known, the question is: which measures are undertaken to ensure a fair taxation of these incomes?
4. What is underway is an attempt to have the CPCS (Permanent Council for Social Concertation) legitimating these measures and, more broadly, the measures of the PSD/CDS and the Troika "Memorandum", which are seeking to cut wages and labour incomes, while leaving untouched incomes from capital and "other non- labour income sources", as was recently confirmed by a Constitutional Court decision, which ruled as unconstitutional the cuts in salaries and pensions. The CGTP-IN will use all available legitimate means to oppose this instrumentalisation.
5. The grave situation of our country results from the right-wing policy implementing the Troika "Memorandum". It is an austerity policy that has put Portugal in a spiral of recession that will continue in 2013 and which is responsible for the destruction of our productive fabric, for the massive growth of unemployment, for increased inequality and for general impoverishment.
6. We must prevent our country from falling into an abyss. Thus, a change of course is required. We must create the conditions for the country to develop and grow and this is incompatible with the austerity policy which, by reducing salaries, pensions and income of the majority of the Portuguese, is reducing the domestic market and destroying jobs.
7. We cannot accept the continuation of policies that are cutting salaries and pensions. Other measures are necessary, measures that may reconcile the deficit and the public debt reduction with economic growth and social justice. We need the debt to be restructured, a combat against fraud and tax evasion, adequate taxing of big fortunes' incomes, of luxury goods, of higher incomes and financial transaction taxes.
8. The CGTP-IN challenges the employer federations to move from words to deeds, accepting wage increases in order to improve the domestic demand, so that companies may sell and to motivate the workers, as essential to increase productivity.

9. The CGTP-IN cannot accept that, under the pretext of protecting the lower salaries, there is the intention of cutting wages through the Single Social Tax and considers that it is indispensable to raise the national minimum salary.

10. Accordingly, the CGTP-IN awaits an urgent meeting we have asked to the President of Portugal, hoping it may take place in useful time.

11. An end must be put to the right-wing policy which is destroying the pillars of the democratic and social state enshrined in the Constitution. It is necessary to intensify the workers' struggle as a necessary and indispensable condition to solving the country's current problems. For all these reasons, the CGTP-IN values the struggle that develops in different sectors and calls on men and women workers, on the youth, the unemployed, and the pensioners, so that the 29th September demonstration is a high moment of the struggle for a change of policy.

Lisbon, 19 September 2012