

## **Chapter 2**

### **Emergence and Consolidation of the Portuguese Model of Welfare Provision**

#### **Introduction**

The welfare production within the Portuguese society has been described as an example of a relatively coherent circle that articulates a weak welfare state with a strong welfare society (Santos 1990; Hespanha 1993; Sapelli 1995; Ferrera 1996(b)). This chapter addresses the logics of that relatively coherent circle and discusses the Portuguese model as a reflex of long-standing path-dependent and self-reinforcing factors.

The main argument put forward throughout the chapter is that it is possible to identify a set of events in the recent history of Portugal that explain, or at least provide, a rationale for the path of development of welfare provision and, in particular, that account for the type of welfare state that has emerged in the national context. Among the events that are considered to explain the distinctive traits of the Portuguese system of welfare provision some have played a crucial role and are discussed in this chapter.

The most relevant element in the Portuguese political history of the 20<sup>th</sup> century has certainly been the long lasting conservative dictatorship that remained in place from 1929 to 1974. The imprints left by that regime have outlasted it and to a large extent remain present in today's Portugal. These include: the resilience of a rural economy; the incipient industrialisation and as a consequence the limited expression and influence of trade unions and labour movements; the weak urban network; the passage to a post-fordist economy of an economy that was never fordist; the fragmented development of social policies under the principle of subsidiarity; the weak state apparatus and the non-consolidation of a culture of rights. These and other related forces largely explain the path of development of the welfare state in Portugal and the difficulties in deviating from that path in recent times.

The first section of the chapter summarises briefly the historical process of emergence of the welfare state in Portugal by highlighting its main determinants and discussing the path-dependent character of the problems it has to face in recent years.

The second section of the chapter moves on to a discussion about the familialist character of the Portuguese welfare state. In this section, I will resort to some cross-national comparisons to highlight the distinctiveness of the Portuguese case. It is in this section that I address the problematic nature of service provision within the Portuguese welfare state as well as the sociological concept of welfare society and its adequacy to account for the Portuguese reality.

The third section addresses the role of the private sector in the global system of welfare provision in Portugal, with a special emphasis on the non-profit sector. In a scenario of weak state provision and familialisation of welfare provision, the Portuguese non-profit sector shows as an extension of the state apparatus, reproducing its logics and orientations and operating as a minimum formal network of service provision that answers the needs of those deprived from family resources. I introduce here a discussion about the prominent role of the Catholic Church in this sector and the consequences of that in terms of the general model of welfare provision.

This chapter, and chapter 3 that follows, were elaborated using documental information gathered as explained in the methodological note in appendix 2.

## **1. The emergence and consolidation of the Portuguese welfare state**

Portugal is one of the most ancient nation-states in Europe and simultaneously one of its youngest democracies. According to European standards, it is a small and poor country, and yet less than 40 years ago it was the last multi-continental empire in the world. Today Portugal is a society divided between tradition and modernity. It has shown, in the last 30 years, one of the fastest rates of growth in the western hemisphere, and yet it still shows, among the European family of countries, the highest level of social inequalities.

Some Portuguese analysts say that nowadays Portugal is one of the most peripheral countries in the centre (Santos 1990; Barreto 1996). In fact, Portugal is geographically, politically and culturally part of one of the most important centres of the world: the EU. As such, Portugal has assimilated at a very fast pace with the behaviour of that space, namely in what concerns the spread of urban life styles, the dissolution of the traditional family, the inclusion of women in the labour market, the desertification of rural areas, among other indicators. However, if these changes

could take place in a very short period of time, the same cannot be said about the modernisation of the economic structures and of the political institutions. The welfare state model that has emerged in Portugal, and that has been maturing during the last 30 years, is a direct reflex of that.

Discussing the process of emergence of the welfare state in Portugal is done highlighting the structural opposition between path-dependent developments in basic institutional arrangements and the impact of windows of opportunity for institutional change and innovation.

There are two structuring elements in the Portuguese system of welfare provision. On one hand, it is a system with a weak state apparatus that emerged late in time and that has never fully matured. On the other hand, it is a system where the informal dynamics of exchange of help have remained strong for a long time and have somehow compensated for the weaknesses of the state. This balanced relationship between state and informal solidarity is further reinforced by the non-profit private sector. This sector developed as a para-governmental sector and guarantees for the minimum provision of services, without expanding the state apparatus and without questioning the principle of subsidiarity that is the basis of the global system of welfare provision.

There is a clear time-lag element in the development of the welfare state in Portugal. Portugal is often pinpointed as a latecomer in the family of welfare states and the main reason for that is the fact it is a latecomer to modernity itself.

In most advanced democracies, the emergence of the welfare state project is profoundly linked to the emergence of the industrial economy, to urbanisation, to a set of demographic dynamics and to changes in family organisation and formation. The late process of modernisation of the economic, social and political structures of the Portuguese society explains largely the time-lag element mentioned above.

The reasons for the late modernisation of Portugal are multiple and mostly associated with the historical path that characterised the 20<sup>th</sup> century in that country. That was a path marked by a long lasting non-democratic political regime of a conservative nature; by strong and persistent traits of rurality in a territory of very weak urbanisation; and by a late and incipient industrialisation.

### 1.1. The first steps towards social protection: the compulsory social insurance system of Salazar's dictatorship

All along its history, and more or less till the middle of the 19<sup>th</sup> century, there was no significant movement at the level of the civil society to insure social risks. Social protection was dealt with on the basis of charity and assistance, with the Catholic Church having a major role in that process. It was only by the mid 19<sup>th</sup> century that some initiatives of social protection started to emerge, taking the form of associations of mutual help (*Associações de Socorros Mútuos*). These organisations were created to tackle the new realities brought about by the expansion of the manufacturing industry, namely the increase in professional instability and the higher exposure to social risks<sup>1</sup>.

However, till the beginning of the 20<sup>th</sup> century, the involvement of the state in this sector was insignificant. In 1919, already after the implementation of the Republican system<sup>2</sup>, the Portuguese state decided upon the creation of compulsory social insurance systems. The main goal was to tackle the insufficiencies of social protection provided by the associations of mutual help. These social insurance systems should cover the risks of disease, work related accidents, disability, old age and death. The population to be covered by the social insurance systems should include all individuals aged 15 to 75, and the benefits should be paid as long as the annual income of the beneficiary would not surpass a certain fixed amount. The funding of the system was guaranteed by the contributions paid both by employees and employers, and the funds were managed according to a method of capitalisation. The state would act as the guarantor of the system.

This first attempt to create a social protection system failed, mostly due to the absence of a compatible administrative body, but also because of the political instability of those early years of the republic and the lack of sufficient funds.

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<sup>1</sup> These associations of mutual help can be considered as an incipient expression of what would later be a system of social insurance organised around corporations. On a voluntary basis, workers in certain professional areas (mainly industrial work) would pay a certain *premium* to an association (*Associações de Socorros Mútuos*) and benefit from help in the event of income loss due to work accident or death. The functioning of these associations, though, still involved a strong charity imprint.

<sup>2</sup> The Republican system was implemented in Portugal in 1910, after almost 100 years of constitutional monarchy. The first attempts to implement a democratic system, despite the goodness of the principles that were guiding the political actors of the time, would soon show their weakness when called to tackle the economic problems that affected the country and that would be aggravated by the 1929 crash. The rise of Salazar, initially as a minister of finance, and later as head of a conservative dictatorship, was made possible to a large extent by the inability of the young republican system to tackle the economic problems of that time.

Therefore, it is usually found in the literature that the first significant system of pensions created in Portugal was founded in 1929. It had the designation of *Caixa Geral de Aposentações (CGA)*, General Fund for Retirement, but it only included public servants. It keeps the same designation today. For the private sector, a system of compulsory social insurance was created in 1933, but implemented in 1935. This system was based on institutions of providence, organised around occupational affiliation, and was financed by capitalisation. The social insurance would insure the risks of old age, disability and sickness, but only for workers in the manufacturing or in the services sectors.

The main structural characteristics of the system in place during the following 40 years can be summarised under three points<sup>3</sup>.

All along the “*Estado Novo*” period, social protection and social assistance were subordinated to the principle of subsidiarity in its purest form. The state did not intervene in the provision of welfare to individuals, given that that was considered a function of families and other basic social groups, such as professional groups. The primacy of these social units within the system is the reason why it was also labelled as a corporatist regime.

Second, the implementation of a compulsory social insurance system never had an extensive coverage of risks. The system assumed the need to insure the basic risks that could threaten the ability of the head of household to provide for the welfare of his family. In that sense, the system only comprised a principle of income replacement and income compensation of the household. It was not embedded in any notion of individual social rights, entitlements or national solidarity.

Third, and given the structure of the labour force in Portugal all along the dictatorship period, the proportion of the population effectively covered by some

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<sup>3</sup> The Portuguese dictatorship was the most resilient of all the European dictatorships in place during the 20<sup>th</sup> century and was labelled by its founders as “*Estado Novo*” (The New State). The name usually associated to the dictatorship is that of Salazar, its founder and main representative. Very briefly, the Portuguese dictatorship was built on the principle of closed economy and privileging a rural model of economic organisation. As a result, it kept Portugal away from the industrialisation movement that swept most of Europe and delayed the implantation of any significant urbanisation. Later in time, already in the late 1950s, Portugal would see some shift towards industrialisation, but always in a rather incipient way and never leading to the emergence of a heavy industry of large proportions. Already during the 1960s, the consequences of the choices, in terms of economic model, would become more acute as the country got involved in overseas wars and started a process of gradual loss of its overseas (mostly African) empire. The last years of the dictatorship, already after the death of Salazar, would be led by his appointed successor, Marcelo Caetano. This man, that some saw as a man with a vision for the future of the country, and despite some attempts to open the Portuguese economy to the European influence, was not capable of reversing the legacy of Salazar and would see the end of the regime in the democratic revolution of 1974.

social insurance system was systematically very small. The social insurance system only covered workers in manufacturing and the services sectors. All along the dictatorship period and largely as a consequence of the economic policies by then implemented, the Portuguese labour force was mainly engaged in agriculture and fishery activities, and therefore not covered by any social insurance system (see table 2.1 below). There were some attempts to create a special regime for these workers, known as “*Casas do Povo*” (Houses of Peasants)<sup>4</sup>. These, however, would never be as inclusive as the social insurance system. The particularly frail condition of these workers would justify the creation of a special regime for agriculture after the democratic revolution in 1974 and the subsequent implementation of a national social protection system. I will come back to this later. Table 2.1 below summarises the main socio-demographic indicators for Portugal along the 20<sup>th</sup> century and gives an intuitive idea of the extent of the time-lag element in the process of modernisation of the country.

Table 2.1. Basic socio-demographic indicators for Portugal during the 20<sup>th</sup> century

	1960	1991
Child mortality rate	77.5‰	11.0‰
Life expectancy at birth (number of years) (Women/Men)	66.4/60.7	77.3/70.2
Illiteracy rate (% of population)	40.3	15.3
Water supply (% of houses)	28.9	86.8
Shower/bath facilities (% of houses)	18.6	81.8
Electricity supply (% of houses)	40.5	97.7
Population engaged in agriculture (% of active population)	43.6	11.6
Social protection coverage (% of active population) <sup>1</sup>	35.0	83.0

<sup>1</sup> It is only considered the coverage by the general regime, given that for comparative purposes the inexistence in 1960 of all the special regimes available in 1991 would bias the analysis.

Source: INE, Annual Data Reports and Demographic Data, 1960 and 1991

The social protection system founded in the early years of the dictatorship regime of Salazar would be extended over time to cover other categories of people. However, any significant change would only take place during the 1960s and already after Salazar stepping down and Caetano taking the lead of the government. It should be

<sup>4</sup> “*Casas do Povo*”, and similarly for the fishermen “*Casas dos Pescadores*” (Houses of Fishermen), were not real social insurance systems. They were associations that represented a mechanism of social assistance to their associates. The funding of their activities came mostly from the payment of association fees by the associates and, in some cases, from some subsidies given by the state.

noted that until 1960 the social insurance system covered only 50% of the working population in Portugal.

Meanwhile, at the international level, the universality of social insurance policies was becoming a consensual matter as well as the definition of a standard set of risks to cover. One of the most influential elements for that consensus was the Beveridge report introduced in 1942 in the UK (Interdepartmental Committee on Social Insurance and Allied Services and Beveridge 1942). It had as one of its main goals the expansion of the social insurance system to all the population in the country. It was also becoming consensual the notion that the state should have a more prominent role in the global system of social protection, namely by assuring that no citizen would live below the poverty level.

Despite this generalised movement of expansion of social policies across Europe, in Portugal things were evolving at a considerably different pace. Largely because of the ideology of the political regime in place, until the beginning of the 1960s the way the principles of social insurance were being applied was clearly unsatisfactory. At the personal level, the proportion of workers not included in the system was very large (especially rural workers and self-employed people). At the material level, the compulsory system still showed very limited in the risks insured, leaving out things such as maternity, unemployment or death.

It was during the 1960s that the first major reform of the social protection system was introduced. As a result of legislation approved in 1962-63, the scope of social protection was expanded to social groups that had remained outside the system and changes were introduced in its funding principles. Till then, the funding method, especially for old age and disability pensions, was based on capitalisation with an annual interest rate of 4%. After the reform, the system adopted a mixed funding method of capitalisation and pay-as-you-go. This would later be abandoned and turned into a pure pay-as-you-go funding method.

But the real changes in the Portuguese system of social protection would only take place during the 1970s, largely as a result of the democratic revolution of 1974. It was during the 1970s that the basis for a truly national social security system was launched, a project that was only finalised as such during the 1980s.

As for social assistance, it was never recognised as a state attribution during the dictatorship regime. It was a family responsibility and when family would not be able

to fulfil its obligations, charitable assistance would step in, mainly carried out by Catholic institutions.

Regarding the elderly, one can say that under the dictatorship regime old people were dependent on a patriarchal social structure in which families provided care or, when families did not provide, the Church did. Old age pensions were modest, both in content but especially in the extent of people covered by the social insurance system.

## **1.2. The democratic revolution and the project of a national system of social solidarity**

The welfare state has only emerged with some significance after the democratic revolution in 1974 (but still taking place not as the outcome of the economic, social and demographic changes that had been at its origins in the majority of other European countries). Instead, it emerged as a political project and as a tool for consolidation of party politics in the struggle for power in the state arena.

Portugal is a country that experienced a pretty straightforward move from a rural economy to a post-fordist economy. Industrialisation was incipient and neither gave origin to a strong labour movement nor to any real union lobbying. In that sense, there was never a real need for the type of social pact that across Europe had been at the origin of the welfare state.

Yet, the times immediately after the revolution were times of disturbances and social control was key in the agenda. Aspirations among the population were high and group interests were strongly involved in the political process. The focus on some social groups as a means to tackle social insurgencies was a very important policy tool and was reflected in the system created, namely in its fragmentation in several sub-systems. I will come back to this below.

The legacy the state got from the previous regime was a weak apparatus marked by: a history of strong Catholic influence in the definition of social policies; a strong tradition of provision based on religious and private charity and on family solidarity; and schemes of social assistance poorly developed.

Immediately after the democratic revolution in 1974, and within the ideology that shaped the revolution itself, the social pendulum swung towards the concept of the universalistic welfare state. The core element of this was the passing of a National Health law. The problem from the beginning was that there were never the resources

to establish such a system. The distance between the principles and the realities of the system would be a structural feature of the Portuguese welfare state from the very moment it was born.

In 1977, the “*Sistema Unificado de Segurança Social*” (Unified Social Security System) was introduced. The new law integrated social welfare and social assistance, and created regional social security centres. These regional entities were granted administrative and financial autonomy and were empowered to set up local services as close as possible to the needs of local communities. The first years of the newly created system were clearly targeting the extension of coverage of the social security benefits to as many people as possible, namely in terms of old age pensions. The fact that many elderly had never had any contributory career or had never worked in paid employment meant that many were left out of the general old age pensions regime. For that reason, a social pension (“*Pensão Social*”) was created, not based on contributions but rather on means testing and covering those not covered by the general regime. These initial efforts, irrespective of the real value of the benefits granted, were very important in launching the basis of a system based on national solidarity.

During the second half of the 1970s and the first half of the 1980s, several important steps were taken to amplify and consolidate the new model of social security that had been put in place after the democratic revolution. Some of the more impacting measures still reflecting the universalistic ideology of those times were as follows:

- i)* The introduction of a social pension covering all people aged 65 and older that had never done any paid work or that had never been covered by any social protection system;
- ii)* The creation of an unemployment benefit (initially with an experimental character) covering all workers in situation of unemployment;
- iii)* New regulations on family benefits with a major change in the family allowance benefit (“*Abono de Família*”), from then onwards to be considered as a child’s right;
- iv)* The introduction of a Christmas subsidy (“*Subsídio de Natal*”) for all pensioners, translated into the payment of a sum equal to one month’s pension in December;
- v)* Creation of a transitory regime for the self-employed, in view of the integration of all self-employed workers in the social protection system;

*vi)* Integration of domestic workers and their employers in the general system of social security, with contributions defined according to a standard remuneration;

*vii)* Widening of the risks insured for the rural workers' regime.

These were important steps towards the consolidation of a more integrated and equitable system, but have meant an abrupt and wide increase in the public expenditure in a moment of severe economic constraints across all of Western Europe. Some authors have indeed identified this mismatch between an ambitious program of expansion of social solidarity and the real economic conditions of Portugal in the last decades of the 20<sup>th</sup> century, as one of the main reasons for not fulfilling what could be considered a major window of opportunity in the recent history of the country (Barreto 1996).

### **1.3. The contemporary Portuguese social security system: fragmentation and selectivity in a weak bureaucracy**

From a politico-institutional perspective, and bearing in mind the historical path of social provision in Portugal, researchers have examined the main traits that characterise the Portuguese welfare state (Santos 1990; Pereirinha 1996; Ferrera 1996(a); Ferrera 1996(b)). The three key aspects found are highlighted here.

Firstly, it is a system with a high degree of fragmentation and with strong corporatist roots in the design and delivery of social benefits. This fragmentation is materialised in institutionally differentiated social protection schemes dependent on the position of the individual in the labour market. In other words, the state based social solidarity does not take place within a logics of citizenship and social rights, but rather within a framework of corporatist origins that fosters a very selective hyper-assistance. On one side, we find the relatively generous schemes for the workers in the formal sectors; on the other side, the almost completely excluded workers in the informal sectors. Additionally, and within the generous schemes for the workers in the formal sectors, we find further occupational-based fragmentations that render even more distributional problems for the overall system of provision: public servants vs. private sector employees; special subsystems for some professional groups, such as employees of banks. All in all, it is a system that reveals the dual character of the state

itself and that makes particularly visible the dichotomy between included and excluded.

Secondly, it is worth noting the peculiar hybrid of public and private provision within the Portuguese welfare system. This often-collusive mix is a strong inducer of distributional distortions further reinforcing the dichotomy discussed in the previous paragraph. This rather promiscuous liaison between private and public domains is mostly visible in the health field and translates into the usage of public health services by the less advantaged groups of society and into the maximisation of public equipment by the private sector, favouring the middle and high classes (Santos 1990). Thirdly, I would highlight as a structural element of the welfare state in Portugal the immaturity of the state bureaucracy that is easily permeated by logics of clientelism and by particular interests. This, according to some authors, is the result of a double deficit of state: on one hand, it is a consequence of the weak penetration of a sense of state in public institutions; on the other hand, it is a consequence of the fact that the state remains very vulnerable to pressures and manipulations from party politics (Santos 1990; Sapelli 1995). What we find in Portugal is a peculiar mode of institutional functioning where social rights are not exercised on the basis of a solid and impartial public administration. On the contrary, they are exercised within an institutional culture of closed networks and selectivity, extremely vulnerable to political games and to the appropriation of social benefits by those that are better informed and better related in a network of client-patron relationships.

These three structural elements summarise briefly the path dependent character of the scenario within which social policies are still designed and implemented in Portugal. They summarise in particular the politico-institutional constraints that have been largely defining the scope and the limits of those same social policies.

The structuring elements of the contemporary social security system in Portugal can be found in the law approved in 1984, defining the legal framework of the system of social protection, and in the law approved in 2000, which would revoke the first, but that would in fact keep the main structural principles, albeit reforming the system in a way found appropriate to tackle the main economic and social constraints that had been felt for some time.

The law of 1984 (*Lei* n28/84, 14<sup>th</sup> August) set the social security system in Portugal as comprising two subsystems: the general subsystem and the non-contributive subsystem. As an independent branch, the social security system also comprises the

domain of social assistance. The general subsystem is to be financed by contributions paid both by employees and employers (thus following the general design of a social insurance scheme). The non-contributive subsystem and the social assistance branch are to be financed by transfers from the state, i.e. are to be tax-funded. Both the general and the non-contributive subsystems are income replacement systems, and target employed and self-employed workers. The non-contributive system was largely conceived as a transitory mechanism to cover those who had been left out of the general regime as a consequence of the development of the social security system, namely those who had most of their working years before 1974 and those who had been working in the informal sector or not working at all, at least in paid jobs (e.g. women and non-paid family workers, mostly engaged in agriculture).

Reflecting precisely the maturation of the system in terms of coverage of the contributory subsystem, the new fundamental law that regulates the social security system in Portugal, published in 2000 (*Lei* n17/2000, 8<sup>th</sup> August), establishes that the system is divided in three subsystems as follows:

- i) The subsystem of citizenship social protection, encompassing the regimes of solidarity and of social assistance;
- ii) The subsystem of family protection, applicable to all citizens and covering all the risks related to family responsibilities, disability and dependency;
- iii) The subsystem of providence, encompassing the regimes of social security for employed workers, self-employed people and for the voluntary social insurance.

This law was quite innovative in terms of certain basic principles, namely by reinforcing the ideal of the right to social security as a right for all, and by setting as clear targets, side by side with the financial sustainability, the efficient management of the system as well as the improvement of the extent and the quality of the coverage assured by reinforcing the application of the principle of equity within the system.

It should be noted that this reform comes as the outcome of a process that the left-wing Socialist Party had been trying to implement for some time, but that had not managed to conciliate within the context of competing approaches to the reform of social security systems. The first attempt to introduce a structural change in the social security system had taken place in 1995, right after the election of the Socialist Party. By then, and following the international debate on the sustainability of the welfare state models designed after the Second World War (Jallade 1988; Boyer and Drache

1996), a commission of experts was nominated to analyse thoroughly the Portuguese social security system and to forecast the most likely scenarios for the upcoming years; thus setting the scene for the most adequate solutions in terms of reform. What was initially conceived to be a consensual panel of experts that would provide the new government with some elements of legitimacy for the envisaged reforms of the system has in fact become a battlefield for two opposing ideological approaches to the future of the welfare state project in Portugal. On one side, the proposals of the majority group, drawing on scenarios of financial non-sustainability and thus advocating the introduction of privatisation mechanisms in the system, in line with the Third Way approach that had been gaining increasing support across Europe (Comissão do Livro Branco da Segurança Social 1997). On the other side, the proposals of a minority group, arguing that the system had not yet fully matured and therefore should be given the chance to develop reinforcing the principle of social solidarity and the responsibilities of the state (Santos 1990). Contrary to what was the initial aim of the policy makers, the fractures within the commission have generated a wide public debate and ended up with the publication of two independent reports and with the maintenance of the general design of the system as it existed by then. Yet, and during the first four years of governance of the Socialist Party, some important initiatives were introduced to reinforce the ideal of social solidarity and the ideal of social security as a citizenship right, namely with the introduction for the first time of a minimum income programme. This would later be abandoned after the fall of the Socialist Party and the election of a right-wing coalition force in 2002.

This new window of opportunity was once more not fully taken advantage of. The reasons for this are not strictly related to inner contradictions and pressures in the system, but also to pressures from outside. One should bear in mind that this is a reform that once more takes place in a moment of international crisis. One important trait of the crisis that was starting to affect most of the European national economies is the slow down in economic growth, which many consider an indicator of how hard it will be to maintain the European space as a competitive actor in the global economy. This economic slow down is felt in a more severe way in national economies that are already structurally weaker, which is the case of the Portuguese economy. As a result of the European integration and of the globalisation of the world economy, countries like Portugal are pressured towards budgetary discipline, bureaucratic rationalisation and control of labour costs. In other words, the trend is

towards the retrenchment of social benefits and programmes and not for its enlargement. In a system that is structurally weak and limited in the type of benefits provided, this retrenchment is expected to be felt with particular severity.

With a new right-wing government in 2002, came a new law to set the legal framework of the social security system. This was published in December 2002 (*Lei* n32/2002, December 20<sup>th</sup>). This new law would introduce two new basic principles: the principle of social subsidiarity and the principle of generational cohesion. The first is based on the recognition of the role of individuals and families as welfare providers, as well as on the recognition of the importance of promoting local, private, voluntary and mutuality based initiatives. The second implies a drive towards generational accounting by which the system guarantees the balance and equity among generations in the assessment of the responsibilities of the system. This has to do with the funding method of the pensions system in Portugal, based on the idea of a pact between generations and on the principle of inter-generational solidarity.

In its current composition, the system comprises three independent systems: the public system of social security; the system of social action; and the complementary system.

As for the public system of social security, it comprises three subsystems:

- i) The subsystem of providence – this is based in a principle of professional solidarity and assumes as its main target to provide the necessary cash benefits to replace loss of work-generated income;
- ii) The subsystem of solidarity – this has as its main target to guarantee the exercise of all fundamental rights of the individuals in order to prevent and eradicate poverty and social exclusion; it also takes as a target to guarantee the necessary provision of benefits in cases of proved need (either individual or family need) that is not included in the subsystem of providence;
- iii) The subsystem of family protection – it envisages the compensation of families for their additional responsibilities in the presence of certain legally defined events; it comprises family benefits as well as disability and dependency related benefits.

A schematic presentation of the design of the Portuguese public system of social security and solidarity is presented in table 2.2 below.

The table represents the main traits of a system with a social insurance base, complemented by some mechanisms of social assistance that are means-tested. The system is funded by contributions paid by employers and employees. The social assistance branch is to be funded by transfers from the state. Within the social insurance system there are special regimes: the regime for rural workers (closed to new claims since 1987, but still including in 1995 around 500 000 individuals); and the regime for public servants managed by the *CGA*. The banking sector has its own pensions system, funded by capitalisation. Its members (around 135 000 in 1995) have access to state social protection only for family benefits, unemployment benefits and occupational accidents benefits.

Table 2.2. Portuguese public system of social security and solidarity as defined in 2004

	Public system of social security and solidarity				
	System of citizenship-based social protection		System for family protection	System for social insurance	
	Solidarity regime	Social assistance		Employees regime	Independent workers regime
Objectives	To guarantee basic social rights; to guarantee equality of opportunities, the right to a minimum standard of living, and the prevention and eradication of poverty and social exclusion.		To guarantee compensations to families for their family responsibilities.	To compensate workers for their loss or reduction of income from their professional activities.	
Coverage	All citizens but in particular people affected by poverty, disabilities or social discrimination.		All citizens	Employed people	Independent workers People with no professional activity or with an activity that has no compulsory social insurance system
Risks	Absence or insufficiency of economic resources, both of the individual or of households, to face the basic needs and the needs for social and professional integration; disability; old age; death; insufficiency of cash benefits that compensate for loss of income.	Poverty, disability, social exclusion and discrimination  (Benefits in kind; exceptionally may be benefits in cash)	Family responsibilities; disability; dependence.  (Cash benefits and sometimes benefits in kind)	Sickness; maternity, parental leave and adoption; unemployment; work injuries; professional diseases; disability; old age; death.  (This list of risks can be extended or cut according to specific categories of workers)	
Conditions for access	Legal residency in national territory; means tested; independent of contributory history; special conditions may be taken into consideration.	The general principal is that of material selectivity.	Legal residency in national territory; special conditions may be taken into consideration.	Registration in the social insurance system and fulfilment of contributory obligations both from the workers and, when that applies, from the employers.	
Financial management	Pay-as-you-go	Pay-as-you-go	Pay-as-you-go	Pay-as-you-go and partial capitalisation of pensions	
Management bodies	Public for Security	Institutes for Social Security	Public for Social Security	Public Institutes for Social Security	
Articulation with private bodies	-	Co-operation with not for profit private entities, namely IPSS, that carry out most of the social assistance activities	-	Functional and technical articulation with the complementary regimes of social security.	

Source: Direcção-Geral da Segurança Social, [www.seg-social.pt](http://www.seg-social.pt)

In summary, the Portuguese welfare state reflects in its institutional architecture a set of principles that are particularly important to account for the solutions adopted in terms of provision of welfare to individuals. Among those principles, I would highlight the following:

- Individual dignity is considered coming from the status of the individual as a worker; therefore, the stress is on integration in the labour market and on the ‘fair salary’, sufficient for the family.
- Related to the first principle is that concerning the proper role of women in society and in particular their special task of care giving.
- There is a rejection of any undue involvement of the state in the sphere of family, which translates into an exacerbated principle of subsidiarity and strong corporatist traditions.
- Fraternity and solidarity are not only part of the sphere of values but also structuring elements of the institutional arrangements of the state, a principle strongly related to the influence of Catholic social teaching.

The other side of the coin of the Portuguese welfare state rests precisely on the specific modes of articulation it has fostered with informal solidarity, namely with family solidarity.

The following table (Table 2.3) aims at summarise the overall development of the Portuguese public system of social security since its inception as detailed above, paying particular attention to the contextual factors that have influenced its general principles and structure, aiming to address the social challenges at key points in the recent Portuguese history.

Table 2.3. Evolution of social protection from the 19<sup>th</sup> century to contemporary Portugal

Time line	Context	Principles	Content	Actors
19 <sup>th</sup> century	Expansion of manufacturing and growth of urban centres ↓ Professional instability and professional hazards	Christian charity Moral assistance  Need to control social pressures arising from the expansion of industrialisation and urbanisation	Insurance for professional hazards and job loss ↓ Incipient form of income replacement mechanism	Families provide all assistance and when not able to do it the Catholic Church steps in  Emergence of Associations of Mutual Help (outside the scope of the State)
1910	Fall of the monarchy and start of the republican regime			
1 <sup>st</sup> quarter of 20 <sup>th</sup> century	Increasing pressures in urban centres due to the inability of families dealing with unemployment, low salaries and professional accidents  Financial crisis	The state needs to intervene to expand the protection offered by the Associations of Mutual Help  System targets low income families and aims at guaranteeing a minimum level of income replacement	1 <sup>st</sup> incipient attempt to launch a system of compulsory social insurance managed by the state (1919)  Pop. covered included those aged 15 to 75  Risks covered: disease; professional hazard; disability; old age and death	The State acts as the financial guarantor of the system  Management of the system done by professional associations  Families and Catholic Church keep the exclusive responsibility for social assistance
1929	Salazar appointed minister of finances		Creation of the first system of pensions: The General Fund for Retirement (CGA) covering public servants	
1933	Beginning of Estado Novo (Salazar's conservative dictatorship)			

Time line	Context	Principles	Content	Actors
1933 to beginning of the 1960s	<p>Country predominantly organised under the logics of a rural economy</p> <p>Low level urbanisation</p> <p>Very high shares of engagement of the population in agriculture</p>	<p>Social control of poverty and of tensions in urban centres</p> <p>Moralising approach to work and to the roles of the family</p> <p>Social protection understood as help to guarantee income replacement of the head of household in situations of need</p>	<p>Creation of the compulsory social insurance for the private sector</p> <p>Sectors covered included manufacturing and services</p> <p>People engaged in agriculture or fishery were excluded from any formal system of social protection</p>	<p>Professional corporations take the leading role in the organisation of the social insurance system</p> <p>The State rejects any direct responsibility for the management or funding of the system. It acts as a regulatory instance.</p> <p>Social assistance provided exclusively by families and the Catholic Church.</p> <p>Expansion of the non-profit sector connected to the Church in the fields of social care and health care.</p>
1960s	<p>Caetano takes the lead of the government after Salazar's death</p> <p>Some openness of the Portuguese economy</p> <p>Growth in industrial work and in urban centres</p> <p>Overseas war; emigration flows; increasing participation of women in the labour market</p>	<p>Some attempts to reform the social insurance system by widening the scope of risks covered</p>		
1974	<p>Democratic revolution</p>			

<b>Time line</b>	<b>Context</b>	<b>Principles</b>	<b>Content</b>	<b>Actors</b>
1974 to beginning of 1980s	<p>Heated period of political confrontation between socialist forces and neo-liberal forces</p> <p>Lobbying of some unions linked to the Communist party</p> <p>Wide increase in public expenditure</p>	<p>Social protection as a social right and as part of national solidarity</p> <p>Social assistance included in the scope of the attributions of the State</p> <p>Health care defined as a universal right</p>	<p>Launching of the National System of Social Security in line with the social insurance systems of countries such as Germany or France</p> <p>Creation of a Social Pension to cover all those excluded from formal coverage of social insurance systems</p> <p>Creation of the unemployment benefit</p> <p>National Health Act</p>	<p>The State organises, manages and contributes to the funding of the National System of Social Security.</p> <p>Families remain the main locus for social assistance.</p>
1980s	<p>Period of consolidation and expansion of the newly created system</p> <p>1986 Portugal joins the EEC</p>	<p>Reproduction of the principle of subsidiarity in terms of social assistance</p>	<p>1984 law defining the structure of social protection in Portugal</p>	
Late 1980s till the middle of the 1990s	<p>Neo-liberal orientation in Cavaco Silva's governments</p> <p>Investment in national infrastructures and slow down in public social expenditure</p>	<p>Social protection, effectively, remains a domain for income replacement</p>	<p>as to comprise contributive and non-contributive systems, thereby combining a social insurance approach with a means-tested approach to alleviate poverty</p>	

Time line	Context	Principles	Content	Actors
Mid 1990s onwards till 2002	The government shifts towards a left wing political orientation with the rise of the Socialist party	Acknowledgement of the need to start reforming the Social Security system inline with the international debate on the crisis of the welfare state	Creation of the minimum income benefit (1997)	Some expansion of social care services, mostly in the field of child care
Beginning of the first decade of 2000	Financial crisis	System remains unchanged		Expansion of the non-profit sector in the field of social assistance
	Government turns to the right with the rise a right-wing coalition	Political discourse stating the need to retrench social benefits		Slow down in the expansion of social services
		Refusal of any benefit seen as contrary to a workfare approach to social protection: elimination of the minimum income benefit		

The flowchart depicts the key moments and elements in the emergence and consolidation of the Portuguese system of social protection all along the 20<sup>th</sup> century and highlights the dominant impact of two main historical determinants: the weight of the heritage from the dictatorship period; and the comparatively higher weight of politics (namely party politics) in comparison to economic forces in shaping the project of welfare state.

Among the elements that have allowed for the system to perform, as already stated some paragraphs above, we find the specific modes of articulation of formal social protection with informal solidarity. The next sections of the chapter address that topic.

## 2. Familialisation of the welfare of the individuals in a weak welfare state

This section of the chapter addresses the role of informal solidarity, namely family solidarity in the global system of welfare production. In the Portuguese case, and for multiple reasons, this has always been a central domain of welfare production and a key player in the balancing of the system.

If one is to look for the roots of the strong familialisation that characterises the Portuguese welfare system it is crucial to look into the model of economic

development, but also of social and cultural development that has been seen in the country during the second half of the 20<sup>th</sup> century.

Portugal has experienced, as shown in the first section of this chapter, a late process of modernisation, mostly due to the political conditions that prevailed during that period of time. This has created and strengthened social structures that have remained long after the changes in the context that originated them in the first place. Among those, I would highlight in particular the prevalence of rural modes of social organisation and, related to that, the prevalence of the household as an economic unit.

Some authors have described the specificity of the late process of modernisation of Portugal as a process that brought modernisation without development (Santos 1990; Sapelli 1995; Ferrera 1996(b); Rhodes 1997). Portugal has gone through a very fast process of convergence of its key demographic and socio-economic indicators similar to the better off western European countries. Yet, it has not experienced the same type of development that preceded modernisation in the latter. As a consequence, still according to the same authors, Portugal has remained somehow in between two models of social organisation: modernity and pre-modernity. It is in the mix, but also in the tensions of these two ways of social organisation that one finds the basis of familialism in Portugal and the mechanisms of social regulation that act as a buffer for the weak welfare state, therefore preventing any major social crisis<sup>5</sup>.

The concept of welfare society, from the French “*société providence*”, is often used to describe the Portuguese modes of social functioning (Almeida 1986). It designates a mode of social organisation based on strong informal networks of kinship and neighbourhood. These in turn are based on relationships of mutual recognition and exchange by which the welfare of the individuals is assured. This strong informal society is said to largely compensate the weaknesses of the formal welfare state (Hespanha 1993).

In this section, I discuss the historical process of familialisation of the welfare of the individuals in Portugal from a comparative perspective. The discussion draws on two complementary axes: the first axis highlights the indicators of familialisation in Portugal setting them in a complex framework of socio-economic dynamics; the

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<sup>5</sup> In appendix 1 the reader will find a compilation of historical data that clarifies the nature of the process of modernisation in Portugal over the 20<sup>th</sup> century, and that highlights the main socio-demographic and economic structures of the Portuguese society in recent years.

second axis discusses the implications of the welfare society as a model of social functioning within the context of social policy.

### **2.1. Slow and fragmented processes of convergence in a persistent familialist context**

Familialism designates a social policy context in which families and households are thought to be the primary locus for social aid. More than that, families are assumed not to fail in their role as welfare providers. This widespread belief in families is in turn anchored in a set of socio-demographic structures that many consider reinforce and legitimise the accent put by social policies on family welfare provision (Guerrero and Naldini 1997; Guillén and Álvarez 2001).

The discussion on the degree of familialisation of a system should include this two-folded approach. On one side, it should draw on indicators of state provision and family provision. On the other side, it should draw on indicators of socio-economic and demographic organisation at the family and household level.

For both types of approaches, and setting Portugal on a comparative framework, it is possible to demonstrate how this country has been going through a process of convergence towards the less familialist European welfare states, albeit at a slow and fragmented pace. It is this slow and fragmented pace that has allowed for the maintenance of some disparities on the basis of which one can still build the case for familialism when addressing the Portuguese welfare system.

However, the discussion on the reasons for the persistent familialisation of a social policy system is far from being simple and straightforward. Some see it as the result of institutional settings that appear as a by-product of historical socio-economic dynamics. This is the fundamental approach of those who discuss theories of welfare state regimes (Ferrera and Rhodes 2000). Others see it as an expression of systems of values and attitudes, namely those that draw on a cultural approach (Chamberlayne, Cooper et al. 1999; Jaeger 2005). My approach tries to conciliate the two and states that they are mutually reinforcing.

Thinking about the Portuguese case in particular, it should be stated that to fully understand the dynamics of familialisation of the welfare system, it is absolutely necessary to articulate the historical conditions that describe the emergence of

welfare state arrangements (seen in the previous section) with the context of values and attitudes that emerge in a social formation that has certain characteristics.

Having said that, the discussion on the dynamics of familialisation in Portugal should be performed by looking at the indicators of familialisation as by-products of complex and mutually reinforcing socio-economic dynamics and normative arrangements.

### **2.1.1. State provision and family self-servicing**

Table 2.4 summarises data for a set of indicators of welfare provision from which one can derive the familialist nature of the Portuguese welfare state within a comparative approach. The reader can use this table to crosscheck my statements on the familialisation of welfare provision in Portugal.

Table 2.4. Summary table with data on indicators of welfare provision for the EU15<sup>a)</sup> countries

	B	D	G	GR	SP	F	IR	IT	L	NT	A	PT	FI	S	UK	<b>EU15</b>
Expenditure on social protection as % of GDP <sup>1</sup>																
1992	27.7	30.3	27.6	21.2	22.4	29.3	20.3	26.2	22.5	31.9	27.8	18.4	33.6	37.1	27.9	<b>27.7</b>
2001	27.5	29.5	29.8	27.2	20.1	30.0	14.6	25.6	21.2	27.5	28.4	23.9	25.8	31.3	27.2	<b>27.5</b>
Social benefits by group of function (2001) <sup>1</sup>																
Old age and survivors	43.7	38.0	42.4	51.3	45.3	43.7	24.8	62.3	39.4	41.8	49.5	45.8	36.6	39.1	46.5	<b>46.0</b>
Family/children	8.9	13.3	10.4	6.9	2.6	9.5	12.5	4.0	16.8	4.4	10.6	5.6	12.1	9.6	6.8	<b>8.0</b>
Housing and social exclusion	1.6	6.0	2.5	5.1	1.7	4.4	5.8	0.3	1.6	6.8	2.1	1.3	3.3	4.3	6.3	<b>3.6</b>
Expenditure on pensions as % of GDP (2001) <sup>2</sup>	11.2	10.7	13.1	13.3	9.7	13.2	3.7	14.7	10.1	12.9	14.2	11.4	10.9	11.4	11.8	<b>12.5</b>
Elderly people over 65 (1985-1991) <sup>3</sup>																
Residing institutions	4.0	6.0	6.0	0.5	2.0	3.0	5.0	2.0	na)	10.0	na)	2.0	7.0	5.0	5.0	<b>na)</b>
Receiving home help	6.0	20.0	3.0	-	1.0	7.0	3.0	1.0	na)	8.0	a)	1.0	10.0	12.0	9.0	<b>na)</b>
Children under three in public day care as % of age group (1985-86) <sup>3</sup>	20 to 25	44	3	2 to 3	na)	20 to 25	0 to 1	5	na)	1 to 2	na)	4	22	29	2	<b>na)</b>
Children aged three to five in public day care and pre-school as % of age group (1985-86) <sup>3</sup>	95	87	60	60	66	95	52	88	na)	50	na)	25	62	79	44	<b>na)</b>

Sources: <sup>1</sup> Gérard Abramovici and Eurostat, Statistics in focus, Social Protection in Europe, 2004; <sup>2</sup> Eurostat, Statistics in focus, Pensions in Europe: expenditure and beneficiaries, 2004; <sup>3</sup> Anttonen and Sipilä (1996).

a) In all moments of comparative analysis I only consider data for the Member States prior to May 2004 enlargement.

na) Data not available.

The indicators found in the table are for state welfare provision. There are known and documented difficulties in gathering reliable direct indicators on family welfare provision (Humphries 2000). For the Portuguese case, those indicators are simply non-existent, which forces me to work with indicators of state provision and to consider them as a proxy for family self-servicing. The logics here would be: if the state does not provide, then individuals and families must develop strategies to tackle their needs. They can do it in two main ways: through self-servicing and/or by purchasing/acquiring solutions in the private sector (for profit or not-for-profit). That will be one of the questions I will try to answer along this thesis: if we accept that the Portuguese social policy framework is of a familialist nature, then how are individuals and families tackling their needs in terms of welfare provision?

I would highlight the following elements in the Portuguese welfare state:

- Expenditure on social protection that is growing but that remains much lower than the EU15 average;
- Clear bias towards old age pensions;
- Very low levels of service provision in the areas of care for the elderly and child-care.

In terms of global expenditure on social protection, since the 1970s Portugal has experienced a steady increase in that value. According to calculations from the Eurostat, in 1980 Portugal's expenditure on social protection as a percentage of GDP was 12.9%<sup>6</sup>, whereas in 2001 the figure reached 23.9%. This means that in 20 years the values for this indicator have almost doubled, which from a comparative perspective puts the rate of growth of expenditure on social protection in Portugal at much higher levels than in the majority of EU15 countries (the same trend is observed in Greece). This is the result of the retrenchment of the welfare state across Europe (with a generalised slowing down of the expenditure), but also the result of the maturation of the Portuguese system, as shown in the previous section emerging late in time so requiring a faster rate of growth to approach the EU standards.

However, this type of figures should be interpreted with caution. If one cannot contest the growth in the expenditure in Portugal in the last 35 years, one should also keep in mind that Portugal has systematically shown a very low GDP. As an example, in 1999 and taking the GDP per capita in PPS in the EU15 as 100, Portugal showed a value for

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<sup>6</sup>Source: Eurostat (Eurostat 1995).

the same indicator of around 72. Only Greece ranked worse in that same year<sup>7</sup>. Overall, it should be noted that Portugal is a country with comparatively low expenditure on social protection measured as percentage of GDP, aggravated by the fact that it is a country with an equally low GDP. This creates debilities in welfare provision at the start. Irrespective of the options in terms of policy design, the Portuguese welfare state has comparatively fewer resources than the average EU15 country.

To get a more intuitive idea about the configuration of the Portuguese welfare system, we can look at the decomposition of the total volume of social benefits by group of function. On this I would highlight that, contrary to what some authors claim as distinctive of Portugal (alongside with the Mediterranean family of countries), the bias towards old age pensions is not the most striking characteristic of the overall picture. In fact, for Portugal, that function is set at approximately the EU15 average<sup>8</sup>. What seems note-worthy is the comparatively very low weight of benefits related to family and children (therefore more directly related to family servicing) and to housing and social exclusion. For these items the Portuguese figures are very clearly below the EU15 average. The reason why I consider this to be so relevant is the fact that it illustrates how familialism translates into the policy framework. By electing the family and the household as the primary locus for social aid, the state excuses itself from intervening substantially in certain areas, namely those related to child-care, housing or, as a matter of fact, poverty.

This line of arguments explains the type and volume of provision within the welfare state. Measuring more directly service provision, table 2.4 shows some data for two key areas: care for the elderly and child-care. These have been demonstrated to be particularly burdensome areas for families across Europe and, as such, of central interest when trying to measure the level of familialisation of a system (Giarchi 1996; Kaufmann, Kuijsten et al. 1997; Lewis 1998; Sainsbury 1999).

As for the care for the elderly, Portugal displays a comparatively very low level of elderly people residing in institutions and an even lower level of elderly receiving home help. Although the data available refer to 1991, there are no reasons to believe any substantially different trend has emerged since then<sup>9</sup>. In the field of child-care, again Portugal shows a

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<sup>7</sup> Source: Eurostat

<sup>8</sup> Across Europe, and given population ageing, those figures are expected to converge. What varies considerably is the absolute amount paid to each individual across countries.

<sup>9</sup> There are known difficulties when comparing levels of service provision across countries. In the field of care for the elderly, on top of the limitations of data availability, there are methodological problems related

comparatively low provision with very low proportions of children covered by any public child-care facility. The numbers shown in table 2.4 may not be totally accurate in terms of global levels of children benefiting from formal child-care arrangements. The Portuguese public network is knowingly weak in this field. However, there is a considerable coverage by the non-profit sector, namely the part of that sector related to the Catholic Church. Many families resort to these institutions that operate with subsidies from the state and on the basis of a means-tested approach. Yet, the coverage is still considerably below the needs and remains below the EU15 average.

If we take the concept of de-familialisation, as introduced in the literature, as the effort to relieve families from the burden of some welfare provision activities (Lewis 1992; Orloff 1993; Sipila 1994), we should speak of familialisation when that relief does not take place. Overall, and on the grounds of the data discussed so far, the Portuguese example seems to present the case of a strongly familialised system. In a scenario of a clearly deficient state provision, families and households have to develop strategies to deal with their needs. The strategies they develop eventually materialise in certain social structures that we often find in the literature classified as characteristic of familialist systems.

### **2.1.2. The foundational trinity of familialism: family, household and women**

Countries pointed out as examples of familialism are usually described as countries where the modes of social organisation and functioning are still very much marked by the traditional ways, allowing for the reproduction of a tight social fabric where informal welfare provision remains possible (Guerrero and Naldini 1997). Among those traditional ways it is highlighted in the literature:

- The predominance of a model of family formation based on the strong institutionalisation of marriage;
- The high incidence of extended households with more than two cohabiting generations;
- The strong domesticity of women.

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to national definitions of care and institutionalisation. In any case, most studies on this topic seem to converge in terms of the big picture. For example, a study on care for the frail elderly published by the OECD in 1996, reinforces the conclusions drawn from the data presented in table 2.3. Focusing in particular on the Portuguese case, and isolating the very old elderly (therefore those to whom one expects increasing needs for care), the rate of institutionalisation was, in 1990, of around 4.6, compared to 18.1 in Austria, 24.0 in Denmark, 23.3 in Sweden or 22.4 in the UK. Source: (OECD 1996).

Similar to what was done in the previous sub-section, also in this point I resort to a summary table with some key indicators of the characteristics of families across Europe on the basis of which I will put forward some considerations. The table is 2.5 in the following page.

About table 2.5, I should start by one preliminary note. The indicators shown in the table build up a scenario that suggests how familialism translates into the social organisation. However, one must recognise that Portugal, especially in the last 20 years, has been on a path of convergence towards the realities of the more developed EU countries. It is true that it has been a slow and rather fragmented convergence, and perhaps because it is taking place without the economic change that sustains social change, allowing for the permanence of more traditional social structures. I will come back to this issue when addressing the topic of the consequences of the erosion of the welfare society in familialist settings.

A subject that is often brought to the discussion on familialism, from the perspective of how it shows in the modes of social organisation, is the topic of values. There are authors that argue that the more familialist systems are found in countries where the system of values remains anchored in traditional concepts of family and family obligations, often under the influence of strong religious orientations (Guerrero and Naldini 1997).

My position on this is that, once more, we are addressing a topic that is far from being simple and straightforward. Is social organisation a result of a set of values that compel individuals to act in a certain way? Or is it a consequence, an expected outcome of a specific institutional setting? Probably it is both. Individuals often act in anticipation of the resources they expect will be available to them to deal with a certain condition. For example, in an institutional setting where young adults know they will have problems finding a job and where there are no housing policies to help them become independent from their parents, remaining in the parental home is the option available. However, this type of practice echoes in a set of values that legitimise this behaviour as the norm and reinforce the expectation of families to have their children staying at home until marriage.

Table 2.5. Summary table with family characteristics and labor-market participation data for the EU15 countries

	B	D	G	GR	SP	F	IR	IT	L	NT	A	PT	FI	S	UK	<b>EU15</b>
% of young people living at the parental home (1995) <sup>1</sup>	30.0	27.0	26.0	34.5	39.0	32.0	41.0	35.0	32.0	30.0	32.0	37.0	26.0	27.0	32.0	<b>32.5</b>
Breakdown (%) of those aged 65 or more by type of household (1998) <sup>2</sup>																
Males living alone	21	25	14	14	8	18	22	12	na)	21	16	12	21	27	24	<b>16</b>
Females living alone	53	57	53	37	24	46	37	39	na)	53	47	29	50	53	52	<b>44</b>
Males living with 3+adults and others*	14	3	14	26	39	17	31	28	na)	7	28	35	9	1	8	<b>19</b>
Females living with 3+adults and others*	8	1	8	21	35	11	21	20	na)	3	24	31	6	0	6	<b>15</b>
Average age at first marriage (1999) <sup>2</sup>																
Men**	28.9	32.5	30.9	30.3	29.5	31.2	30.0	30.0	30.7	30.7	30.3	27.2	30.5	32.9	29.6	<b>30.3</b>
Women**	26.6	30.1	28.2	26.5	27.6	29.1	28.2	27.1	28.3	28.3	27.9	25.5	28.3	30.4	27.5	<b>28.1</b>
Marriage rate for women (1990) <sup>3</sup>	66.1	38.5	48.5	92.8	52.4	38.5	41.4	54.7	na)	45.7	50.1	81.0	38.0	31.3	50.3	<b>52.1</b>
Crude divorce rates (1990) <sup>3</sup>	8.4	13.1	8.8	2.6	2.1	8.4	0.0	2.1	na)	8.1	8.5	2.8	9.6	11.1	12.3	<b>7.0</b>
Fertility rate (2002) <sup>5</sup>																
% live births out of wedlock (1990) <sup>3</sup>	8.9	46.5	11.1	2.4	9.6	27.5	18.0	6.7	na)	12.5	25.2	16.1	27.4	49.5	30.8	<b>20.9</b>
Average number of persons per household (1995) <sup>1</sup>	2.5	2.1	2.2	2.7	3.2	2.4	3.1	2.7	2.5	2.4	2.5	3.0	2.1	2.1	2.4	<b>2.5</b>
Employment in agriculture as % of civil employment (1997) <sup>4</sup>	2.3	3.7	2.9	19.8	8.4	4.5	10.3	6.8	2.5	3.7	6.8	13.6	7.1	2.8	1.8	<b>5.0</b>
% of all non-dependent women in domestic status (1995) <sup>3</sup>	51.4	33.1	47.7	59.7	61.1	40.2	51.6	60.2	na)	44.7	45.7	46.0	31.9	31.5	41.7	<b>46.2</b>
% of all non-dependent persons in self-employment (1995) <sup>3</sup>	6.8	6.7	5.2	17.4	9.6	7.2	11.1	11.8	na)	6.6	6.2	13.7	9.2	7.0	6.5	<b>8.9</b>
Female participation rate in the labor market (2003) <sup>6</sup>	50.3	72.0	58.8	40.9	41.9	56.1	55.0	41.1	50.9	65.2	60.1	61.1	65.4	70.4	65.1	<b>54.9</b>

Sources: <sup>1</sup> Eurostat, Statistics in Focus, Trends in households in the EU: 1995-2025 (values presented are rounded up); <sup>2</sup> Eurostat, The life of women and men in Europe, A statistical portrait. 2002; <sup>3</sup> Crouch, C. (1999), p.461; <sup>4</sup> OECD Historical Statistics, 1960-1997; <sup>5</sup> WHO, available online [www.who.int](http://www.who.int)

<sup>6</sup> The Social Situation in the European Union, 2003. European Commission.

na) data not available

\* it includes all households with children and at least one adult aged 65 and over; \*\* Belgium, Spain, France and Italy: 1997; Greece, Luxembourg and UK: 1998

Table 2.5 shows this phenomenon of late departure from the parental home in Portugal, where the share of young people living with their parents is clearly higher than the EU15 average.

Portugal is a country where the traditional models of family formation remain very important. One key indicator is the strong institutionalisation of marriage. If we go back to table 2.4, it is possible to see some complementary elements of this picture: very high marriage rate for women, comparatively low divorce rate, marriage at an early age and low rate of births out of wedlock. These are all elements that concur to the reproduction of the traditional family models and the strength of family ties.

Alongside with the prevalence of traditional modes of family formation, we have in Portugal a comparatively higher incidence of types of household often referred to as typical of pre-modern societies. The reference here is for the extended households with more than two cohabiting generations. According to the data in table 2.5, and focusing on the individuals aged 65 or more, we see that in Portugal the share of those living alone, for both genders, is lower than the share found across the majority of the EU15 countries. At the same time, the share of those living in extended households with multi-generations cohabitation is significantly higher, almost twice the EU15 average, for both genders.

Most likely as a consequence of the incidence of the distribution outlined above, the average size of the household in Portugal is higher than the EU15 average, a trend similar to what we find in countries such as Spain or Ireland. The reason why this figure is likely to be related to the prevalence of the models of family mentioned above has to do with the fact that the fertility rates in Portugal are not higher than the EU15 average.

There is, however, one other dimension of life that has been demonstrated to be closely related to models of family formation and organisation: the models of participation of individuals in the labour market; in particular, the models of participation of women in the labour market.

On the Portuguese case, I would like to start by highlighting two elements that seem of major importance to understand the economic logics of the household within a familialist system: the comparatively higher shares of people employed in agriculture; and the comparatively higher shares of self-employment (see table 2.5).

These two elements are part of a broader picture that results from the model of economic development experienced in Portugal in the last 50 years. This is a topic that

was already addressed, albeit briefly, in the first section of the chapter, but it is important to reinforce it once more since it is the cornerstone of much of what appear as options for the contemporary Portugal.

Employment in agriculture is a particularly important element of this picture but with its full meaning only uncovered if accompanied by others. I think more specifically about the figures for the evolution of the shares of employment in agriculture, in industry and in services.<sup>10</sup> This is a very significant fact, especially in what it implies in terms of social organisation. The Portuguese society has moved towards modernisation with the relationships typical of a rural society remaining relatively untouched and permeating the modern modes of social functioning. There is extensive research on this topic carried out by some Portuguese scholars and all point in the same direction: the familialist society based on relationships of reciprocity and recognisance is intimately related to the importance of rural pre-modern logics of social organisation in Portugal (Pinto 1985; Pina-Cabral 1995). Sapelli puts it very clearly when he addresses the South European realities, describing the importance of the persistent agrarian society going beyond the economy in the strict sense and having also to do with a wealth of values, with close family ties and specific social values (Sapelli 1995).

As for self-employment, it reflects the resource to economic strategies very often based on the household as the unit of production. Again there is some research on the topic, mainly carried out by Portuguese researchers and the conclusions seem to point in the same direction: self-employment is very often associated with the use of family resources and usually involves the entire household (Pinto 1985; Almeida 1986). Within this thesis, the relevance of self-employment is to highlight basically as an indicator that allows me to start building the argument of the household as an economic unit and as the pillar of familialist systems. I will come back to this some paragraphs ahead.

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<sup>10</sup> In 1960, the share of employment in agriculture represented for Portugal around 44% (against a EU15 figure of 21.3%). In 1997, agriculture still represented 13.6% of civilian employment in Portugal (against 5% at the EU15 level). The share of civilian employment in industry in Portugal was 31.3% in 1960 and 31.5% in 1997, with figures between these two moments remaining more or less constant. Until the late 1980s these shares in industry were always below the EU15 average and more importantly referred to workers employed in industries of small or medium dimension. On the other hand, the trend in services as a sector of civilian employment is of a more clear convergence between Portugal and the rest of the European countries. Although the share of civilian employment in services is systematically lower in Portugal when compared with the EU15 average, the trend of systematic increase is constant. In 1960, that share was 24.8% (against 39% EU average). In 1987 it was 42.9% (against 59% EU15 average). In 1997 it was 54.9% (against 65% EU15 average). (Source: OECD Labour Force Surveys, available at [www.oecd.org](http://www.oecd.org))

As mentioned in the beginning of this sub-section, one other element of familialism, viewed from the perspective of its modes of social organisation, deals with the participation of women in the labour market.

It is common to find in the literature references to a high level of domesticity of women as a trait of familialist systems (Guerrero and Naldini 1997; Sainsbury 1999). The argument here is pretty straightforward: the burden of providing for the welfare of family members falls on women and that is possible given the predominance of the male-breadwinner model combined with the kinship model (extending the nuclear family to incorporate other relatives, namely in the ascending order) and, as the other side of the same coin, the high share of women in domestic status.

If it is true that this argument makes a lot of sense, it seems equally true that it does not apply to Portugal. Going back to table 2.5, we can see that Portugal, from a comparative perspective, displays a relatively low degree of domesticity among its non-dependent women, with a figure equal to the EU15 average. In fact, if we look to the most recent figure available for the rate of participation of women in the labour market, we see that Portugal shows a figure much higher than the EU15 average, a trend that one would not expect to be so relevant in a country believed to have a social policy framework of a familialist nature. Other indicators could be called upon to reinforce this picture and all point in the same direction: low shares of employed women in part-time employment; high shares of employment among women with children under three; among others.

The participation of women in the labour market constitutes, in fact, one of the biggest paradoxes of the Portuguese case. There are certainly historical reasons for this<sup>11</sup>, but the prevalent reasons are of an economic nature, namely the fact that Portugal has very low salaries, which makes the male breadwinner model not feasible for many households.

From here emerge, in my view, some of the more intriguing questions about the Portuguese case. If the formal social policy framework relies on family provision and if women are working full-time, how does familialism operate? Who is taking the burden and at what expenses? These are some of the questions that will be addressed in this thesis.

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<sup>11</sup> Among those historical reasons it was of particular relevance the impact of emigration and of war during the entire 1960s. Many men left the country, either as emigrants or as soldiers, which meant the need to replace the predominantly male labour force that was no longer available. This has created an excellent moment of entry of women in the labour market, which remained long after the end of the events that initially triggered it.

## **2.2. Familialism and welfare society**

The research on modes of welfare provision, carried out by the Portuguese scholars, does not make very extensive use of the concepts of familialism or familialisation. The clearly elected concept is the concept of “welfare society”. It can be safely argued that both concepts are tackling the same realities. However, the concept of welfare society embeds in a somehow better-defined way a societal approach to welfare provision. In that sense, it incorporates in the concept itself the sociological elements that explain it.

Some comparative research that focus on values and cultural traits tends to explain the cross-country variations shown in the previous point as the result of a pro-family orientation of the individuals in countries such as Portugal, as opposed to a more individualistic orientation in other countries where the de-familialisation of the individual welfare is more evident. What my argumentation so far is trying to put forward is precisely the idea that this pro-family orientation is not necessarily a choice within a framework of values, but very much an imposition within a certain institutional framework marked by a weak welfare state. These phenomena, however, are self-reinforcing and tend to produce the pervasive effect of legitimising themselves by their functional permanence in a given society. In that sense, they reflect themselves in the sphere of values.

Values provide the social cement that brings things together in a given society. They define the universe of possibilities within a society and compel individuals to adopt whatever behaviour is considered desirable and appropriate to deal with a certain situation. The major interest of the concept of welfare society, from my perspective, is precisely how well it embeds the articulation between the historical process of development of the institutional setting and the legitimisation of that process by a set of values. One of the key questions along this thesis addresses how elderly people choose to tackle their needs in a familialist policy framework, when its social basis is going through a process of erosion. The interest of the concept of welfare society, in this context, is the fact that it brings the question to a broader field where, although the social conditions that used to make possible a strong informal support are changing, there is a set of values that make it legitimate to expect that informal support still be the norm.

Having said that, it is important to refer my approach to familialism in the lives of the elderly Portuguese to the broader societal system of welfare provision, where values and expectations about the roles of individuals and families are a core dimension.

But there are other reasons for the interest of articulating familialism with the concept of welfare society. Despite criticism from some academics, according to whom the concept of welfare society is inadequate to account for the Portuguese reality because it does not address the needs of the most vulnerable (Wall, Aboim et al. 2001), it is precisely because of that that I consider it so interesting. Embedded in the concept itself there are elements that allow discussing the pervasive consequences of a familialised system. One of those is the reinforcement of processes of social exclusion among certain groups in society.

The welfare society as described above is based on networks of mutual recognition and exchange. This means that its role as a promoter of social inclusion is highly dependent on the existence of available informal networks to the individual and on the resources available within those networks. In other words, those who have no networks available or that are part of deprived informal networks tend to see their worse off situation aggravated by a system that relies on the performance of these informal networks.

This is of key interest in this thesis given my stated objective of discussing the dichotomy familialism and well being in the lives of the elderly. The fact that the Portuguese elderly live in a policy framework that forces them to rely on their ability to benefit from informal (often meaning family) support, when that support does not exist or cannot perform in a satisfactory way, the likely effect is to increase the risks of exclusion among the elderly.

This in turn is related to another key feature that, once more, the concept of welfare society allows discussing more thoroughly. A structural element of the Portuguese system as a weak welfare state that relies on the performance of the informal networks in the society is the fact that it does not promote the concept of individual welfare as a social right. On the contrary, it reinforces the assistencialist logics of welfare provision and it feeds the values system by putting the burden for the individual welfare on families and on the household.

As described by some researchers that have been studying the ways familialism has materialised in countries such as Portugal (Santos 1990; Hespanha 1993; Ferrera 1996(b); Rhodes 1997), we could systematise the main roles of families in the global system of welfare provision as follows:

- Families, rather than the state or the market, provide for a broad range of welfare services;
- Extended family networks (not necessarily sharing the same roof) share economic and caring resources;
- Families often work as loan agencies and as employment agencies for their members by activating their relational capital;
- Faced with difficulties of insertion in the labour market, and given the absence of housing policies, young people remain in the parental home until later in life;
- The number of elderly people living with their families (namely their descendants), although decreasing, is still relatively high, especially if compared with the modern Western countries in the EU space.

The low development of social assistance and personal services in the Portuguese welfare state, a gap assumed to be filled in by family solidarity, is also a domain for the development of private provision, namely by the non-profit sector. Some authors see in this third sphere of welfare provision the final touch of the Portuguese model of welfare provision. The weak state provision, biased towards income replacement mechanisms, is compensated by family provision and by the intervention of a non-profit sector that has been developing under the wings of the state and that delivers the minimum level of services required to tackle the needs of those deprived from family resources. The next section of the chapter addresses this topic.

### **3. The private non-profit sector in the global system of welfare provision**

In the historical roots of the Portuguese welfare system, it is possible to identify a structural difference between social protection (associated with the idea of anticipating and insuring a risk) and assistance (associated with helping the poorest and most needy that cannot provide for themselves and therefore need the charitable help of others). The way the welfare system evolved in Portugal, and in particular the roles of the non-profit sector, were very much shaped by that structural differentiation.

If we are to consider the very early origins of the welfare system in Portugal, we are taken to the distinct organisations that emerged in the civil society based on the medieval concepts of “charitable help” and “mutual help”. These concepts end up materialising themselves in private organisations that have a long tradition in Portugal: *Misericórdias* and

*Mutualidades*<sup>12</sup>, respectively. Later they would shape the distinction in the organic structure of the welfare system between social assistance and social protection (Rodrigues 1999).

During the dictatorship period, it was key in the political agenda to control all initiatives at the level of the civil society. According to the ideology of the system, the branch of social protection was reduced to a corporatist-based system, already addressed in the first point of this section. As for social assistance, the dictatorship imposed a clearly undervalued version of assistance that was organised according to ethic and religious criteria. Simultaneously, the dictatorship regime was ideologically engaged in integrating everybody through work, which meant a moralising exclusion of poverty by refusing any political and financial responsibility of the state for the living conditions of the population.

In a political framework that confines poverty to an ethical and religious issue, an issue that is part of moral and of Christian education, the State defines as a priority to support those organisations that share the same ideal. The path chosen was that of the principle of subsidiarity of the state relative to private initiatives. The dictatorship regime would implement a policy of reinforcing private institutions, namely promoting the extension of their own property by means of public financing, instead of generalising the access to benefits and services granted on the basis of citizenship rights (Pereira 2000).

Recent research carried out on the historical origins of the non-profit sector in Portugal has demonstrated that, although for some of the 1264 institutions recorded in the dictatorship period, it is not possible to clearly identify their institutional basis, the religious orientation seems to be dominant and only in very few, it would be possible to identify a lay orientation (Rodrigues 1999). The majority of these organisations were basically mobilised to work as an extension of the authoritarian state in the moralising control of poverty and exclusion (Rodrigues 1999). This model of relationship between an authoritarian state and a quasi-governmental non-profit sector has led to the development of a strong administrative apparatus of control.

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<sup>12</sup> The *Misericórdias* (Houses of Mercy) were founded by royal initiative in the 16th century, under the influence of the Catholic Church, and very much under the principle of Christian charity. Initially, the institutions of *Misericórdias* assisted the most poor and deprived from family support (orphanages, asylums for people with mental disorders and others of the same type were created by these institutions). The *Misericórdias* have expanded to other areas of intervention, namely education and health care. The *Mutualidades* (Mutuality Houses) were associations created to work as instances of charity towards the most needy, but confined to a group of people belonging to a certain professional group. People would contribute to a common fund that would be used to assist a member in need. We can see in the *Mutualidades* the first incipient expression of the corporatist forms of social insurance that would emerge in the second quarter of the 20<sup>th</sup> century.

After the democratic revolution of 1974, the Portuguese non-profit sector went through some changes, namely as a result of the emergence of a national project of welfare state and the consolidation of the role of the state as the primary responsible for the welfare of the population. For a (brief) period of time after the revolution, the contribution of the non-profit sector would decrease. The ideological orientation of the political forces that had more relevance in the revolutionary period would mean that many private institutions were totally ignored, in some cases even ostracised, by the new democratic state that was eager to cut and dissolve all ties with the past.

However, as far as the institutions that were part of the Catholic Church hierarchy, or that were somehow protected by the Church, were concerned the democratic state had a different orientation. Just two years after the revolution, the government declared its support to these organisations and recognised that they were not treated with the respect they deserved considering their tradition in the field of social assistance. From then on the state became actively involved in organising the sector, which would culminate in the creation of a federation of non-profit institutions that would represent the interests of the sector. The new body was given the designation of UIPSS (*União das Instituições Privadas de Solidariedade Social*)<sup>13</sup>. At the same time, new legislation was approved and published, defining the legal nature of the private non-profit institutions designated as IPSS (Private Institutions of Social Solidarity). That document was elaborated with the participation of the representatives of the *Misericórdias* (the main group of religious oriented organisations with strong traditions in child-care and health care) and the representatives of the Catholic Church hierarchy.

The expansionary impetus of the newly created welfare state would not last long, as already discussed previously in this chapter. Already during the 1980s, and with more clarity in the 1990s, we would see a significant shift in the official discourses. The anti-state and welfare state crisis arguments that were spreading across Europe were mobilised to justify the trend towards the retrenchment of social policies and the transfer of responsibilities for social provision to the private sector.

The legislation of 1983, that defined the legal framework of the Portuguese social security system, would clarify definitely the nature of the relationship between state and non-profit sector. In that document it can be read that the state accepts, supports and values the role of the IPSS in the implementation of social rights. Furthermore, it

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<sup>13</sup> A plain translation would be Union of the Private Institutions of Social Solidarity.

enlarges the domains of intervention of those institutions adding to the traditional domain of social assistance, the areas of health care (hospital care and out-patient care), education, continuous education and housing (*Decreto-lei* 119/83).

As for their formal structure, the state equally defines the bureaucratic rules that these institutions need to follow to have their activities and their institutional entity recognised. Again religious institutions under the wings of the Catholic Church have a special status, being exempt of the bureaucratic procedures mentioned before and having an automatic recognition as IPSS.

Over the last 20 years, the non-profit sector has been expanding quite considerably in terms of autonomy and influence in the sphere of policy design and implementation. The fact that these institutions are key providers in such sensitive areas, such as child-care and care for the elderly, or even in health care outside the big urban centres, gives them a strong power of negotiation that is usually more visible when the time comes to negotiate the financial agreements between the state and the non-profit sector.

The financial relationship between state and non-profit sector has been defined since 1979. It takes the form of Cooperation Agreements (*Acordos de Cooperação*) and basically translates into the payment of a certain amount of money to the institution per user served. From the beginning, the state transfers have been around 70 to 80% of the costs and the rest is expected to be bourn by the institution out of its own resources. The state support though includes other financial transfers, namely support for housing facilities and equipments, tax exemptions, one-off subsidies, as well as transfers within the national program of fight against poverty. As a result, the non-profit sector has been increasing its dependence on the state. That is the reason why many Portuguese scholars consider that designations such as NGO (Non-Governmental Organisation) or Voluntary Sector do not apply to the Portuguese case. Because of their financial dependence from the state and because of the strict legal-bureaucratic criteria the institutions have to follow to be accepted as partners of the state, the non-profit sector ends up working as a para-governmental body that basically extends the state bureaucracy without a real state expansion (Lopes 2000).

Today the non-profit sector in Portugal has considerable importance in the provision of services to the population. The most recent census on the social services that fall within

the field of social assistance<sup>14</sup> has identified the distribution of services displayed in table 2.6.

Table 2.6. Number of social assistance services provided, by district, according to the legal status of the provider, in 2000

District	Total	Non-profit sector					Public sector	<i>Miseri-córdia</i> of Lisbon	For profit sector
		Total	Associations	Religious	<i>Miseri-córdias</i>	Others			
Aveiro	<b>746</b>	288	129	64	42	53	401		57
Beja	<b>189</b>	76	23	14	21	18	109		4
Braga	<b>797</b>	369	126	127	57	59	400		28
Braganca	<b>230</b>	109	13	44	43	9	117		4
Castelo Branco	<b>295</b>	157	77	24	47	9	126		12
Coimbra	<b>527</b>	297	136	98	28	35	205		25
Evora	<b>264</b>	169	68	36	42	23	77		18
Faro	<b>296</b>	173	75	14	65	19	70		53
Guarda	<b>364</b>	166	80	31	25	30	193		5
Leiria	<b>465</b>	156	58	42	31	25	255		54
Lisboa	<b>1908</b>	941	508	220	76	137	415	88	464
Portalegre	<b>187</b>	117	51	5	48	13	69		1
Porto	<b>1137</b>	498	225	107	64	102	494		145
Santarem	<b>548</b>	207	102	52	35	18	286		55
Setubal	<b>559</b>	268	131	59	36	42	111		180
Viana do Castelo	<b>268</b>	141	48	52	30	11	126		1
Vila Real	<b>248</b>	90	32	12	33	13	150		8
Viseu	<b>579</b>	143	48	43	38	14	414		22
<b>Portugal</b>	<b>9607</b>	<b>4365</b>	<b>1930</b>	<b>1044</b>	<b>761</b>	<b>630</b>	<b>4018</b>	<b>88</b>	<b>1136</b>

Source: Carta Social, MSSS, 2000

The conclusions that can be drawn from table 2.6 are indirect and limited by the type of data available. The table displays data on the number of services but states nothing about the actual size of the services provided, namely in terms of people covered. Therefore, the interpretation put forward in the next paragraph needs to be weighted and read in light of this limitation. There are no other data available.

The distribution displayed in table 2.6 above reproduces the geographical disparities of the country, with a higher concentration of services precisely in the areas of higher population concentration. The two big urban centres of Portugal show as expected the highest number of services (Lisboa and Porto). Overall, it is worth noting that the non-profit sector accounts for around half of the available services. The share for the private

<sup>14</sup> The domains of action included in the definition of social assistance are: child-care, disabled people care, elderly care, services to the family and community, services for drug addicts, services for HIV/AIDS patients. The last two categories are usually designated as “others” given their low expression in the universe of services provided.

for-profit sector is around 12% at the national level, but with even more pronounced geographical disparities. I will come back to the role of the for-profit sector in the next chapter.

To close the considerations on the non-profit sector in the Portuguese global system of welfare provision, I would recall that many Portuguese scholars, especially in the last 10 years, have been raising important questions about the nature of the Portuguese non-profit sector. These range from reflections on the type of democracy they foster to issues of rights and participation. For this thesis there is one question in particular that should be addressed and that relates to the funding of the activities of the Portuguese non-profit sector.

In Portugal, as mentioned above, the major part of the expenses of these institutions is covered by transfers from the State defined in contracts that are signed between the two parties. These institutions usually have very limited own resources and the donations from private entities are quite insignificant (Lopes 2000). As a result, the major way to cover for the deficits, which often show in their budgets, is by means of users' fees.

Some Portuguese scholars have been warning of the dangers of this type of situation. In times of state retrenchment, the likelihood of these institutions to become an extension of the state bureaucracy is very high. And with the state stepping down it is also very likely that some effects will be felt in the users' pockets (Pereira 2000). Also one must never forget that the solidarity exercised within these institutions is not based on any acquired rights that can be legally enforced. In that sense, it only reinforces the selective character of the welfare provision in the Portuguese system (Santos 1990).

## **Conclusion**

In this chapter, I have put forward some arguments towards the uniqueness or, at least, the distinctive character of the Portuguese case as a global system of welfare provision. The roots for that distinctiveness were founded in the political history of the country experienced all along the 20<sup>th</sup> century, and in the choices by then made in terms of economic policy and social policy.

During the 40 years of conservative dictatorship, Portugal was kept away from the winds of modernisation that swept almost all of Europe. It did not go through any significant process of industrialisation and, as a consequence, never really saw any significant labour

movement or unionism. Parallel to this, it remained, till very late, permeated by the rural modes of social organisation and functioning. Those are two sides of the same coin that would later lead to a passage to a post-fordist economy and that help to explain the mixture of modern and pre-modern in the contemporary ways of the Portuguese society. After shaking off the dictatorship, Portugal opened what could have been a new era were it not for the heavy constraints posed by the legacy of the long lasting dictatorship and the particularly difficult conditions that were being felt all around the world.

When in 1974, and after the democratic revolution, Portugal initiated a project of welfare state based on the principle of national solidarity, the global economic conditions were no longer favourable to the expansion of the welfare state ideal. The patchy development that had characterised social policies all along the dictatorship would not be effectively improved and would remain a main feature of the Portuguese global system of welfare provision.

The Portuguese welfare state has emerged late in time and has inherited a strong past of centralisation, authoritarian culture and bureaucracy. Remaining distant from the population, the Portuguese state has always counted on the civil society to fill in the gaps left by a weak state provision, be that by means of informal networks of solidarity or by means of the expansion of a quasi-government non-profit sector.

The European integration brought many challenges and constraints to the Portuguese society, but its effects at the level of social policies were modest and very much confined to the financial limitations leading to the retrenchment of what was already a weak provision. The EU itself has always been very hesitant when it comes to any real project of standardisation and cohesion at the level of social policies; therefore, one would be naïve to expect any major impact capable of changing the historical path of social policies in Portugal.

In any case, and especially after the mid-1990s, Portugal has undertaken a process of gradual adjustment in response to the pressures that arose from the growing instability of the structural pillars of the system itself, with special emphasis on the growing instability in the labour market and the visibility of unfulfilled needs, namely in terms of poverty and social exclusion. Some of the trends of that gradual adjustment were discussed along this chapter:

- Some ironing out of benefit formulas for privileged occupational groups;
- Some basic upgrading of minimum benefits;

- Introduction, although without real consolidation, of safety net programmes;
- Some measures to provide some services to families, although at very meagre levels.

On the basis of these trends, one could think that Portugal has been fulfilling the path of the Continental conservative welfare state regime. If that is the case, and in the words of Ferrera, it means it has been “(...) walking down a dead end (...)” (Ferrera and Rhodes 2000). If one thinks of the debate about the problems of the welfare state in countries such as Germany, Belgium or even the Netherlands, we can identify a considerable number of scholars arguing that the only way out for those countries is a strategy of de-familialisation (Chassard and Quintin 1992). How that will be done is the question that remains open. Surely the current global conditions do not make it feasible to think that the Scandinavian path is available for a country like Portugal. It is my hope that the results of this thesis can bring some modest contribution to clarifying the paths effectively available.

In general terms, it can be said that a social security system protects its citizens in light of political, social and cultural concepts that are shared and accepted as the norm within that same system. Debating the welfare of individuals within a familialist system must include not only the analysis of the apparatus of the system, what is available and what is not, but also the analysis of how individuals relate to the system and provide for their well-being as well as the analysis of how satisfied they are and what they expect or perceive as legitimate to expect.

In the following chapter, I start addressing these topics focusing on a specific group of the Portuguese population, the elderly people, and analysing the existing social policy framework that is in place to address the needs of this specific group of the population and their families.

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