

The influence of the crisis on the legitimacy of democracy:

Divergent narratives about democracy in the Portuguese social conflict; a study of the elite discourse

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Introduction

The euro-crisis has provoked a widespread social crisis in the peripheral regions of the Euro-zone. This crisis, tied with rising mass protests and technocratic governance across these areas, has brought with it a serious problem of legitimacy for democratic institutions. My research assumes that the crisis created divergent views of democracy among the protestors and those responsible for implementing austerity measures.

Therefore, it will study the different views of democracy in Portugal, arising out of the current environment of social conflict, particularly from government representatives, the troika, and protestors. Whereas protestors associate democracy with social rights, equality and the Portuguese revolution, government representatives generally associate democracy with voting and governing procedures.

The divergence of belief systems rotating the poles of social conflict explains why democracy seems to be an empty concept in a period of crisis and it suffers from a loss of legitimacy. It may explain how it is that some institutions are considered democratic by one side, and at the same time, anti-democratic- and thus legitimate to be overthrown or neglected- by another. This helps explain why in the existing literature on democratic theory there is no useful compromise to be found between the substantive and procedural approaches and why democracy can disappear, even when people appear certain that they are defending democracy.

These conclusions could provide a new theoretical framework for democratic theory and address the various weaknesses in current mainstream models. Diverging democratic theories, and the phenomenon where one seeks dominance over another, could then be explained to reflect the social struggles and the adjacent power relations. If the hypothesis is to be confirmed. It would raise a number of other issues of consequence for science and democratic theory. This would mean the end of "objective" democratic models. The choice of a given democratic model would imply a clear positioning in social struggles where it is applied, and therefore would raise the question about the role of academic democratic theory in the social conflict.

It is important to analyze the narratives of the executives and the protestors separately; constructing narratives and analyzing their internal consistencies and heterogeneities. The main purpose of this paper is to make a partial analysis of the policy-legitimizing discourses of the political-economic executive in Portugal, linking this democratic legitimation to democratic theory. The first parts of this article, is a brief sketch of the state of art of democratic theory. Then I will apply it to the contemporary executive discourse in through an empirical study in which we will try to show the application of this framework, discussing 4 cases; the TINA discourse, the government member's

reactions about the “grandoladas”, the speech of the prime minister addressing the judgement of unconstitutionality of the budget by the constitutional court and an interview with a high representative of the Troika.

State of art

Within the context of the Euro-crisis and the European austerity-policies, the question of democracy becomes increasingly problematic. As with previous systemic crises, in the present, the crisis does not only affect the legitimacy of existing governance systems, it also tests the established models of democratic theory and the potential for new ones. While some authors, like Bosco(2012) or McGiffen (2011) have been warning about the dangers of what would be considered a “democracy without choices”, or “a bloodless coup d’etat” in the Euro-zone, the appearance of new social movements and rising protests are claiming the banners of “real democracy” in peripheral European countries. This research attempts to bring a new approach to democratic theory based on the crisis in the Euro-zone.

According to mainstream literature on democratic theory and its interpretation of the crisis of legitimacy being experienced by European institutions, (Scharpf 2012; Schmidt 2010), simply put, is a matter of having different “dimensions” of democracy (Rosanvallon 2008; Cheibub e.a. 2009; Shapiro 2005). A number of theorists distinguish the inputs, output and other dimensions of democracy, with a view to make a “compromise” and “complexify” classical and competitive approaches. This research argues that this compromise is not possible, as it is born in the social struggles themselves, making these models no more than interesting thought experiments.

More empiric, positivist approaches, particularly comparative politics approaches, have been influenced by Lipset’s(1959) requisites for democracy. Authors such as Huntington(1991) and Przeworski(2000), have used empirical studies to demonstrate how economic development affect democratic legitimacy. These approaches are very popular in contemporary political science. A fundamental problem with these theoretical paradigmatic models is that they are based on arbitrary definitions of democracy. (Cheibub e.a. 2009) These have been applied in a number of countries and/or historical epochs. This is problematic given that it is exactly the definition which is questioned in a crisis situation.

Post-modern critical theory neglects the historical and social groundings of democracy, concentrating on consensus, non-class ‘differences’, minimizing, neglecting or trying to overcome the role of class conflicts as central to the reproduction of governance in a capitalist system. (Miguel, 2012) Schools of deliberative democracy (eg Benhabib 1996), and participative democracy (eg Santos 1998), through their moral-based critics/ideas of democratic theory, tend to be primarily idealist, prescriptive and utopian.

The original critical tradition engaged with the socio-historical phenomenon of democracy as we know it, as a product of capitalist development and bourgeois society (Schumpeter 1976; Habermas 1975) For these authors, the historical interaction between capitalism, class

structures and democracy is crucial; an approach which is particularly useful in our troubled times. Inspired by these authors, some authors have stressed the importance of the new social protest movements, such as the counter-hegemonic globalization movement (Santos 2000), the occupy-movement (Chomsky 2012), and the anti-austerity-movement (Douzinas 2010), as possible social driving forces, representing the new 'real' and 'radical' processes of democratization. Such movements always bring new "conflicts hitherto restricted to the private sphere into the public sphere" (J. Habermas e.a. 1974, p.44). In contrast to authors of the agonist school, such as Mouffe (2000), celebrating these internal conflicts as "true" democracy from a moral point of view, this research anticipates that these social conflicts will ultimately lead to a legitimation crisis (Habermas 1975). Slavoj Zizek (2006 p37) provides a crucial insight for this research when he proposes that today's "struggle for democracy ... is in what it will mean"; and thus that the social struggle will decide "which kind of democracy will hegemonize the universal notion".

We have seen how there exists an array of contemporary contradictions between the different interpretations of democracy. Even certain works renowned for their overviews of the subject (Shapiro 2005; Held 2006) have failed to overcome these contradictions. One of the problems is that mainstream and post-modern critical literature neglects the historical and dialectic relationship between the structural conflicts of capitalism and democracy.

Therefore, the old critical and Marxist traditions, that approach democracy as a part of the ideological superstructure of society, provide a better explanation for today's crisis of democratic legitimacy as a consequence of the euro-crisis. This research assumes that the answer lies in adopting a dialectic materialist approach to engage with the social relationships established between the different models, and their connection with the reproduction of capitalism and resultant crises. From the analysis of the particular case of Portugal within the context of the euro-crisis we try to build a universal model of the models.

According to the marxist tradition, democracy has evolved together with capitalism. The accumulation process, which forms the main engine for social interaction under the capitalist logic, reproduces unequal exchanges and inequalities. Unequal exchanges however cannot operate outside or beyond their political context; they tend to provoke opposition, which creates the need for capitalism to legitimize itself as a system organizing social relations.

Legitimacy as the notion of "the right to govern", (Bodansky 1999) always rests on the shared acceptance of rules and rule by affected communities and on justificatory norms recognized by the relevant community. As such, it is founded in a collective audience's shared belief, that 'the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions.' (Bernstein 2004) It is part of an ideological construction, that "the existing political organization is the most appropriate" and makes existing power-relations acceptable. (Lipset 1959)

Since the ascendance of capitalism, democracy has been one of the central pillars in the legitimation of the social system, both institutionally and as a discourse. The early bourgeois democratic institutions developed together with the need of the kings to legitimize their expenses for the national “common good”, the newly developing capitalist classes demanded representation for their taxation.

The relation between capitalism and democracy however, is not straightforward, but one of antagonisms; as democracy itself is the product of continuous struggles within the capitalist system. As Vivek Chibber (2013) portrays, Western liberal democracy is a product of anti-liberal opposition. This relation of contradiction is inherently a conflict of distribution of value. (Santos 2013 Visao 30/5) The need for legitimation needs the use of value that cannot therefore be accumulated and reinvested for accumulation, and therefore restricts the possibilities for accumulation. (Paterson 2010, p.349) These contradictions provoke the tension between accumulation and legitimation central to the reproduction of capitalist societies (Paterson 2010).

In the modern Portuguese society, democracy has a special place, both institutionally and ideologically. The overthrow of the authoritarian Salazarist regime by the carnation revolution in 1974, and the subsequent political crisis-period (PREC – Processo revolucionario em curso: Revolutionary process in the making), marked by violent political confrontations, collectivization’s and changing power relations has only been surpassed through the slow reconstitution of the state a new democratic regime after 1976. This democratic regime, initially based on a trans-class character and legal order, (Santos, 1992, p36) contrasted with the previous regime of authoritarianism, as well as the revolutionary PREC. The revolutionary period coincided with an unusually strong position of the working class, and this balance of interclass power of the revolutionary crisis has been transferred into the state. It integrated parts of the old regime, the economic and the left, as it also respected the nationalization, the agriculture reforms, as well as the existence of the Portuguese Communist party and the parties on its left, as being part of a new legal democratic order. This democratic order is the basis of a new social and political hegemony in Portuguese society. (Santos, p36, 37). Although the political elite always found it difficult to achieve such a hegemony, particularly because the Portuguese bourgeoisie never aspired this hegemonic role; adapting to its peripheral status and dependence on foreign capital; the democratic legitimacy remained has always remained intact (Santos 253-257), it is the master signifier in the current ideology.

Portugal’s admission into the EU and the Eurozone brought with it a period of financial stability and rapid economic development. This enhanced social stability, met by a period of steady democracy, equal to the experience of other peripheral countries. The design of the European model, however, created its own imbalances and is responsible for the recent social and economic crisis in these countries. (Hadjimichalis 2011; De Grauwe 2010) Portugal has been severely affected by the euro-crisis and the austerity measures imposed by troika.

Today's social conflict creates specific difficulties for democracy as the ideological signifier. Diversified mass protests have been a direct response to the crisis being felt overall in Portugal. There have been four general strikes organized by the unions. New, less institutionalized mass movements are on the rise, such as the indignados, the 15-O movement and "Que se lixe a Troika" which brought hundreds of thousands of people to the streets. Each of these groups, uphold different discourses on democracy. Some are embedded in historical experiences, pointing to "values of the April revolution", others are inspired by the global occupy movement. Although all players still frame their interest according to democracy; the meaning they give to it begins to differ. The crisis is threatening the country's democratic stability with public confidence in democracy at an all-time low.

Here Slavoj Žižek's (2006, p.7) new interpretation of dialectical materialist approach is helpful. Žižek uses a Lacanian inspired approach to ideology where legitimacy is based on a master-signifier; an object that gives meaning, but whose ideological meaning is determined by the social struggle and power relations. If we use his method of analysis, the political - as well as politico-theoretical - gap between the different models, dimensions and narratives of democracy could be described as a "parallax gap". Our parallax gap – the meaning of democracy - is an empty signifier; whose emptiness is a consequence of rising social antagonisms. Such a parallax gap is insurmountable, particularly in an economic crisis, where social contradictions and struggles erupt. Instead of trying to overcome the gap, and define democracy, we should conceive its becoming.

Žižek's conclusion is that the essence of today's democratic struggle is about its very meaning. Historically this assumption finds a clear conceptual precedence in the old Marxist nineteenth century dichotomy between the "dictatorship of the proletariat" and "bourgeois democracy". This research adapts, actualizes, and redefines these old Marxist concepts to twenty-first century Europe. In the rest of this paper we will focus specifically on one interpretation of the democratic signifier, namely the contemporary political-economic elite discourse of democracy; the neoliberal democratic narrative which used to be the hegemonic one.

The elite discourse

This part will analyze two tendencies of legitimating discourse by the elite. One is the depoliticization of the inequalities, the sphere of the economy and therefore limiting the sphere where political and substantive democratic legitimation is needed. This is the tendency to establish and strengthen private spheres, which are not subject to democratic decisions: such as the (free) depoliticized markets (Habermas) which restricts the public sphere as much as possible. When this tendency is reproduced in discourse will call this the (neo)liberal aspect of the discourse. On the other hand the tendency to legitimize public policies within the public sphere as much as possible on the base of democratic procedures, in limit the democratic substance as much as possible. This second tendency is

institutionalized by a tendency towards a minimalist, formal Schumpeterian-based model for democracy. We will call this the formalist aspect of the discourse.

Within the neoliberal era, an era of defeat of the power of organized labour worldwide and a balance of power strongly in favor of capital, these tendencies have strengthened.

Democracy as signifier has had the tendency to acquire a neoliberal meaning. Under the Washinton Consensus, substantive legitimation of the system (Paterson 2010) , would partly be provided by higher growth rates entailed by globalization and market liberalization - according to the legitimizing neoliberal ideology: - “while politics shrinks, the economy grows” (Bello 2006, p.16). The people of the world were offered a piece of capitalism, as everyone was encouraged to become rentier, and while the rates of exploitation had risen and social benefits were cut down, they could grab a chunk of the profits created by it. (Graeber 2011, p.376)

The neoliberal discourse has been the dominant legitimizing economic discourse in recent decades. Neoliberalism is the political en ideological doctrine developed by the political and economic elites to overcome the crisis of the 1970’s (Mylonas 2012 p 648) It “is a discourse which is backed by the strength of all the economic and social forces (the banks, the multinational companies, politicians, and so on) who are trying to make flexibility — the new global capitalism — even more of a reality than it already is. Neoliberal discourse contributes its own particular, symbolic, form of strength to the strength of these social forces.”

(Fairclough p72) So, although it has become hegemonic today, in so far that it is considered as an appeal to common sense, (Blommaert) “discourses are partial and positioned, and social difference is manifest in the diversity of discourses within particular social practices. Neoliberal economic discourse, for instance, is only one of many economic discourses and, as I have indicated earlier, it corresponds to a specific perspective and set of interests.”(Fairclough, p77)

The neoliberal discourse includes the prescription of deregulation of economic activity, privatizations, reductions of social and public spending, reductions of taxation aggressive competition and flexible labour conditions. It is a reaction against the Keynesian welfare state economics and find its theoretical base in the Chicago School of political economy, such as von Hayek, Friedman, et al. (Brown 2003) In popular usage, neo-liberalism is equated with a radically free market: maximized competition and free trade achieved through economic de-regulation, elimination of tariffs, and a range of monetary and social policies favorable to business, linked to the vicissitudes of globalization or to International Monetary Fund and World Bank policies .(W. Brown 2003)

People opposing neoliberalism claim the neoliberal framework of ideas and discourses is “indifferent toward poverty, social deracination, cultural decimation, long term resource depletion and environmental destruction” and tha its economic policies sustain or deepen local poverty and the subordination of peripheral to core nations, but also because it is

compatible with, and sometimes even productive of, authoritarian, despotic, paramilitaristic, and/or corrupt state forms and agents within civil society.”

Several authors have therefore developed the idea of a process of depoliticization which would be central to the neoliberal rhetoric (Zizek, Mouffe, Habermas) “It is part of a widely observed narrowing down of the political spectrum — parties are becoming increasingly similar in their policies, and the differences between them are increasingly differences of style. ... the predominance of a single economic-political discourse across the political spectrum. (Fairclough 78)”

Whereas it could be expected that the logic of enterprise rhetoric would be under strain in the aftermath of the financial crisis. (p4 O’ROURKE and Hogan, 2012) The market driven neoliberal discourse did not weaken. O’Rourke and Hogan’s (2012?) case study of enterprise-driven discourses during the financial crisis in Ireland, for example, reached this conclusion analysing interviews with the Irish minister of Finances, who consistently built his discourse on the separation of the market issues and political issues, strengthening the depoliticized through the crisis situation.

Mylonas and Zizek point towards depoliticizing discourse on the nature of the crisis for example. (Zizek apud Mylonas 2010) One of the first elements of this is the characterization of the Eurozone crisis as a debt-crisis, (Mylonas 2012) a crisis of bad public governance; whereas the capitalist crisis, the role of the financial markets, the role of the monetary choices and inequalities is fundamentally ignored. (O’Rourke and Hogan) It transfers the structural responsibility of capitalism for the socio-economic failures towards the state, “overconsuming” citizens and government. In O’Rourke and Hogan’s study everyday spending on state services is framed as something political, whereas guaranteeing lending to Irish banks seems to be a reality imposed by the markets. People advocating alternatives, “have no realistic proposals” (O’Rourke and Hogan p15)

One of the aspects of this depoliticizing discourse is the culturalization of Politics.

Brown (2008) and Mamdani define “culturalisation of politics as a discursive process that reduces every culture to “a tangible essence that defines it and explains politics as a consequence of that essence”. (Mamdani 2005, p.17) This process “analytically vanquishes political economy, states, history, and international and transnational relations. It eliminates colonialism, capital, caste or class stratification, and external political domination from accounts of political conflict or instability.” (Brown 2008, p.20) At the same time that it divests liberal democratic institutions of any association with culture, (Brown 2008) ignoring liberalism is culture; the culture of the dominant classes in the core of the world system. The presented solution for the wrong political-economic “culture” that led to the exceptional state, is literally to “liberalize” it, through privatization, individualization, transparency and political reform. It is within this context one should think of concepts as “a new political culture”, a new work-ethic, flexibilization of labour, anti-corruption, making the state more efficient, etc... These “cultural” explanations - which originated in north-European prejudices

and are compatible with neoliberal discourse - include attributing the exceptional state of the southern economies to the idea that they would have lived "above their standards". (Mylonas 2012) This in turn is attributed to cultural prejudices as laziness, non-productivity, wasteful spending and lying, forming a "Mediterranean mix of indiscipline, extravagance and outright corruption" (Bohle 2010).

The recent financial crisis and the consequent social conflicts in the Eurozone have strengthened these discursive tendencies in the peripheral countries of the Euro-zone. The rhetoric of austerity accompanies the structural adjustment reforms. These are particularly influenced by northern, traditionally protestant; countries of the Eurozone; Germany and the Netherlands, which according to Max Weber originated the ethics of capitalism. This rhetoric was primarily used to strengthen the arguments to legitimize the imposed cuts in order to save their own banks and save the common currency. This "help" was portrayed and broadly perceived as a transfer from Core working class taxpayers to Peripheral corrupt states and their "lazy, lying" populations, although it was a transfer from mainly core working class taxpayers, in the form of state warrants, to mainly core banks.

The policies of the memorandum of the Troika include a reduction of the state and its budget, a reduction of voters sovereignty through foreign and European control on policies, privatization of important public services... which all reduce the sphere of influence of the public. At the same time the external supervision by the Troika, the stricter control by the European Commission on the national budgets, and the rising dependence of the ECB for financing, has led to decreasing of the room for political maneuver of the national political actors. The implementation of the so-called six-pack gives a veto-right on the national budget to the European commission, even before the national parliaments can vote them. The consequence is that the democratic institutions themselves are totally de-substantiated.

Given the importance of democracy as symbolic institution and as a legitimizing discourse and practice; in particular also in the Portuguese situation; the elites have developed a rhetoric and institutionalisation restricts the potential substantive influence of the public without taking the subjects out of the public sphere. This tendency is embodied by a tendency to limit democracy and discourse about democracy to formalist procedures. Meaning that people get a "regular chance to vote but not to choose." (Przeworski 1991, p.187)

The theoretical background of this formalist rhetoric is based on Schumpeter minimalist theory of democracy. In an attempt to constitute an "applicable model of democracy" Schumpeter reduces democracy to a method of electoral competition, instead of an end in itself. Democracy becomes just a method to legitimate policy, by competition for votes between different political players. The role of the people is to "produce a government", acceptance of leadership as the true function of vote. This leaves room for the vital role of leadership and theoretically would enable group-wise volitions to be formed and represented by leaders competing for votes, for whom the votes are an electoral incentive

for good governance. (Schumpeter 1976) In a defense of this approach, Przeworski defines democracy as “a system in which parties lose elections” (Przeworski 1991, p.10). The minimalist approach presupposes regime and policy change and conflict between interests without violence and bloodshed, because the mere prospect that government may change can result in peaceful regulations of conflicts. Moreover, voting authorizes coercion; it constitutes “flexing muscles”, as the majority represents a power relation and coincides with the physical force of the citizens. The electoral process generates the information of this power relation. (Przeworski 1999, p.39)

This formal legitimation means that the government legitimizes its policies purely on the base that it has been democratically elected and is supported by a parliamentary majority, that it has the powers of the executive until the end of the legislature, and resistance against its policies therefore doesn't respect democracy. It limits democracy to voting procedures, rule of law, freedom of expression, etc...

There is not necessarily a clear distinction between both tendencies and they act together. Even though the government legitimizes itself on the base of its election results, it still legitimizes its policies on the basis that there is no alternative. Together this leads to a discourse that could be called low-intensity democracy (Santos).

Case studies

Through the next section we will try to observe the elements of these dominant democratic discourses of austerity in 4 discursive cases. First we will give some examples of the dominant theme of TINA within the legitimizing discourse. Afterwards we will analyse the arguments made by the “victims” of the grandoladas protests. Third we will draw the rhetoric of the Prime minister about the decision of the constitutional court about the budget. And fourth I will highlight some passages from an interview I had with a representative from the Troika.

I General discourse of “There is no Alternative”

Since the beginning of the crisis, one of the strongest tendencies to legitimize the austerity measures, was to say that “There was no Alternative”. Reproducing the famous Thatcherite rhetoric, the executive used the discourse about financial markets, European procedures and economic “laws” to any discredit all other political options.

On 14 October 2011 the ex-president of the PSD, Marcelo Rebelo Sousa affirms that “In the situation we have gotten in, there is no alternative to control the deficit and the public debt” (Expresso, 2011). One month later the minister of parliamentary affairs says to understand the frustration of the Portuguese people, but defended that “there is no alternative” to the path the government is following. Relvas states that “during the last years we have spent what we had and what we had not, we let unemployment boom, we let public debt increase and the measures that are being taken, are reformist and have the objective to correct the path that has been followed over the last years”. (TSF, 24 Nov 2011) He repeats this the next month when he is questioned about the installation of new tollways: “the Portuguese have to understand that the government has no alternatives to the

introduction of tollways, as it is forced to “pay the debts others have assumed”. Relvas recognizes that these are “difficult times” but “there is no alternative”. (DN, 14 dec 2011)

The same rhetoric is repeated by the president of the European Commission, when on 13 of March 2012, expressed his confidence in the “wisdom” and the “good sense” of the Portuguese. “The people can disagree on this or that measure, but in the end, they know there is no alternative to the path of budgetary consolidation and structural reforms. The enormous majority of the people know this”, said Barroso to the Portuguese journalists in Strasbourg, in the margin of the plenary session of the European parliament. (DN, 13 mar 2012)

The same message is given to the social partners; as for example in a meeting between the prime minister and the social partners, in the scope of the European council, which had been “marked with worries of the employers and the trade-unions regarding the next state budget for 2013. At the exit, Passos and the rest of the members of the government avoided the journalists, but some social partners explained that the executive reinforced that there is no other path than that of austerity.” (TSF, 12 oct 2012)

This rhetoric is reinforced by economists supporting the government’s policies: “But is there any alternative to austerity?” This is how Teodora Cardoso, president of the Council of Public finances, answer starts her answer to an interpellation of PS member of parliament Joao galamba. For the president, there is no other path to be followed, warning that any “alternative to austerity implies more financing, and more financing means more debt.” (Noticias ao minuto, 8 nov 2012, DN 8 nov 2012) For Teodora Cardoso, there is no-one conceding this financing, “these possibilities have been used up, wheter on the side of the markets, wheter on the side of official financing”, she said, any kind of increase of debt “means aggravating the problems of the economy” (Noticias ao minuto, 8 nov 2012) In Jornal De Negocios, economist Vitor Bento stressed that “there is no alternative to austerity”, as in Portugal, “since 1995 we have been increasing the gap between internal spending and the income we got, which means that the difference only can be sustained if there is someone financing that difference, with external money.”(Jornal Negocios, 13 feb 2013)

II Reactions to the Grandoladas

The grandoladas have been a new form of protest. Grandolar was the new word, a verb, invented to designate the anti-austerity protest-activity of singing “Grandola” during political speeches of representatives of the executive. Grandola is a song by José (Zeca) Afonso, an iconic Portuguese singer known for his protest songs and firmly linked to the Carnation revolution. Particularly his “Grandola, Vila Morena”, has a very strong symbolic meaning linked with democracy, freedom and equality, as it was one of the two heroic songs used to announce the military coup which started the revolution. Grandola is the song about a small town in the Alentejo region, the poor, hot and dry region south of Lisbon. It’s inequalities, fruit of the economic relations based on big land-ownership, latifundios, have historically strengthened social struggles and the political left in the Area. Since 1974 “Grandola” transformed itself in a kind of hymn of liberation and is traditionally sung at commemorations of the Portuguese Revolution. Today protestors have begun to use this song as a manner of protest. Since the 15th of February, and in particular at the initiative of the QSLT-movement (Que se Lixe a Troika)in the week before the 2nd of March demonstration, protestors managed to disturb at least a dozen times the speeches of members of Portuguese government by

singing Grandola. It's symbolic meaning concerning democracy provides it an enigmatic case to analyze the discursive reaction by the executive to these protest actions.

Although on several occasions the ministers and state secretaries did not react publicly in the media about the incidents, when there were reactions, they could be linked to a procedural view of democracy. *This was done in two ways; on the one hand some just let pass the protest, said that it was part of the protestors freedom of speech, but that their policies would continue, as the executive had been legitimized by the elections. On the other hand, the protestors were attacked as not respecting the procedures of a democracy, and even of not respecting the freedom of speech of the executive.*

Then Minister of parliamentary affairs, Miguel Relvas, reacted to one of the grandoladas that "this government is only leaving in 2015 if the Portuguese would want it," and "the results will talk for us at the **end of the legislature**". As a reaction to one of the Grandoladas in the parliament, the president of the parliament, Assunção Esteves, for example claimed of the protestors that "you are not helping democracy", while police agents dragged them out. At another occasion she stated to the singers that "one cannot dissolve democracy, if not, we would not be in a democratic order, we would be in a revolution". At one of the protests against finance minister, Vitor Gaspar, Miguel Pinto Luz, leader of PSD-Lisbon declared: "This government does not govern based on opinion-polls. Let them govern"

Another part of the discourse is to relate **the protests as irrational**. Within the logic of "Tina". When Christine Lagarde for example was confronted with a Grandolada in Amsterdam she said: "As I said before, what we want is stability, and that is what is missing to discuss these issues in a clear way." At the same time, while the protesters were led out by the security, she urged to accelerate the structural reforms. This irrationality is afterwards, in a Habermasian way, linked with a basic imperatives of democracy. In a reaction to the grandoladas, Prime minister Pedro Passos Coelho for example affirmed that "the resistance against the seduction of terrible simplifications is a democratic imperative". According to him "we should not accept that the sacrifices, the difficulties and the sentiments of the people in Portugal and in other European countries would be kidnapped by irrational proposals that don't think about the future and by promises that are never realistic alternatives with a beginning middle and end", and "not only can anyone claim the monopoly of consternation towards the difficulties and the hardships of the people, also indignation is not enough to constitute a political answer to the crisis".

There is also an interesting opposition between the self-portrayal of the executive **speakers as victims**, while at the same time using physical force, in the form of police, security, the moderators and the law and procedures against their opponents. Prime minister Coelho for example claimed that "in a discussion conducted through screams, it are always those with less voice that lose more, and less voice does not necessarily mean less reason", suggesting himself as the one with less voice.

III The Prime Minister vs Constitutional Court

The collision between the prime minister and the constitutional court was another interesting example of neoliberal discourse, democratic legitimation, restricting it to the formal democratic procedures. And how even here policymakers have difficulty with the substantial elements of democracy in a time of economic crisis. On Friday the 5th of April 2013, the Constitutional Court ruled

that several austerity measures in the 2013 budget violated the constitutional principles of proportionality and equality under law. Specifically, it concerned the abolition of the holiday-allowances of public servants and pensioners, the introduction of income tax on sickness and unemployment benefits and the reduction of the employment status of researchers. Other austerity measures worth 4.4 billion have stood the test well, including the tax on pensions, the reduction of wages in the public sector and the increase in income. As a result the government had to find 1.3 billion euro elsewhere. The European Commission immediately responded that the judgment of the Court cancels all previous agreements. The next tranche of 2.1 billion "aid" from the Troika, who early last month was guaranteed by the Troika, is placed "on hold". Portugal agreed to present an additional 1.3 billion saving until the end of April adding to the 2.0 billion agreed in March. At the same time delegations of the Troika were sent back to Lisbon, less than a month since the previous mission.

The Prime minister responded to this decision by reiterating the neoliberal discourse about necessity of new social cuts. While formally defending democratic procedures and values he nevertheless gave a warning to the constitutional court:

In our political regime, it competes to the Constitutional Court to make a sovereign interpretation of the constitution. It is evident that the government respects and will comply with the decisions of the constitutional court. I could not be otherwise in a democratic state of law that respects its institution. But the government disagrees with the interpretation of the Constitution of the Portuguese Republic made by the Court, and turned public in the court's judgment two days ago...We all share the same constitutional values, but our interpretation of the context, hierarchy and concrete application of these values is not the one exposed in the Constitutional court. The exceptional condition of the country and the degradation of the European situation, demands to all a great realism and a sharp consciousness about the imperatives and the restrictions imposed by the circumstances, which this government didn't chose but just inherited. In exceptional times nations can have need of exceptional answers, such is our case. If these answers could not be found, the important values the Constitution establishes, may be at issue, in a much greater way. (Passos Coelho, 7/04/2013)

The judgement "turns the position of Portugal fragile", it "creates uncertainty and unpredictability within a process which is already very demanding". The decision of the CC "constitutes a risk" for the process of economic assistance". It will difficult the lives of the Portuguese and the success of national recuperation will be made problematic. It has created budget imbalances which require concrete acts.

He defends and legitimizes further austerity policies again on the base of a neoliberal legitimization rhetoric on the one hand and the usage of a formalistic interpretation of democracy on the other. The neoliberal legitimization of the policy choices is based on the ideas of the urgency and exceptionality of the situation and on depoliticizing principles of good governance and TINA.

Neoliberal rhetoric

During his speech for example he presented of the situation as “exceptional”, particularly because of the “exceptional condition of the country and the degradation of the European situation”. He emphasized that the government does not want to make these choices but regarding the “circumstances”, there is the “need to recover credibility”, which means further cuts would be “necessary”.

To legitimize these necessary policies he emphasized that any other discursive alternatives “defending the social welfare state” by framing them as “easy demagoguery”, “demagogues” or “tactics,” equalizing them with bad governance.

Contrary to impossible alternatives, there is a need for “clarity and realism”. He therefore engages other parties, to discuss “possible alternatives”, as “these national objectives overtake the political colors”. Nevertheless he further restricts this engagement to the parties of the “range of governmentability”, as long as they are “reasonable, fundamentally objective”. According to him, this restricts the “alternatives to either “new taxes” (which the government does not accept) or a “second bailout” with another, lengthened and harder (austerity-)program. As any of these alternatives would thus be “worse”, the conclusion is reproduction of the traditional TINA-mantra emphasizing in his speech that they “had no alternatives”, than continuing austerity is the only option, a way which “is difficult” and without “margin for slipping”. Furthermore, “these policies cannot change if governments will change” (a reason for participation of the other parties) it cannot “be permitted that policies would change” as else the “sacrifices the Portuguese have made the last years would be wasted”.

Formal Legitimation

The core of the democratic legitimation of the governments policies is still based on democratic procedures. In his speech, Passos Coelho he appeals to Portugal’s “history of democracy” and explicitly states that his government is “mandated by the Portuguese people to win the national emergency” and it is “supported in the national assembly by two parties in a cohesive coalition”. “In the interest of the nation”, he said, the austerity will continue to have “the legitimacy that the Portuguese people and constitution have conferred to me”.

He frames the austerity policies as a “democratic state of law that respects its institutions”, with a government “sharing the constitutional values”. Nevertheless he restricts the scope of any democratic influence by stating that “the program binds the whole state and evidently the all its sovereign institutions”. The democratic legitimacy of alternative policies on the other hand, is doubted”, as it “would risk the great national consensus (about Europe) that lasts since 35 years”, and “would condemn the project for its society that Portugal ambitioned for itself when it consolidated its democracy.”

While Europe and the IMF Portugal under strong pressure, it seems the Portuguese government continues its role as the “best pupil of Europe” to want to play. Although the Prime Minister declared the decision of the court to respect, “as it should be in a law,” he however know the ruling inter alia expressed by “a lack of realism” in the court, that it “ignores the circumstances”, the ruling in the future, lead to the “questioning of key values in the Constitution”, and “serious consequences for the country”. However, he stated that Portugal made agreements with the Troika and would fulfill

them completely. He added that after the judgment is no alternative than to further cut in the public sector.

IV The representative of the Troika

The last case of this study is based on a personal interview with one of the high representatives of the Troika in Portugal. This interview has been taken the last day of the seventh Troika evaluation in Lisbon in April 2013. Various points of this interview should be highlighted. As could be expected, this representative hid behind a very technical discourse. What struck me immediately was the lack of knowledge of and personal relation with the political and social situation of the country. The technical background of these highly qualified officers of international institutions, allows such ignorance of the social reality to be considered acceptable, as it translates the countries problems in what are considered objective economic statistics. He felt very uneasy with questions about democratic legitimacy of the measures; various times during the interview stating that he is not the person to answer to these questions, asking for more technical questions. At the same time, there was a kind of self-censorship about sensitive issues, such as structural problems of the Eurozone, expressed by silences.

This brings us to the following elements that consist his discourse on democratic legitimacy of the Troika and Governments policies. These can also be divided in a neoliberal and a democratic element.

Depolitization

According to the official, the crisis was the consequence of “drying up of financing flows” and the policies were design to meet the need to “reduce their imbalances”. At the same time the austerity program is portrayed as a help to “try and to provide temporary financing”, to relieve the pain. At the same time the “program has sought to protect the minimum levels of benefits, the minimum levels of pensions,”it “ensures ... the social protection is at the core helping the poor”; portraying the anti-social character of austerity would thus be “unfair”. He states that the political debate is too much “a little bit of a blame game”.

At the same time, he portrays the role Troika of the as a-political and good-governance advice: “we form judgments on what is reasonable and what is not reasonable”. The troika only gives “technical assistance” and gives advice on “what kind of financing there is” . This also means that the political decision is restricted to “how you get there” which is “ultimately a decision that has to come from here (the national government)” as long as it “was reasonable”. The political debate however

Formal Legitimation

He admits that the crisis and the necessity of austerity “puts a strain on the political discourse” and it “puts a strain on the body politic”. Policies are restricted due to “very limited budgetary tools”. However, to his surprise “the insitutions are still in place”; “The democratic institutions remain in place; If we think in terms of parliament, freedom of speech, constitutional court check, checks and balances ...”. It is “normal” that people protest, but as long as the “numbers are endorsed by

parliament”, where he is even surprised of “how broad-based consensus there has been”, acknowledging that this is “something that stands Portugal well”.

There is no problem for the democratic legitimacy, which he considers as “relatively healthy”. Furthermore, “the adoption of the fiscal compact”, “and of course the annual budget, are approved and ratified by parliament”. As long as “the government democratically elected”, according to this official we cannot see an opposition “between technocracy and democracy”.

Conclusions

In the beginning of this text we drew a theoretical framework about the co-existence of capitalism and democracy, and the conflict between those. Based on a dialectic materialist analysis this paper defenden that the tension between legitimation and accumulation, - which is the base for the reproduction of every capitalist society - leads to legitimacy crises of democracy and a struggle about the very meaning of the concept of democracy.

We applied this to the situation of Portugal within the Euro crisis, and observed different narratives about democracy, as the protestors tend to have a substantive discourse of democracy; the political economic elite has a neoliberal formalist approach. This paper developed a deeper analysis of the latter discourse. In this discourse, 2 tendencies to restrict the public influence could be observed within democratic discourse. These tendencies, are a limitation of the public sphere through a tendency of depolitization, culturalization, privatization and lack of alternatives on the one hand. On the other hand we see a limitation of democracy within the public sphere itslef through the limitation of deocratic discourse by the executive to formalist procedures. These tendencies have been strengtened during the social conflict and the implementation of the austerity measures.

In the 4 enigmatic cases we discussed in this article we observed various elements from the theory. A first one is a clear element of depolitization; present in the TINA-discourse, the irrationalization of political alternatives, the technocracy of the IMF-official. Another one is the appeal to formal democratic procedures, formally respecting them in the case of the constitutional court, but at the same time trying to avoid any substantive influence, the defense of the ministers against the grandoladas.

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