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

Texto recebido em / Text submitted on: 28/03/2017
Texto aprovado em / Text approved on: 21/06/2017

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

https://doi.org/10.14195/2183-8925_35_4
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.
Trend, scale and limit. Portugal and the end of the «golden age» of welfare state

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