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**TREND, SCALE AND LIMIT. PORTUGAL AND THE END OF
THE «GOLDEN AGE» OF WELFARE STATE
TENDÊNCIA, ESCALA E LIMITE. PORTUGAL E O FIM DOS
«ANOS DE OURO» DO ESTADO SOCIAL**

CARLOS MIGUEL JORGE MARTINS
carlosmartins115@gmail.com

Master Degree in Contemporary History by the University of Coimbra

Master Degree in Politics and Society in Historical Perspective by the University of Utrecht

ORCID: 0000-0001-8473-0075

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Abstract:

Contrary to the general trend of welfare state retrenchment that began in the 1970s, the Portuguese case presents itself as an exception, expressing the particularity of developing an welfare state during a time of crisis for welfare policies. Neoliberalism, as a significant influence on welfare state changes, did not play a role during the creation of the welfare state in Portugal. The key variables to understanding the rather particular path of Portugal were a very specific group of political contingencies, as well as a particular institutional environment framed by economic and political ideas that were antagonistic to neoliberal

proposals. That path can be illustrated by the construction of the SNS⁽¹⁾, a body functioning in opposition to neoliberal logic. The singularity of the Portuguese case opens the door for defining new scales, limits and possibilities regarding welfare state studies.

Keywords:

Welfare State, Welfare Retrenchment, Neoliberalism, Politics, Democracy.

Resumo:

Indo contra a tendência generalizada de cortes no estado social que se iniciou na década de 1970, o caso português apresenta-se como uma exceção, expressando a particularidade de desenvolver um estado providência durante um tempo de crise para as políticas sociais. O neoliberalismo, enquanto fator de relevo para transformações no estado social, não desempenhou um papel de importância em Portugal aquando da construção do estado providência. As variáveis chave para entender o caminho particular de Portugal foram um conjunto muito peculiar de contingências políticas, bem como um determinado ambiente institucional enquadrado por ideias políticas e económicas contrárias às propostas neoliberais. A construção do SNS, uma instituição a funcionar em oposição a uma lógica neoliberal, ilustra bem esse mesmo caminho. A singularidade do caso português abre a porta para a definição de novas escalas, limites e possibilidades para o estudo do estado social.

Introduction

The concept of frontier can be easily interpreted as extremely important in historical analysis and discourses. The research that follows highlights not only the spatial or temporal frontiers, but also, more importantly, the ideological/political frontier – the more or less clear difference between the influence of ideas and ideologies and policies over countries and/or institutions. The core argument of this article is vitally connected to the importance of context analysis, identifying the limits of ideas and approaches

(1) Serviço Nacional de Saúde - National Health Service.

in a specific context. That is essential in comparative history and, generally, that is one of the most important methods in this article – analyzing a general western society pattern, and compare it to what happened in Portugal.

The main objective is to demonstrate how and why Portugal followed a different path regarding welfare state development. Since the 1970s, a debate has been raised concerning the welfare state retrenchment phenomenon: a scholar discussion arguing the existence of a process of welfare retrenchment in Western societies, namely Western European countries and the United States of America, and the depth by which the retrenchment process permeates / influences political discourse. The timing is important for this research. It is commonly accepted that during the seventies the nature of the welfare state began to be questioned and processes of austerity measures were initiated. The «golden years» of the welfare state, according to Paul Pierson, were at an end: postwar economic growth began to wane and welfare state policies suffered growing political difficulties (Pierson 1996: 239).

Welfare retrenchment is understood in this article in a broader perspective, considering not only specific cuts or curtailment of entitlements but also as a turning point in ideas regarding welfare policy, from an expansionary establishment consensus that characterized the «golden years» of the welfare state to a generalized rising tendency of welfare restructuring in both quantitative and qualitative terms.

It is important to observe to what extent one of the most scholarly debated significant factors of welfare retrenchment – neoliberalism – played a role in the Portuguese context. In order to do so, this article firstly focuses on neoliberalism itself, summarizing aspects that were already investigated, but most importantly, providing more insight on its ideological dimension, specifically on features that might have influenced a reversal of social policies in Western society, thus providing bases for the analysis of the specific Portuguese case. Secondly, the article emphasizes the historical developments and the political contingencies that opened the path for later changes in Portugal. Besides, it develops an analysis on the political and social choices made towards an explicit welfare state policy, while also looking at the role that the rising neoliberal ideology might have had. The third section explores the political discourse highlighting the social policy impetus of the new regime. It is important to state that the analysis focuses on the 1970s, namely after the Carnation Revolution,

but exploring later developments, with the use of data. The last section highlights the specific case of healthcare, providing more insight on how the welfare state expansion was conducted. «Understanding how social policy expansion can occur in an environment where pressure to reduce budget deficits is high is a critical aspect of welfare state building in the current period». (Glatzer 2005: 107)

Neoliberalism

Many authors interpret neoliberalism as a key factor in welfare retrenchment (Korpi 2003; Pierson 1996; Jones 2012; Barroso 2013; Nunes 2013). It is important to underline some key features of this ideology, concerning the welfare state, to frame the analysis of Portugal as a deviant case. The research of Daniel Stedman Jones on neoliberalism is vital to better understand it: he underlines that the concept is used many times «as a catch-all shorthand for the horrors associated with globalization and recurring financial crises. But transatlantic neoliberalism, [...] is the free market ideology based on individual liberty and limited government that connected human freedom to the actions of the rational, self-interested actor in the competitive marketplace» (Jones 2012: 2).

The concept of neoliberalism that started to be politically applied during the 1970s rejected some liberal ideas and accepted others, and it evolved in different ways until that decade, and more intensely with the rise to power of Margaret Thatcher and Ronald Reagan. On this emerging phase of the ideology, its theorists underlined that social problems, such as poverty or inequality, should be solved through the free market and through deregulation, reducing the role of the state in the people's situation. This was not revolutionary at all, since policies such as these were already being applied during previous governments. Yet, the «ideological focus» and neoliberal emphasis explored by these two politicians established the dogma of «nothing works unless the private sector works» (Jones 2012: 326). Or, the commonly known – «there is no alternative» (Nunes 2013: 39).

It is valid to say that during the 1940s, 1950s and early 1960s, there was a wide political consensus, regardless of party, concerning the welfare state and associated issues, such as full employment objectives. Nevertheless, Daniel Jones posits a growing movement underneath this

political consensus regarding state intervention. More than a discomfort among businessmen and conservative politicians that were unhappy with the postwar establishment, this neoliberal movement had an intellectual foundation that matched some of the complaints and concerns of a conservative-right movement that was developing during the postwar period (Jones 2012: 2).

Thus, neoliberal ideas were not only an issue of the 1970s onwards, the foundations can be traced to the final years of World War II. By that time, intellectuals such as Friedrich Hayek and Karl Popper, among others, constituted the «Monte Pelerin Society», a scholarly movement of intellectuals trying to mirror the development of the intellectual context that had supported the New Deal and the British social democratic welfare state – a background of academic work on the left, done more specifically by social democratic intellectuals, which prompted the dominance of leftist discourse. This new group of intellectuals were building a critique to those policies, constructing an alternative that could gradually change the ideological momentum. This was supposed to be a measured and subtle move from one ideological settlement to another, enabling future empirical political realizations and policy reforms that were successful in the 1970s. By that time, «Transatlantic neoliberalism [...] became a conscious political movement and moved beyond simply an academic critique» (Jones 2012: 138) as it had been until the 1970s.

The economist Milton Friedman was a key player of this later neoliberal phase, embodied in the «Second Chicago School» (Jones 2012: 95). An admirer of Hayek but more radical with regard to the existence of minimum state regulation, to which he fiercely objected, he was one of the main intellectuals responsible for the acceleration of the neoliberal establishment during the 1960s. Through an ample group of think-tanks, intellectuals, journalists, important and influential newspapers, neoliberal ideas managed to penetrate the dominant political class. Eventually, they gradually shifted the political context from one centered on Keynesian economics, on full employment commitment, and on the welfare state, to an opposing one (Jones 2012: 134).

The neoliberal ideas that were incorporated in politics during the 1970s and 1980s were influenced by Friedman, praising a set of notions that generally opposed the ones in practice since WWII and essentially they proclaimed the superiority of market mechanisms to regulate all dimensions of both economic and political affairs. Trust in the free market

as the ultimate mechanism to offer «freedom to mankind» led neoliberal discourse to consider inequality as something necessary and «[...] as a motor for more social and economic progress». (Jones 2012: 8) Moreover, the postwar tenet of commitment to full employment was heavily criticized by neoliberal thinkers: Friedman considered it «a dangerous chimera» (Jones 2012: 207) since it threatened to unleash unbearable inflation rates, one of the main concerns for neoliberal economists. A full employment economy such as the one claimed by Keynesian economists would lead to an unstoppable wage increase, exacerbated by the power of labour unions (Jones 2012: 194), that would then increase inflation rates. Another concept tolerated by neoliberalism was the existence of large monopolies – in the 1960s and 1970s, neoliberal economists admired the essentially benevolent nature of monopolies and criticized the harmful nature of trade unions, considered as a «threat» to a free market system (Jones 2012: 93).

These are some of the characteristics that obtained political relevance and application starting in the 1970s, when the economic context provided a favorable climate for the empirical testing of neoliberal theories. From 1968, in order to prevent what the Keynesian American economists foresaw as an «imminent recession», a course of expansionary stimulus began a process that would culminate in the fracture of the Bretton Woods monetary system in 1971. That development unleashed an uncontrolled inflationary path, ending the «long boom» of the postwar period, and opening the door for the neoliberal alternative, gradually developed in the last 30 years and now seen as the only solution (Jones 2012: 214).

Thus, politicians, facing stagflation (a conjuncture of high unemployment, little or no economic growth and rampant inflation) enabled by the collapse of the Bretton Woods system, the oil shocks of 1973 and 1979, the Vietnam War, and Watergate, found in neoliberal policies a concrete alternative to the previous political and economic consensus around Keynesian policies (Jones 2012: 215). The first clear indication of the new ideas' prevalence was the «[...] move from fixed to floating exchange rates after 1971, something that had been advocated by Friedman since the 1950s». That change implied exchange rates going up or down according to general markets as opposed to being stable on a fixed value. On the other hand, the shift from public intervention to unusual private solutions regarding social policy was already visible (Jones 2012: 216). Following a tendency, started in the 1960s, to consider

market-based solutions as valid regarding problems related to welfare, Jimmy Carter in the USA, and Harold Wilson and James Callaghan in the United Kingdom, both from the Labour Party, initiated policies of deregulation on some political issues (in the case of the USA, on banks and transport). Policies that reduced expenses and, notably, that abandoned the sacrosanct full-employment objective, in order to deal with inflation. Those first policies ended up leading to an «[...] overarching philosophy of free markets» (Jones 2012: 5) by the 1980s.

The overarching dominance of neoliberal policies was possible both because of the empirical application that Thatcher or Reagan, among others, made of these ideas in an harsh economic context, and because of the ongoing theoretical construction aimed at a shift from a specific ideology to a completely opposed one. It was these new dominant ideas, characterized by the trust in free market mechanisms, acceptance of unemployment and inequality, and the faith in deregulation, that represented a strong challenge to the welfare state establishment. The welfare redistributive policies, aimed at more equality, were severely criticized by neoliberal thinkers and later politicians as responsible for a society of «dependents» (Jones 2012: 64) (dependents on welfare state benefits).

The April Revolution – perspectives of paradigm change and welfare growth

Having examined the concept of neoliberalism and the reasons why it posed a challenge to the welfare state it is time to look at what was happening in Portugal in the 1970s. The Estado Novo was going through a deep crisis during the last years of the regime, not only economically, but also, more importantly, on a political and military level, namely with the moral, political and material weight of the colonial war. On 25th of April 1974, the regime was given an effective end at the hands of a military revolution, conducted and masterminded by the MFA⁽²⁾, paving the way for a new national order. The «social pressure cooker» expression, used by historian Fernando Rosas (Rosas 2006: 16) to refer to the social tension accumulated through 48 years of dictatorship, had finally exploded.

(2) Movimento das Forças Armadas – Armed Forces Movement.

According to Rosas, the first major liberalizing prerogatives were taken and not «given», and thus, «[...] that is one of the most important genetic characteristics of the Portuguese democracy: a political democracy whose foundations are a direct consequence of the revolutionary process» (Rosas 2016: 22). This argument points to the importance of the revolutionary period that followed the coup, emphasizing the idea that the welfare benefits brought ultimately by the new regime were «taken» by a revolutionary impetus. That had consequences for social policy, and thus, for the welfare state. The idea of a strong bond between the Portuguese democracy and the welfare state, influenced by the characteristics of the revolution, is important for this article argument because of the constraints that it placed on the political choices available.

The corporatist fascist regime that had dominated the country for more than 48 years through the muzzle of dictatorship had ended. Nevertheless, the weight of years of fascism would be reflected on the new regime. The legitimation of the new establishment and of its actors, such as the new political parties, was dependent on the ability to convey a resonant difference from the previous regime and a radical change, namely with regard to social policy.

The time between Marcello Caetano's capitulation and the approval of the 1976 Constitution was characterized as a deeply troubled period, in which the peace in Portugal was threatened, and at the same time, rich in ideological and political terms. This pre-constitutional period is key to understand the political environment that characterized the foundations of the Portuguese welfare state and democracy. It was deeply entrenched in a leftist bias, time to time confronted with conservative right upheavals, as mirror reaction to the revolutionary development. The radicalization trend resulted from fierce ideological conflicts and from the mentioned goal of legitimization, which placed emphasis on socialist ideas as opposed to 40 years of a conservative right dictatorship. Consequently, in this period a strong left bias was recognizable which, by demanding benefits and higher standards of living for the people, strongly shaped the expansion of welfare in Portugal in the following years. «[...] the more generous welfare was due to a left-wing prominence and to a political context shaped by the influence of the workers' movement» (Silva 2002: 36)⁽³⁾.

(3) My translation.

The continuous leftist-socialist trend became even more evident when the first pact between MFA and the parties was signed on the 11th of April 1975: an agreement that established limits to the action of the future constituent assembly, and thus preserved the political role of the MFA bodies (Rosas 2006: 28). In fact, it is important to emphasize the power of the MFA. Since the revolution was carried out by military action, they were a major player during this period, from 1974 to 1976, and maintaining a fading influence until 1982, when the last military organ recognized in the constitution was abolished (the Revolution Council). On 25th April 1975, a date chosen not by chance, the first democratic elections for the constituent assembly took place, where the major winner was the PS⁽⁴⁾, followed by the PPD⁽⁵⁾.

In fact, the specific context surrounding the Constituent Assembly might be a key aspect to understanding how the Constitution became so progressive. The main points of the document were inclined toward clearly left wing positions, as will be shown later. Therefore, the revolutionary context that surrounded the work of the constituent assembly might have had a singular influence on the fundamental law of the new regime, and notably on the social commitments assumed in the document. Those commitments appear to be one of the most important factors defining a clear line opposed to retrenchment logics. The political shift, represented by the April Revolution, represented an opportunity to break with the past and open the door for new kinds of social policies, which derived their nature from emphasizing the contrasts with the previous regime. Accordingly, the legitimation of this new regime was reliant on the level of contrast both to the old establishment and to the reactionary attempts to return to a right-wing dictatorship.

After this political shift, Portugal had the chance to construct a modern welfare state in contrast with the general welfare retrenchment trend that was starting to prevail in the West. On the long term perspective, data collected revealed a pattern of welfare state growth in Portugal in the last quarter of the twentieth century. Even though regarding some indicators⁽⁶⁾ those improvements apparently begun during the 1960s and before the Carnation Revolution, after 1974 the growth was much more

(4) Partido Socialista – Socialist Party.

(5) Partido Popular Democrático - Democratic Popular Party.

(6) See Figure 1, Table 1 and 4.

evident⁽⁷⁾. Some authors have identified the peculiarity of the Portuguese case already. Many consider Portugal's welfare state and the

[...] generalization of qualitative and quantitative social rights [as] late processes [...]. They were born on the precise moment in which other countries, where they first had born – as post-1945 France and England with the plan of the conservative Beveridge of 1942 – were being questioned with recessive measures [...] (Varela e Guedes 2011: 80).

Therefore, despite the establishment of a trend of general Western retrenchment during the 1970s, the power shift and the political process that followed between 1974 and 1976, allowed developments in several aspects of social life, improvements that contrasted sharply with the *Estado Novo* social policy. The worker's assemblies and worker's plenaries created in the revolutionary period led the provisory governments to enact the minimum wage, for example. The workers managed to achieve increased salaries, the 13th month, collective bargaining, Christmas subsidy, better social welfare, pregnancy assistance, illness and disability support, unemployment subsidy, general access to healthcare, and even rent control (Varela and Guedes: 80). The social wave began by the Carnation Revolution led to the following months being characterized by a mounting trend of social improvements in Portugal, forming the basis for a welfare development vitally connected to the revolutionary development and so, in many regards, showing a path towards a more social-democratic type of welfare system. This development was prompted by the vigorous destruction, in a few months, of the institutional and political pillars of the *Estado Novo* that could be considered as «[...] juridical-political obstacles to a Welfare State Progression in Portugal» (Bessa 1985: 330).

As argued by Miguel Glatzer, in a context of welfare downturn and harsh economic conditions, Portugal's democracy borned «[...] after the Golden Age of the welfare state from the 1950s to the 1970s [...] [was] still compatible with welfare state development» (Glatzer 2005: 107). Hence, the idea that the structural change brought by the

(7) See Figure 1, 2, 3 and Table 1 and 2.

revolution led to the birth of a Portuguese welfare state is plausible, and highlights the importance of political outcomes as opposed to economic reality. Additionally, this is underlined by the fact that this development happened precisely when the concept of the welfare state was being confronted and questioned in the West (Leal 1985: 942).

A survey of the literature on that subject shows a consensus regarding the uniqueness of the Portuguese case. Boaventura de Sousa Santos, Frank Hansen and Carlos da Silva, Pereirinha and Robert Fishman are some of the authors that highlight the Portuguese pattern as contrary to most other Western countries. Silva Leal goes further in this singularity, arguing that neither the economic feasibilities, nor criticisms made by neoliberalism or more conservative alternatives were present in the mind of the main actors in the first two years of democracy, since they were, in the words of this author, «[...] guided by the most pure progressive spirit [...]» (Leal 1985: 942).

The academic discussion about welfare state regression can provide insight at this moment. Some authors, such as Walter Korpi and Jiakim Palme, consider social expenditure as generally insufficient to measure growth or changes in the welfare state. However, to a certain extent, even Pierson's perspective (Pierson, 1996: 17), which underlines on the value of social expenditure, can corroborate the welfare state growth in Portugal. For example, according to Glatzer, and looking from a longer-term perspective, healthcare advanced from 0,2% of GDP in 1974 to 5,6% in 2008; education expenses accounted for 1,4% of GDP in 1972 and in 2008 that value had risen to 4,4% of GDP; as for social security, it represented 5,6% of GDP in 1974, but in 2008 it had risen to 16,1% of GDP (Glatzer, 2005: 112).

Collected data shows in more detail a clear image of what had happened from 1970: a tendency of growth in expenses with social security (although the Estado Novo was an outlier) taking a more prominent position in social policy. For instance, social security accounted for 3,8% of GDP in 1972, and in 1973 that value rose to 4,4%, reaching 5,1% in the year of the revolution. A year later, it rose to 6,6% and in 1976 to 7,2% of GDP. Yet in 1978 and 1979 the percentage decreased to 6,6% and 5,7% respectively⁽⁸⁾. Using these data, social expenditure, in this case the expenses with social security, did not provide very strong support for

(8) See Figure 1 and Table 10.

the thesis of a growing welfare state, at least in the short term. However, as Glatzer has shown, the evolution is clear from a long term outlook.

An evaluation of the welfare state must take into consideration different indicators. For instance, a strong case in favor of this argument are the remarks made by Walter Korpi and Jiaxim Palme (Korpi and Palme 2003), who underlined the importance of unemployment, both to explain why social expenditure might be an erroneous indicator and as an indicator itself. It is important to understand the significance of full employment to the concept of the welfare state during the «golden years» of welfare state: it was seen as a «protoright» (Korpi and Palme 2003: 428). Robert Fishman's argument is important in this particular case. He elaborates on the idea that Portugal was successful in employment measures aimed at full employment objectives after the revolution. He states, «[...] Portuguese unemployment was consistently low, often near the bottom of the range of variation found within the EU» (Fishman 2005: 6). In his article, an argument is developed exposing the differences between the democratic transitions in Portugal and Spain making the point that Portugal's revolutionary path was decisive for achieving more job security, as well as a faster rise in living standards (Fishman, 2005: 7) compared to the reforming path followed by the Spanish. Furthermore, Fishman considered that the nationalizations brought on by the revolutionary period in Portugal were important to contain the «[...] recession-induced threat to employment of the 1970s and early 1980s» (Fishman 2005: 14). The nationalization of the banking sector, and mainly of major bank (CGD⁽⁹⁾) during the revolutionary period was also underlined as having played an essential role in restraining some of the neoliberal ideas.

That political option can be seen as a sign of left-wing dominance, and according to Fishman it helped to keep employment levels high, given the national bank's role in financing small firms, self-employed persons, new kind of jobs and trainees (Fishman 2005: 23). Other authors also give insight into the role of the national banking sector regarding employment policies. Bessa states that «[...] such an extensive role regarding employment policy and the defense of jobs as the issues that came to be credited to the public bank sector» (Bessa 1985: 334)

(9) CGD – Caixa Geral de Depósitos.

could not be accomplished by private banks. The constitution played a very important role, namely regarding the rigid employment policy that it imposed. This will become clearer as this idea is further developed in this article.

Another example of data that goes beyond social expenditure is the «micro data» (Green-Pedersen 2001: 970) described by Christoffer Green-Pedersen, which can be considered a set of wider social benefits. It explores a more qualitative approach to the welfare system. Multiple authors have described the beginning of an expansion of the social protection arch in Portugal. Rodrigues (Rodrigues 2010: 205) mentioned the creation of the 13th month, considerable disability supplements, more benefits for mothers, a death subsidy and survival pensions⁽¹⁰⁾. Boaventura de Sousa Santos underlined important legislation regarding labor that was achieved under strong pressure from the labor movement that emphasized restrictions on unemployment, the minimum wage, collective contracts and wage value increases (Santos 1992: 23). Glatzer showed that during the first six months following the coupe, «[...] nominal wages increased by 25 percent, and by as much as 100 percent in the textile industry» (Glatzer 2005: 124). He correlated this to the strength of CGTP (a key labor union) and his link to the PCP⁽¹¹⁾. In fact, much of the power of the PCP in the revolutionary period was based on its strong connection with the labor movement, whose main archetypal institution was the CGTP.

The increase in the generosity of benefits is visible in the share of salary values as a percentage of GDP. In 1973, wages accounted for 43,7% of GDP; in 1974 that number rose to 48,9% and to 57,6% in 1975. These data demonstrate a much more inclusive regime and a political concern aimed at citizens – an insightful change in social policy – proving that a more generous regime had come into being. In fact, Boaventura claimed that that labour legislation «[...] followed the model used in Western social democracies, sometimes even going beyond it» (Santos 1992: 23).

The months constituting the revolutionary period that followed the military coup were characterized by an emphasis on the dissolution of the corporative system, fundamentally aimed at the old labor institutions. The previous negation of collective contracts had been replaced by

(10) See Table 7.

(11) Partido Comunista Português – Portuguese Communist Party.

(uncontrolled) collective negotiation operating under conditions mostly favoring workers. Similarly to Boaventura, Daniel Bessa (Bessa 1985: 330) underlined achievements as the right to strike, the beginning of solid public interventions defending jobs, increases in transfers from the still existent social welfare with progressive and universal characteristics and public consumption growth (although less related to labor) that supported the use of the nationalized Bank of Portugal. According to Bessa, liquid surplus of «exploitation» decreased from 41,1% to 26,5% of GDP, the share of contributions to social security increased from 5,6% to 7,2% and public transfers increased from 4,8% to 9,15% of GDP (initial numbers from 1973) (Bessa 1985: 331).

The importance of this revolutionary process between 1974 and 1975 (continuing in a more moderate fashion into 1976) is visible when examining the creation of multiple workers' assemblies and workers' plenaries. These developments increased the social pressure that led the government to update the minimum wage. The workers managed, through what Raquel Varela calls «Wild strikes» (Varela and Guedes 2011: 77), to achieve a new set of rights and benefits that contributed directly to the establishment of a welfare state. «[...] School transport networks; [...] new schools, cafeterias and school residences, [...] subsidies for poor students and distribution of school milk» (Varela and Guedes 2011: 76)⁽¹²⁾ are representative of measures that were part of a wider mentality change, especially considering the conditions of women and children. For Fishman, it was a revolution of values and customs, thus, he emphasized the role of women arguing that the higher participation of women in the workforce raised pressure towards welfare state improvements that ended up creating more jobs for women (Fishman 2005: 20). The social rights of women, such as the right to work, originated a new feminine approach, one that had to balance family and a job.

Richard Clayton and Jonas Pontusson demonstrated that the size of the public force was also a strong indicator of welfare growth (Clayton and Pontusson 1998: 70). In the Portuguese case, the construction of welfare, made official with the 1976 Constitution, certainly would imply an enlargement of the public sector. In 1974, workers in the public sector accounted for 200,000 jobs, but today there are 800,000, a majority of whom are doctors and professors and other professions

(12) My translation.

belonging to several dimensions of the welfare state. This provides a clear relationship between the development of the welfare state and the increasing number of public employees. For example, Roleira Marinho (PPD), a deputy in the constituent assembly, referred to some aspects of health in Portugal by emphasizing the rehabilitation and construction of general health and hospitals mostly in more remote areas of the country. (Assembleia da República 1975: 1594) The qualification process and hiring of human capital to the system is emphasized through state intervention, which could only mean a larger public sector in Portugal.

A general picture of welfare state development has been drawn. However the next lines must explore the political/ideological foundations of that developments and how did neoliberal arguments played (or not played) a role. When the 1974 revolution occurred in Portugal, a generalized worldwide economic crisis was dominating the scene, enabling, as it has been said earlier, political leverage for neoliberal ideas to expand not only in theory, but also in practice. Politicians from both the left and the right faced economic stagflation, leading them to abandon Keynesian ideas and add much more emphasis on neoliberal procedures, something that brought negative implications to welfare states and their more progressive assumptions. The focus was on different budgets, cuts in benefits, cuts in public sector expenses, getting the same welfare results with reduced means, reduction of personnel, wage cuts, more expensive public services, and higher utilization costs (Hespanha *et al.* 2013: 161). Nevertheless, that was not the case in Portugal. In effect, Portugal's journey to becoming a fully-fledged welfare state was made under much poorer economic conditions than those found in most of Western Europe countries. Thus, even though Esping-Andersen suggested that those countries needed a specific economic growth level to enhance welfare state development (Esping-Andersen 1993: 598), Portugal is a rather deviant example. If good economic conditions were necessary for welfare growth in most Western countries, the Portuguese case showed welfare development under bad economic conditions. That particularity highlights both the uniqueness of this case as well as the weight of the deep political transformations seen

in 1970. Portugal emerges as a clear frontier, drawing a line between the general retrenchment trend and the scale of this specific case of welfare development, a pronounced line strongly built on political contingencies. «That Welfare State, which is mostly the result of the 1974 shift, is a remarkable accomplishment considering the extension of its services [...]»⁽¹³⁾ (Louçã 2013: 216).

The social policy impetus

In fact, it is in political developments that answers can be found for this specific welfare development. The point acknowledged by Glatzer is insightful: «Democracy by coup d'état led by a left-wing revolutionary military remains exceedingly rare» (Glatzer 2005: 111). The military revolution that finished the longest dictatorship in Europe was indeed a very peculiar development in a late twentieth century capitalist Europe and it was natural that it would give birth to further developments. Considering the contrast with the conservative right-wing dictatorship, its left-wing nature and the radical developments that followed were fundamental to different outcomes in regards to welfare state policy. An analysis of the political discourse present in the constituent assembly and on the final product of that organ – the 1976 Constitution – provides insight and more perspective on how neoliberal ideas were completely blocked and how a choice towards welfare development with strong social democratic welfare system features was pursued.

The social and political bias of the discourse in the constituent assembly is explicit. Even what might be characterized as moderate/conservative parties such as PPD developed an undeniably strong emphasis on social and civic rights. The deputies interpreted them as key to development, alongside the duties of the state to socialize medicine, education, urban space, housing, and of course, social security. This is not new since, as Haan underlined in his research, postwar welfare developments involving more conservative political forces accounted for the development of a social order flavored by socialist proposals (Haan 2012: 300). Consequently, there was a social consensus regarding

(13) My translation.

a more progressive social policy. In Portugal, that consensus was borned from the need to emphasize a contrast with the Estado Novo. At the time, the predominant idea was that years of state absence in the role of alleviating social problems and constructing social policy in general should be opposed by an interventionist state that could assume the responsibility for the welfare of the people. Moreover, a deeper look at the ideas exposed in the assembly makes the left-wing positions evident, especially with regard to the collectivization of the means of production, worker participation in company administrations and the participation in the structure of institutions that deal with basic sectors of economic life such as finance, natural resources, and defense (Assembleia da República 1975: 482).

Alfredo de Sousa (PPD) provides insight into the economic projects of his party, namely the socialization of the means of production, economic planning, although democratic and decentralized, agrarian reform, and modification of the concept and nature of companies and workers involvement in that process. Ideas that together with similar approaches to healthcare, education and social security could pave the way to what would be, in his view, an equal society, under a «social-democrat project» (Assembleia da República 1975: 547). In fact, as Esping-Andersen explained

[...] the transition is a period of continuous political modification in which emerging political parties try to define themselves aiming to future electoral completion. Likewise, it is most likely a particularly intense period of popular demands towards the repair of old injustices and the satisfaction of long before repressed necessities (Esping-Andersen 1993: 594).

The importance of those demands in political speech is evident. On multiple occasions, the question of universal rights (specifically social rights) and social security and healthcare is underlined by many deputies and reflected in their proposals during the constituent assembly (Assembleia da República 1975: 28/08/75, 19/09/75,

10/09/75). Furthermore, for a full commitment to universal security, the constitution should entail a complete protection provided by the state against «[...] old-age, disease, disability, widowhood, orphanhood and unemployment, through means of hospital and medical care, pensions, subsidies, allowances or other tools that the law can create»⁽¹⁴⁾ (Assembleia da República 1975: 1253). The general welfare commitment is clear, however, it is essential to understand how politics in Portugal opposed specific ideas of neoliberal discourse.

Evidence has suggested that this social policy impetus during the two first years after the revolution was developed with no neoliberal influence. Deputy Furtado Fernandes (PPD) built a strong critique on «liberal» ideas, arguing that they «multiplied inequalities, economic and political dependency, alienation and social disintegration everywhere. And it threatens the future of mankind [...] not liberal or neoliberal, PPD is a party devoted to the construction of a socialist society»⁽¹⁵⁾ (Assembleia da República 1975: 1243). The antagonism with neoliberalism is categorical. That rejection can be justified by the prevalence of leftist ideologies, which rose as the stronger opposing ideas against the previous conservative right-wing regime. It can be deduced that in the first years of democracy, there would be a deep rejection of everything that might reflect more conservative concepts, something that helps to explain not only the revolutionary discourse but also the more progressive positions of certain political actors.

José Luís Nunes (PS), in the first legislative session, expressed his view that Portugal was a country in transition to socialism, a socialism that would end the «exploitation of men by men». The major social powers aimed at the success of that transition would be the rural workers, the laborers, small and medium-sized entrepreneurs and industrials, middle class, revolutionary intellectuals and the MFA. They were seen as opposed to the monopolies and large properties, something accepted by neoliberal ideas (Assembleia da República 1975: 1976). He also expressed as a crucial condition for that success a planned economy with an «anti-monopoly» essence and agrarian reform developed by workers based on the «[...] expropriation of the large estates» (Assembleia da República 1975: 1976). Thus, an emphasis on a planned economy and a trend against

(14) My translation.

(15) My translation.

economic monopolies became visible ideas defended in the constituent assembly. The intervention of Alfredo de Sousa, presented earlier, is also a suitable example of this tendency.

In addition, while neoliberals seemed to consider the potential power of the trade unions as harmful because of their influence on wage policies, Portuguese politicians saw union and even employee's involvement in the management of social security and labor politics as a fruitful exercise. The party MDP⁽¹⁶⁾ even considered that unions should have an exclusive participation in social security institutions – «And why? Because we think that social security exists precisely to and for the workers»⁽¹⁷⁾ (Assembleia da República 1975: 160).

A very important aspect was the nationalization objectives. Earlier it was shown that Neoliberal economists saw free market mechanisms as the best option for a large part of the social and economic problems, but the ideas that were dominant during this period in Portugal were completely opposed to the predominance of free markets and private property. The provisory governments, as mentioned before, nationalized the banks, however, the nationalization and state intervention policy went beyond that. The leading policy in Portugal in those first years following the Carnation Revolution was aimed at expropriating large possessions, at the socialization of healthcare, the nationalization of the means of production, and the financing of social security by the state (Assembleia da República 1975: 409; 3169; 482; 647; 1719).

These were actual objectives that highlight the picture of a revolutionary and radical environment in which the Constitution was written. Yet how were those ideas translated into law by the 1976 Constitution? Given the weight of leftist ideas in the constituent assembly and in the country itself, the document approved on the 2nd April 1976 was significantly leaned toward a left-wing ideology, and so it can be considered a document in opposition to neoliberal thought. It should be stated that its first revision was only made in 1982. As Esping-Andersen notes, «[...] the 1976 Constitution and ulterior reforms gave so much relevance to social policy». In reality, the first article of the document was sufficiently clear – «Portugal is a sovereign Republic, based on the dignity of the human being and on the will of the people, committed to

(16) Movimento Democrático Português - Portuguese Democratic Movement.

(17) My translation.

its transformation into a society without class division»⁽¹⁸⁾ (Constituição da República Portuguesa 1976: Article 1).

The document expressed the objective to make Portugal a socialist society (Constituição da República Portuguesa 1976: Article 2), where the working classes could possess a democratic political power. To accomplish that, the state had the duty to socialize the means of production and wealth, to create conditions that could lead to the promotion of welfare and a higher standard of living for the people with special emphasis on the working class. (Constituição da República Portuguesa 1976: Article 9). This socialist influence can be considered essential when explaining why despite suffering the same economic troubles as other countries, Portugal deliberately enacted a countercyclical welfare expansion. Again, the previous establishment had significant influence: the Estado Novo at its ideological core represented socialist ideas as the main enemy to be dealt with – «To the Marxist and atheist socialism, [the Estado Novo] opposed, in time, the revolutionary proselytism of the Social State, traditionalist and Christian»⁽¹⁹⁾ (Assembleia da República 1975: 1243). Heavy repression for decades ended up reflecting a natural prominence of those ideas when the regime was deposed, and the 1976 Constitution represented an altogether new set of ideas as it came into being. Regarding those ideas in the constitutional law, «[...] the political and democratic bodies should consider themselves political and legally bound to actually fulfill them»⁽²⁰⁾ (Nunes 2013: 44).

In terms of the welfare state, the Constitution was a very strict document. Besides declaring the fundamental rights, the constitution stated the right to a universal, general and free national healthcare service, the right to housing, with dignifying comfort and hygiene conditions ensured by the state, through social housing programs, and the reformulation of urban transport networks and social equipment (Constituição da República Portuguesa 1976: Articles 9, 64 and 65). Moreover, the 63rd article ensured the right of every citizen to social security. It professed as the duty of the state to «[...] organize, coordinate and subsidize a unified and decentralized social security system in accordance with the participation of the unions, associations, and other workers institutions». Potential

(18) My translation.

(19) My translation.

(20) My translation.

private institutions with these purposes were allowed, nevertheless, they had to be regulated by law and were submitted to the inspection of the state. The system would guarantee protection for the citizens in cases of disease, disability, old age, orphanhood, widowhood and unemployment. The constitution also declared the protection in all circumstances where there might be a lack or diminution of basic means of survival. The gradual institutionalization of a welfare state system was visible and one characteristic that must be highlighted is the responsibility of the state to finance such a system – contrary to neoliberal mechanisms and to the general western economic tide.

Along with these reforms, economic planning and nationalization were imperative to the Constitution's goals. «The development of the revolutionary process demands, in the economic plan, the collective appropriation of the main means of production»⁽²¹⁾ (Constituição da República Portuguesa 1976: Article 9). Furthermore, economic planning and nationalization were spread throughout various features of the economic and social structure. Worker commissions, social security institutions, or healthcare institutions should elaborate economic plans (Constituição da República Portuguesa 1976: Articles 23, 55 and 58). Likewise, articles 91 and 92 show that an economic plan was one of the objectives most emphasized by this Constitution. In fact, the document declared the creation of a major plan that would guide the economic structures towards the construction of a socialist economy. More than that, the plan had an «imperative character», controlling the public sector and defining the guiding lines of potential private enterprises (Constituição da República Portuguesa 1976: Articles 91, 92). Again, the opposing trend to neoliberal ideas is strong, since private solutions were the focus of economists such as Friedman as were the objections to a planned economy, signs of state intervention and regulation.

One of the most important political dimensions that was totally opposed to what neoliberalism recommended was the employment policy, which was designed to protect the employees. In fact, more than a «protoright», the Portuguese constitution unilaterally declared employment a constitutional right. In the context where the full employment policy of the postwar settlement had come to an end in order to protect inflation, this was a significant alteration. «It is up to the

(21) My translation.

state to ensure the right to work, through the application of economic and social policy plans»⁽²²⁾ this article, besides showing a clear advance regarding matters such as genre equality or professional qualification, emphasized the objective of full employment policies and the right to material assistance to those unemployed. Additionally, a second section of this new provision declared unilaterally the forbiddance of firing without just cause, a rule that neoliberalism is specifically opposed to, due to its core argument that state regulation should be totally replaced by free market mechanisms and rules.

Many of the ideas established during the revolutionary period came to be legalized through the 1976 Constitution. The crucial document of the new regime posed a significant and singular antithesis to the widespread rising dominance of neoliberal ideas. This renunciation, even at a time of economic and financial instability and welfare cuts all over the West, showed that Portugal paved the way for the establishment of a modern welfare state. The political rejection of neoliberal ideas continued due to the lasting influence of the revolutionary «[...] singular founding moment» (Fishman, 2005: 40).

The antithesis to neoliberal thought

This section considers a specific dimension of the welfare state – healthcare. At this moment, it is important to develop a more particular analysis on one specific element of the welfare state, in order to give the argument more depth and insight. What is the case with Portuguese health and what was the influence of neoliberalism ideas is the main question. The SNS discussion began almost at the same time as the Carnation Revolution triumphed.

During the discussion of the constituent assembly, deputy Miller Guerra (PS) summarized with a few main points the situation of healthcare in Portugal inherited from the dictatorship. It is worthwhile to underline his arguments: the lack of a single health structure with a focus; the heavy imbalance regarding the distribution of human capital (few or no doctors in many interior regions). According to him, the Estado Novo system used to be divided in three distinct structures: one organized by the state («which only crudely can be called a hospital

(22) My translation.

network»), one partially delivered by the state and one organized by the private institutions. The latter being accused of taking large profit from a population that had no other solution than to turn to the private sector. (Assembleia da República 1975: 1719) According to Paulino de Sousa, in 1970 Portugal had one of the worst infant mortality rates in Europe at 58,6‰. Only 37% of childbirths happened in hospitals (Sousa 2009: 886). The severity of the situation coupled with the regime's desire for legitimacy, lead to deep social reforms.

It was the ideas leading the assembly, motivated by previous arguments, which built a progressive article in the Constitution regarding healthcare. In fact, the leftist tendency that dominated the constituent assembly was visible in healthcare issues: «True equal access to medical services is only possible through a socialist society. However, as healthcare is an inestimable good, the socialization of medicine must precede, or go along with, the general socialization»⁽²³⁾ (Assembleia da República 1975: 1721). Thus, the first and second sections of Article 64 of the 1976 Constitution emerged from the approval of the constituent assembly and declared that «Everyone is entitled to the right of healthcare and to the duty of defending it and promoting it. [...]». More than that, it stated that

The right to healthcare is achieved through the creation of a universal, general and cost free national healthcare service, through the creation of economic, social and cultural conditions that can ensure protection from childhood to old age, and through the constant improvement of living and working standards. As well as through the promotion of a scholarly, popular physical and sportive culture, and also through the development of sanitary education for the people⁽²⁴⁾ (Constituição da República Portuguesa, 1976: Article 64).

Moreover, under constitutional law, the state had the obligation to grant access to preventive care for all citizens, and medical assistance for healing and rehabilitation regardless of their economic condition, to ensure rational and efficient medical and hospital coverage in every

(23) My translation.

(24) My translation.

territory, to aim its policy towards the socialization of medicine and the medical supply sector. Moreover, it had the duty to discipline and control private medicine, and to join it with the national healthcare service, and to discipline and control the production, commercialization and use of chemical, biological, and pharmaceutical products and other means of treatment and diagnosis (Constituição da República Portuguesa 1976: Article 64). These prerogatives ensured a very progressive type of healthcare system, which displays a qualitative emphasis regarding the development of this particular welfare dimension.

Given the universal essence, the cost free nature, and the leading role of the state (contrary to neoliberal ideas), one might ask if quantitative data corroborates a real growth in healthcare after the revolution. OECD data shows that in 1970, Portuguese health expenditure was 2,6% of GDP. In 1975, the number had increased to 5,4% and in 1980 to 5,6 %. In terms of public expenditure on healthcare, there was a clear growth trend where in 1972, Portugal public spending on health was 1,6% of GDP rising to 3,2% and 3,6% in 1975 and 1980 respectively (Sousa 2009: 889). Factors other than social expenditure numbers are central to the achievements that can be attributed to healthcare reform. Life expectancy, both for men and women, increased five years between 1970 and 1985; the child mortality rate at 55‰ in 1970 dropped to 18‰ in 1985. As for location of birth⁽²⁵⁾ in 1970, around 110,000 babies were born at home and 65,000 at a hospital, but by 1985, 20,000 births occurred at home and around 110,000 at a hospital (INE 2014: 61). Furthermore, data has showed a health growth also at the level of personnel, namely doctors, which underlines this improvement trend⁽²⁶⁾.

It can be argued that this healthcare improvement trend was already present in the last years of the dictatorship, due to the reformatory wave of Caetano's first attempts to modify healthcare. However, an analysis of different sources, such as Pordata portrays a much more positive trend after the revolution. The data collected shows a trend of increasing expenditure before the revolution: for instance in 1972, the state spent the equivalent of 2,8 million Euros⁽²⁷⁾ on health nearly doubling to 5

(25) See Figure 6.

(26) See Table 9.

(27) Despite that the currency at that time was the previous Portuguese «Escudo», this data source converted the value to «Euros».

million in 1973. Nevertheless this number increased to 7 million a year later and 9,5 million in 1975, and, despite a decrease to 9,1 in 1976, as history approached the approval of the SNS law in 1979, a particularly pronounced increase in those values is visible. In 1977, expenditure reached 61,6 million; in 1978 it rose to 133,2 million; in 1979 another increase brought the total to 188,5 million reaching 234,8 million in 1980⁽²⁸⁾. In terms of government expenditure with health as a percentage of GDP, this source showed a trend of upward growth. In 1972, Portuguese public spending on health was 0,2% of GDP. That percentage rose to 0,4% in 1975 and 2,8% in 1980⁽²⁹⁾. The ratio of government expenditure per capita on health was 0,3 in 1972, increasing to 1,0 in 1975. It is clear that the following years presented a more pronounced increase when in 1980 the ratio reached 24,0, an increment that can be tied to the creation of the SNS which rose to prominence during the following decade⁽³⁰⁾.

These data elements show that together with the qualitative welfare construction, health quantitative improvements were actually being made. However, the decisive turning point for healthcare in Portugal was the approval of the SNS law and its institutionalization in 1979. Despite the mandatory creation of a national health service present in the constitution, it was only three years later that the system was created. The delay was undeniably caused by political instability «Between 1976 and 1983, the country had nothing less than 10 governments, two of which were functional and three of which were presidential nominations»,⁽³¹⁾ (Varela and Guedes 2011: 77). In fact, the draft of the law was laid to public discussion in 1978, through the efforts of the II Constitutional Government's Minister of Social Affairs, António Arnaut. Yet, the mentioned instability brought a new government to office, suspending for months the discussion of the new law (Assembleia da República 1975: 1254). This changed on May 17 1979, after a fierce discussion during the previous months in parliament when the law that created the SNS was approved. It is important to say that the document was approved by the left-wing parties, rejected by the CDS (a right-wing party), and obtained

(28) See Table 3.

(29) See Table 5 and Figure 4.

(30) See Table 6 and Figure 5.

(31) My translation.

the abstention of the PSD (a center-right party at the time) (Assembleia da República 1975: 2149).

The document was not influenced by neoliberal ideas, such as private solutions, deregulation, market mechanism or means-tested eligibility, for example. The Western trend of welfare state review, supported by a strong ideological corpus embodied in neoliberal thought, showed little relevance to the development of healthcare in the Portuguese welfare state. Its law probably could have been developed in a different political context but hardly in such a progressive way. One of the main characteristics of the law was that it defined the government as fully responsible for the healthcare policy. State regulation would be the motto for Portuguese healthcare. Furthermore, Article 50 (concerning financing) declared: «It is the duty of the State to allocate the indispensable financial resources to the SNS in order to secure its progressive implementation and consummation»⁽³²⁾ (Projecto de Lei do Serviço Nacional de Saúde 1978: Article 50).

Article 4, in accordance with Article 64 of the 1976 Constitution, regarded the system as accessible to all citizens, irrespective of economic or social condition. Additionally, the service was granted to foreigners and all stateless and political refugees. These guarantees could not be restricted in any way, requiring the service to provide an extensive series of medical care considering the «[...] promotion and vigilance of health, prevention of disease, diagnosis and treatment of the patients as well as social and medical recovery»⁽³³⁾ (Projecto de Lei do Serviço Nacional de Saúde, 1978: Article 4). Portugal approved a system that was both universal and totally financed by the state, something that was countercyclical to the discourse that was starting to prevail in the West.

Regarding the British NHS Richard Clayton and Jonas Pontusson's stated, «While fees in the NHS increased from 1.9 percent of total spending in 1979 to 3.2 percent in 1994, the role of private enterprise within the healthcare sector increased considerably under Thatcher and Major. This [accounted for a] combination of underfunding, increased fees, distorted priorities [...]» (Clayton and Pontusson 1998: 86).

(32) My translation.

(33) My translation.

In the Portuguese case, private practice was considered, and it was given space for a complementary existence. Nevertheless, those services should always be submitted to the «discipline» and control of the state (Projecto de Lei do Serviço Nacional de Saúde 1978: Article 52). In the spirit of the 1976 Constitution, «It is given to the patients and healthcare professionals the right of participation in planning the administration of services»⁽³⁴⁾ (Projecto de Lei do Serviço Nacional de Saúde 1978: Article 23). To accomplish this, the National Healthcare Council and regional local councils were created. Similarly, Article 7 declared that access to healthcare should be cost free inside the system, considering the eventual existence of symbolic moderating values, in order to rationalize the use of some services (Projecto de Lei do Serviço Nacional de Saúde 1978: Article 7). The outline of the document demonstrates a clear compromise towards a progressive healthcare commitment, which undeniable delineates a demarcation between other healthcare paths and the Portuguese one. Thus, healthcare, resonances significantly the distinctiveness of the Portuguese welfare development characteristics. The 1970s in Portugal establish a clear demarcation line with considerable elements of the dominant economic and social ideas, notably regarding the welfare state.

Conclusion

Trends, scales and limits can outline the boundaries of physical, ideological, temporal and identity aspects. In fact, there are multiple structured boundaries and limits concerning the welfare state. Notably, Esping-Andersen theorized a solid demarcation founded on the scales of social benefits and limits provided by the welfare states of different countries (in the West). Thus, he elected three regimes, the Liberal, the Corporatist, and finally the Social-Democratic, connected to obvious geographic territories. Building on that, Pedro Adão e Silva underlined and argued the necessity of a South European variety, whose identity is more related to social and political factors and less with geographical ones. These typologies were not an existing concern for this research per se. However, the possibility of a broader spectrum of realities and

(34) My translation.

territories (Spain and Greece, for instance) in which the singularity of the Portuguese case can also be reproduced is a tempting one.

While that possibility needs further research, the Portuguese case is a good starting point. Portugal at the end of the 1970s and beginning of the 1980s establishes new scales of influence and limits/constraints regarding welfare state retrenchment phenomena. At least for a few years, the implausible Portuguese welfare state, inaugurates the identification of new boundaries in political and ideological context, where a framework of welfare growth is bordered in opposite direction to the general occidental trends.

The specific political transformations in Portugal, namely the revolutionary shift from a 40 years conservative dictatorship with very a poor social/welfare approach, to a democracy founded on a leftist revolutionary moment allowed this country, even in economic difficult times where – «[...] pressure to reduce budget deficits is high», to build a welfare state from scratch. Moreover, it allowed Portugal to embrace a deviant path from the general retrenchment atmosphere. That retrenchment momentum collided with the Portuguese frontier, and with the political context. The political ideas and institutions enhanced by the Carnation Revolution outline a clear limit to the influence of western retrenchment factors, namely neoliberal ideas, the factor that we elect to highlight in this article.

Furthermore, those institutions, and notably the 1976 Portuguese Constitution (written and voted during a very specific moment) can be identified as a limit to profound political modifications regarding welfare. In fact, further investigation is needed regarding the extent and influence of the limits posed to political change on welfare institutions, specifically in healthcare. The frontier established by the late 70s institutional arrangements would be threatened in later years by the same factors that influenced welfare retrenchment in other countries. Were those limits crossed?

Even today, sections of the Portuguese political spectrum underline the «limits» and constrains posed by the 1976 constitution to some policies and highlight a constant revision necessity and, from time to time, to write a new one. In a XXI century so deeply influenced by austerity, how long and how can the 1976 frontier hold?

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Appendix

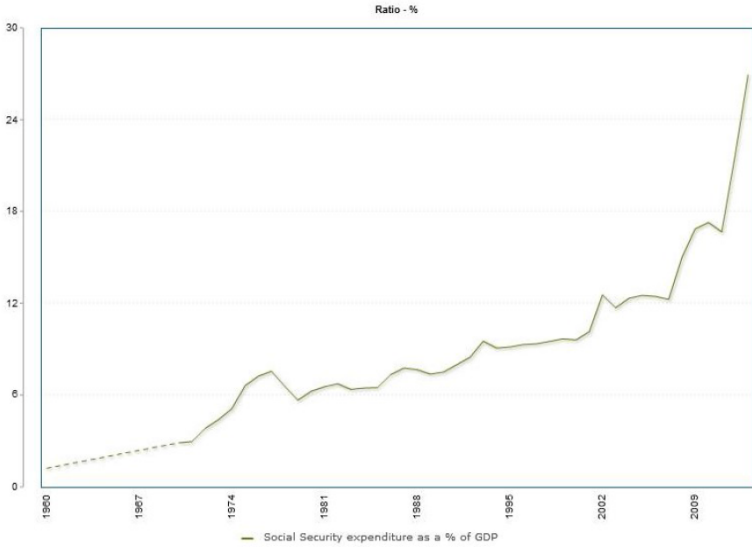


Figure 1 – Social Security Expenditure as a % of GDP in Portugal between 1960 and 2009 (Source: Pordata - Portuguese Contemporary Database)

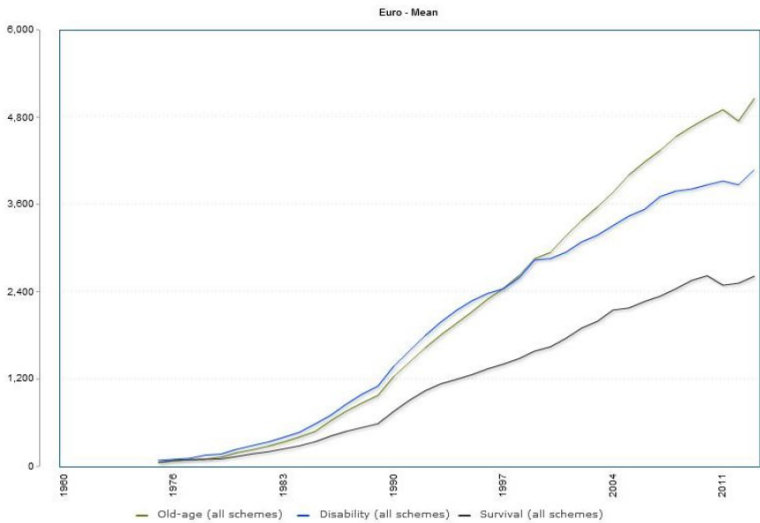


Figure 2 – Average Annual Social Security Pension: Total, Survivors, Disability and old-age (Source: Pordata - Portuguese Contemporary Database)

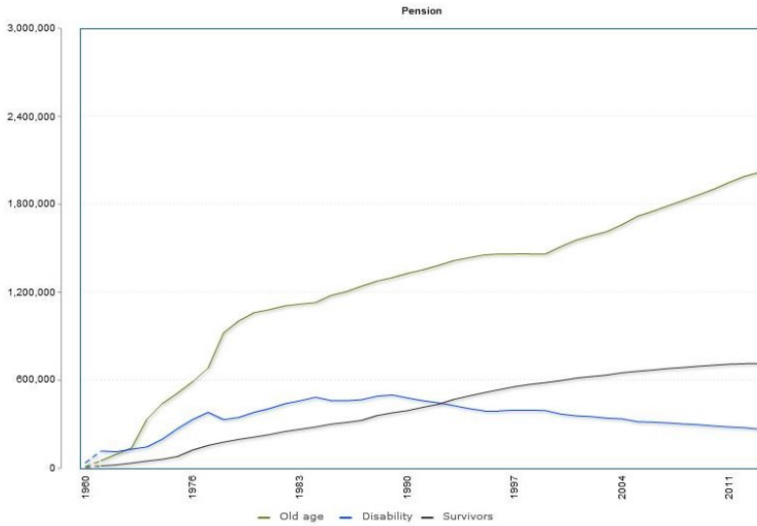


Figure 3 – Minimum Monthly Amount of Pensions of the Public Administration Retirement Fund: Retirement, Forces, Disability and Survivor Pensions (Source: Pordata - Portuguese Contemporary Database)

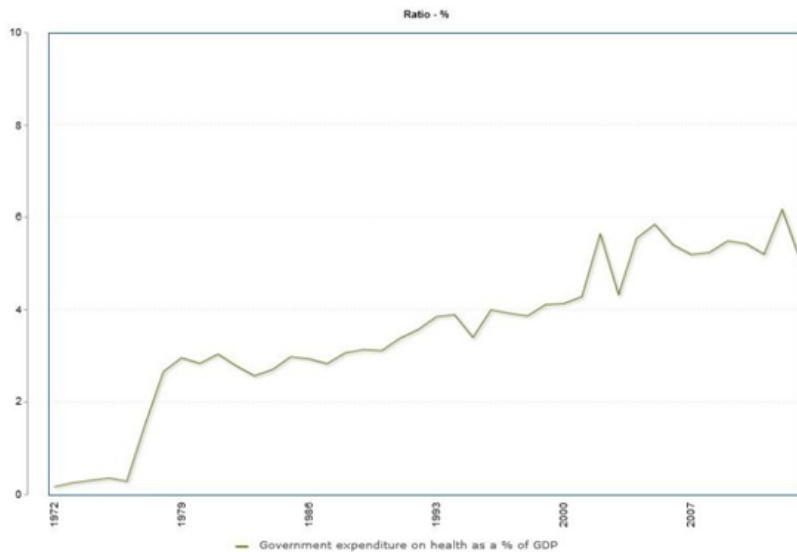


Figure 4 - Government Expenditure on Health: Budget Execution as a % of GDP: (Source: Pordata - Portuguese Contemporary Database)

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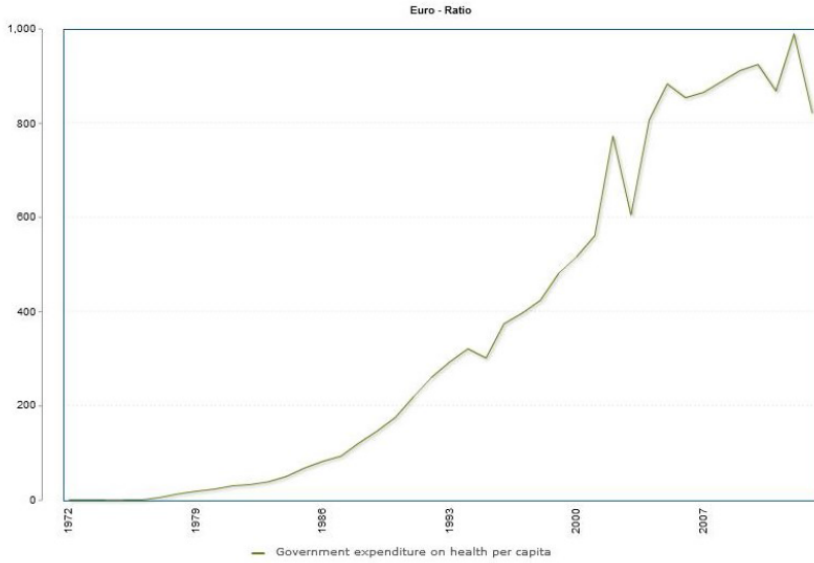


Figure 5 – Government Expenditure on Health: Budget Execution Per Capita (Source: Pordata - Portuguese Contemporary Database)

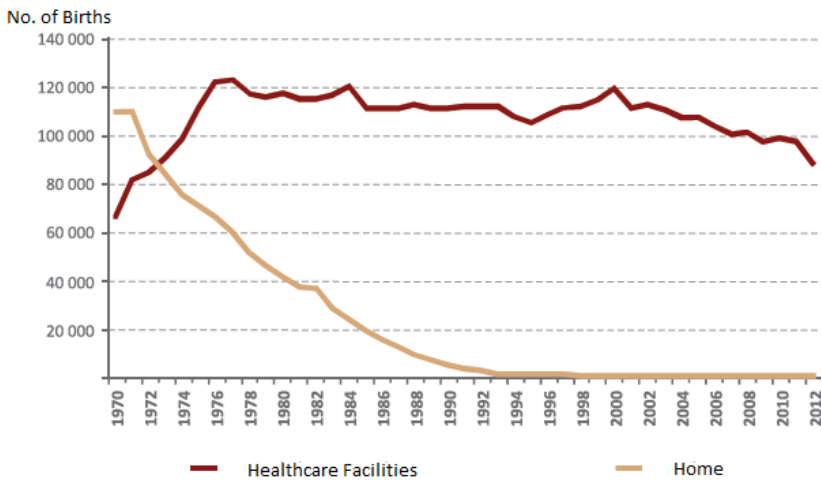


Figure 6 – Number of Births by location (Source: INE, Instituto Nacional De Estatística, 25 de Abril – 40 Anos de Estatísticas, (Lisboa, 2014))

Table 1 – Public Administration Retirement Fund: financial contribution per subscriber (Euro - Mean) - (Source: Pordata - Portuguese Contemporary Database)

Years	Average Financial contribution per subscriber
1965	6.1
1966	6.0
1967	6.4
1968	6.9
1969	6.6
1970	8.6
1971	9.4
1972	10.1
1973	11.1
1974	13.9
1975	20.6
1976	26.1
1977	34.6
1978	39.0
1979	44.5
1980	63.0
1981	81.0
1982	94.6
1983	118.5
1984	135.3
1985	192.0

Table 2 – State expenditure on Public Administration General Services (Euro - Millions) - (Source: Pordata - Portuguese Contemporary Database)

Years	Public Administration General Services
1972	25.6
1973	27.5
1974	32.5
1975	53.7
1976	129.8
1977	167.4
1978	220.4
1979	305.0
1980	446.6
1981	531.3
1982	618.9
1983	787.4
1984	930.2
1985	1381.7

Table 3 – Government Expenditure on Health: Budget Execution (Euro - Millions) - (Source: Pordata - Portuguese Contemporary Database)

Years	Government Expenditure on Health
1972	2.8
1973	5.0
1974	7.0
1975	9.5
1976	9.1
1977	61.6
1978	133.2
1979	188.5
1980	234.8
1981	302.2
1982	335.3
1983	394.3
1984	510.5
1985	690.7

Table 4 – Government Expenditure on Education: Budget Execution (Euro - Millions) - (Source: Pordata - Portuguese Contemporary Database)

Years	Government Expenditure on Education
1972	22.3
1973	24.7
1974	30.4
1975	50.2
1976	70.0
1977	120.5
1978	143.2
1979	174.1
1980	258.5
1981	322.3
1982	393.6
1983	483.9
1984	575.3
1985	708.1

Table 5 - Government Expenditure on Health: Budget Execution as a % of GDP (Ratio - %)
- (Source: Pordata - Portuguese Contemporary Database)

Years	Government Expenditure on Health as a % of GDP
1972	0.2
1973	0.3
1974	0.3
1975	0.4
1976	0.3
1977	1.5
1978	2.7
1979	3.0
1980	2.8
1981	3.0
1982	2.8
1983	2.6
1984	2.7
1985	3.0

Table 6 – Government Expenditure on Health: Budget Execution per Capita (Euro - Ratio)
- (Source: Pordata - Portuguese Contemporary Database)

Years	Government Expenditure on Health per Capita
1972	0.3
1973	0.6
1974	0.8
1975	1.0
1976	1.0
1977	6.5
1978	13.9
1979	19.5
1980	24.0
1981	30.7
1982	33.8
1983	39.6
1984	51.1
1985	68.9

Table 7 – Minimum Monthly Amount of Pensions of the Public Administration Retirements Fund: Retirement, Forces, Disability and Survivor Pensions (Euro) - (Source: Pordata - Portuguese Contemporary Database)

Years	Retirement, Forces, Disability Pensions	Survivor , War and Other Pensions
1974	8.2	4.1
1975	8.2	4.1
1976	8.2	4.1
1977	16.0	8.0
1978	16.0	8.0
1979	16.0	8.0
1980	23.4	11.7
1981	27.6	13.8
1982	35.3	17.6
1983	41.3	20.7
1984	47.0	23.5
1985	56.5	28.2

Table 9 - Medical Doctors per 100 000 Inhabitants (Source: INE - Statistics Portugal)

Data reference period	Medical doctors per 100 000 inhabitants (No.) by Sex; Annual
1980	197
1979	186
1978	166
1977	145
1976	126
1975	119
1974	X
1973	106
1972	104
1971	98
1970	94

Table 10 – Social Security Expenditure as % of GDP (Source: Pordata - Portuguese Contemporary Database)

<i>Years</i>	<i>Social Security Expenditure as % of GDP</i>
<i>1970</i>	<i>2.0</i>
<i>1971</i>	<i>3.0</i>
<i>1972</i>	<i>3.8</i>
<i>1973</i>	<i>4.4</i>
<i>1974</i>	<i>5.1</i>
<i>1975</i>	<i>6.6</i>
<i>1976</i>	<i>7.2</i>
<i>1977</i>	<i>7.6</i>
<i>1978</i>	<i>6.6</i>
<i>1979</i>	<i>5.7</i>
<i>1980</i>	<i>6.3</i>
<i>1981</i>	<i>6.6</i>
<i>1982</i>	<i>6.7</i>