European integration, crisis, globalization, and socioeconomic dynamics in Portugal
Intégration européenne, crise, mondialisation et dynamiques socio-économiques au Portugal

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1 - Portugal and the European Union
The Process of Integration

Portuguese society is presently experiencing a profound crisis which is not limited to public finances but is also the result of the very process of the construction of Europe and its governance. These two crises reflect the contradiction of the process of European construction, between broadening and enlargement, in a new context encompassing the circulation of the single currency and expansion into Eastern Europe. In contrast, the increasing integration of economies on the global level and the emergence of new and more skillful players have had consequences for the dynamics of internal construction and the articulation and relationship of the European block with other blocks, notably with the triad (United States and Japan), and with emergent new powers and blocks (China, Southeast Asia, India, Brazil, Russia, and South Africa).

It is within this framework that we must discuss European integration. The post-war decades and the 1960s and 70s were a time of hope. Europe represented all that we desired but did not have. From early on, this meant freedom, but also access to products and goods, culture, facilities, education, health and safety. In a word, it meant well-being, quality of life and development.

Membership in EFTA in 1960 brought change and a new model for development based on foreign investment and growth of industry, tourism, and money from Portuguese emigrants, and this redirected Portugal’s position which now became more Europe-centered. However, Portugal and the Portuguese aspired to more. The freedom
and democracy that the 1974 Carnation Revolution made possible opened the door to the 'European Club', and in part, many dreams became reality. The period from 1960 to 1974 marked the era of the greatest economic growth in Portugal's history. It was at this time that the processes began which would later lead to the creation of the middle class.

The first phase of integration (from 1986 to 1999) was one of change and progress forging ahead. Democracy became more established, liberties were being exercised, people had access to products and goods, the economy grew and adapted, the Social State felt closer to people. It was not simply the physiognomy of the country which was transformed but also the nature of the Portuguese people, but this might have been a foregone conclusion if we consider the times and the unlikelihood of things turning out differently. Portugal sought to modify the model for how it functioned, and so the country grew, it attracted and maintained its population, became better educated, and provided access to services and a wide range of facilities (in the health, education, culture and leisure, and social domains) in a process that was viewed as irreversible. It was the time of hope and the achievement of all of one's aspirations and wishes.

The Portugal of poverty and ignorance, of the lack of services, infrastructures and facilities, and of censorship and repression increasingly became a thing of the past.

The turn of the 21st century unveiled a new image. Up to that point, all the indicators had predicted a path on the ascendant, one of progress and triumphs, with materially proven growth and development. The future that had been so intensely desired and very often achieved was gradually replaced by the shadow of debts and creditors, the economic model once again showed signs of weakness, and the Social State, which no longer offered a safe harbor, began to be questioned. Unemployment rose, yet politicians failed to respond, with no new course proposed to uphold the principles of change, whose goals were continuously within reach and to a certain extent achieved (Figure 1). The Portuguese were living in an atmosphere of uncertainty and distrust, once again opting to emigrate and reliving the memories of the 1960s. Portugal was seemingly cast adrift, unable to find its way, with its future on hold and lacking the ability to decide its fate.
Fig. 1 - Unemployment rates in Portugal, 1983-2016

Many were the victories won over the last half-century: political freedoms, the democratic system, and the benefits of the welfare state (health, education, and universal Social Security coverage). Also, the forceful presence of women in the public space and the levels of quality of life obtained by the citizenry were distinct benefits also enjoyed. Yet some things remain unaccomplished, and we note the inability of the democratic system to reform itself and of the State to adopt a more regulatory and less intervening posture. There has been a difficulty in conceiving of and following a strategy of clear development, in defining targets and assigning responsibilities, and in assessing and seeking out agents for mobilization. History shows how the State has been ubiquitous, seeming to asphyxiate, intervening and dominating everything and everyone in both direct and indirect ways. The political-administrative organization is managed by a Central State, without true regionalization, and expresses the domination of coastal, urban and dynamic districts over an interior that is abandoned, ageing, and suffering persistent loss (in population, economic activities). The role of municipalities has been fundamental, yet limited, in favoring education, culture and sport, be it with respect to the material dimension and investments made in infrastructures and facilities or in the accompanying social aspects, but always framed within the determinations set forth by the Central State. Currently the search for integrated solutions for territorial development has placed increasing value on interventions carried out by municipalities together with inter-municipal communities. A culture of proximity between the State and “a slice” of society has been instituted; this is the core problem which has hindered any change from taking place in mentalities. What is needed is to do away with the interconnection of protected interests in order to give Portugal a new impetus, one that will initiate a new cycle in the process of integration. Europe, especially Northern Europe, must play an active and unreserved role in this new cycle. The past cannot be forgotten nor can we afford to have short memories. We cannot squander what we have earned for ourselves.
However, we should not consider that everything that has taken place in Portugal is owed to the process of European integration. The political changes have been decisive, such as the liberalization and increasing global integration of the Portuguese economy and society. Portugal, a pioneering country in terms of globalization, saw in European integration a sort of new globalization. However, the European Union often seems to be willing to resist this process of global integration. The focus should be redirected toward proactive and solidarity-based participation, considering the advantages of diversity. The whole is much greater than the sum of its parts.

The reading of Portugal’s process of integration in Europe has emphasized different dimensions of integration (political, economic, social) within a framework of successive enlargements and increasing global interdependence. The assessment carried out on Portugal’s insertion into Europe shows the remarkable progress which has taken place in the material domain and in the transformation of the country (DEE-BP, 2009; RIBEIRO, 2011; MATEUS, 2015; MARQUES, 2017; PIRES, 2017; TAVARES et al., 2017). Change is visible in infrastructures and facilities, education, health care and in social issues. Translating these achievements onto the territorial level, however, reveals a country that is more disproportionate and concentrated in coastal areas. The debate which began with Portugal’s membership in the European Community, along with what the recent studies on the process of integration have shown, serve both to underscore the dimension of the country’s transformation associated with the investments carried out within the scope of successive EU community frameworks and to identify the fragilities seen in the territorial model which have shifted the country toward the coastal regions. The discussion has also addressed the way that Europe has managed the economic and sovereign debt crises as well as the effects of successive enlargement and growing interdependence in a more integrated and global world.

2 - Socioeconomic Dynamics
Progress and Weaknesses

The main question to be asked when reflecting on the process of European integration deals with understanding why the Portuguese economy has increasingly turned inwards and why a more wide-ranging process of institutional and organizational opening and qualification has not occurred. Why has progress been evidenced in more material matters whereas structural changes, such as those related to attitudes, have not yet taken place? At the same time, these issues must be understood with due attention given to the Portuguese model of political and administrative organization as well as the role of the investments carried out within the scope of the successive EU community frameworks and the responses and transformations of the territories.

Seeking to answer the question of how Portugal has adapted in an ever-accelerating world, the analysis considers certain indicators that synthesize the primary changes taking place in the economy, Portuguese society and in the territory. The analytical dimensions intend to identify and characterize the principal socioeconomic and territorial dynamics observed and the consequences of the process of integration, taking into account the organizational and institutional alterations in question.

A first group of indicators takes up the evolution of Portugal’s per capita GDP since its admission into the European Economic Community in 1986. Despite the abundant
criticism directed at this indicator, it nevertheless provides an exemplary synthesis of a country’s ability to create wealth. The GDP figures aid in interpreting the various phases in the process of European integration (Figures 2 and 3).

**Fig. 2 - Growth rate of GDP volume**

![GDP growth rate graph](image)

% change against the previous year, 1986-2014
Source: INE, 2016.

**Fig. 3 - Gross domestic product per inhabitant, 2000 and 2016**

![GDP per capita map](image)

Source: INE, 2016.

First came the growth occurring post-entry to the European Community, which was higher than the rate of the other Member-States, followed next by the internal market and the Recession of 1993 and 1994, leading to a new period of relative growth after the
Euro currency was launched. In recent years, from the adoption of the single currency to the financial crisis of 2008, once again a tendency toward distancing was observed, which in 2009 and 2010 was slightly inverted, to be then followed by a decrease in more recent years. The key concept of this evolution shows that since the founding of the single currency, Portugal has always been on a course which presents a shift away from the average economic growth of the European Union. Portugal had been sitting on a domestic crisis which found itself attached to the international financial crisis framework of 2008.

The use of the Human Development Index (HDI) allows for an ampler and more wide-ranging view of the evolution of development in Portugal. The combination of health indicators (life expectancy at birth), education (number of years of schooling for 25-year-olds and expected number of years of schooling), and the economic component (Gross National Income per capita) underscore the progress made in Portugal although some figures may be lower than the EU-28 average (Figures 4 and 5).

Figs 4 and 5 - HDI and average annual HDI growth in Portugal, 1990-2015


This evolution occurred in a context in which Portugal modified its structure of economic activities, with a clear tertiarization of the economy occurring, on par with a distinct process of deindustrialization and the loss of importance seen in activities in the primary sector. Indeed, the gross value added (GVA) increased the total share from 1986 to 2008 for services from 55% to 73%, representing a drop in the industrial sector of 29% to 17% and in the primary sector from 10% to 2% (MATEUS, 2013). These changes clearly show the consequences of increasing global integration interpreted as a new international specialization/spatialization of economic activities and as the emergence of a new competitive geography of the world economy.

The analysis of the structures of production and consumption shows that the process of convergence in Portugal was unbalanced, with the progress made falling more on the side of consumerism as opposed to the ability to create wealth. A level of consumption that was not aligned with the economy’s capacity for production was recorded. The evolution of the indicators points to the observation that after a period of economic growth and public investment expressed in a series of accomplishments (public works) came a loss of competitiveness. Competitiveness expresses a country’s capacity to create wealth which translates into quality of life for the population in a context of international competition. The analysis of exports and productivity allows defining the characteristics of economic activity. The weight of exports in terms of GDP showed a trend toward stability from 1995 to 2005, with growth representing approximately 10 percentage points from 2005 to 2015 (from 23.4% to 34.7%) (Table I).
Table I - Weight of exports in terms of GDP (%)

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Source: INE, 2016.

It should be added that labor productivity – GDP at constant prices (2010) per employed person, considering Portugal’s ratio in terms of the EU 15, has been on the rise since Portugal’s membership in 1986, with the figure at 54.4% in 2017 (Figure 6).

Fig. 6 - Labor productivity – GDP in constant prices (2010) per employed person, ratios in terms of the EU 15

Source: INE, 2016.

Additionally, the use of a composite indicator (competitiveness index) enables a greater understanding of the changes that have taken place in terms of competitiveness. Indeed, the World Economic Forum, in its Global Competitiveness Report 2017-2018, named Portugal its 18th most competitive member-state in a ranking led by the Netherlands, Germany and Sweden. Referring to the most problematic factors for doing business, the Report highlights the following aspects: inefficient government bureaucracy, tax rates, restrictive labor regulations, policy instability and access to financing. By way of comparison, in the Global Competitiveness 2000, Portugal was ranked the 13th most competitive member-state.

This phenomenon had as its backdrop the process of European integration expanding into Eastern Europe and the creation of the single currency, which had been preceded by nominal convergence (the Treaty of Maastricht, 1992). The context and the political decisions, the creation of public employment and a favorable framework for access to credit produced consequences, not only in the domain of attitudes and social behaviors but also in the structural changes in employment and in the perspectives and wishes of the social classes with higher levels of education, which also eventually encompassed the lower income classes. Moreover, these structural changes in public sector employment were not accompanied by any parallel dynamic in the domain of private sector activities. In contrast, the lowering of interest rates and the drop in inflation rates in the 1990s had an impact on the decision-making of economic agents (families in particular), creating...
expectations in terms of income which did not correspond to an increase in productivity and the necessary structural changes to the economy. The growth in private consumption in the period from 1995 to 2010 was equivalent to a ¾ expansion of the GDP (MATEUS, 2013).

The economic development model which led the country to this situation was essentially based on the material dimension of consumption, incentivized by public policies and by the banking system, with aftereffects being that of “widespread depression” that was difficult to reverse. In addition, the ageing of the population and the growing social demands, together with high levels of indebtedness, not only the level of debt in individual families but more importantly that of the State, put constraints on the future as the framework for the process of European integration became increasingly uncertain and asymmetrical (Figure 7).

Fig. 7 - General government consolidated gross debt: Excessive deficit procedure (based on ESA 1995). % GDP

In this context it is essential to reflect upon why the structural changes to make the economy more qualified and more productive were not carried out. Concisely, we should note first, and with a positive effect that was favorable to change, the alterations made in the domain of education and the efforts toward greater professional qualification for the population, with continued importance given to the number of people in the Portuguese work force with only nine years of education or fewer as compared with the European Union-28 figure (52.9% as opposed to 26.5% in 2016). Also noteworthy are the accomplishments in the domain of Research and Development activities, which require more time to bear fruit that will ultimately result in change. At the same time, the corporate structure was based on small businesses, which limits the existence of economies of scale, even when presuming the advantages that may stem from a greater capacity for adaptation within the current context of uncertainty and flexibility in responding to change. These elements are also associated with weaknesses with respect to the quality of labor management and organization, essential vectors for change and dynamism of the economy. Parallel to these organizational features we highlight the institutional dimension, related to the costs of the context and to dependency on the
State, which thwarts the changes that all are demanding. In short, a dual movement of an organizational and institutional nature seems to be mutually strengthening itself, with effects in the inability to create jobs and generate wealth. The evolution of the flow of direct foreign investment in Portugal, which plummeted in 2008 (both at the source and at the destination), also reflects this scenario.

These socioeconomic changes should be framed within a different context, one which intersects the dimensions of demography and territoriales recomposition. Portugal’s relevance within the European context has been slipping, not only in quantitative terms, as the Portuguese represent only 2% of the European population, but also given the significance of changes to the demographic structure, with an ageing population (in 2011 the figure was 128 seniors for each 100 young adults), the result of a rise in average life expectancy and a drop in the birth rate (the fertility index is currently one of the lowest in Europe—1.3 children per woman). The new wave of young college-educated Portuguese opting to emigrate will have profound consequences on the country in the 21st century, similar to the impact felt in the past. From 2011 to 2014, it is estimated that approximately 390,000 people left the country (OBSERVATÓRIO da EMIGRAÇÃO, 2017).

This shift in the demographic pattern must also consider the territorial recomposition which has marked both the population and socioeconomic changes that had begun in the second half of the 20th century.

The current geography of socio-territorial inequalities is an extension of the legacy from the past, showing a clear division between urban territories and those regions falling victim to increasing abandonment. The most recent data confirm that, despite the slowing of demographic growth, the trend points to the population concentrated in the coastal areas of Continental Portugal and the bipolarization of main metropolitan areas of Lisbon and Porto (Figure 8).
For its part, the phenomenon of immigration has become a relevant issue in these areas, and especially in the Algarve, as it also continues to boost the population in some inland cities, which serve as anchors for employment and further settlement. The foreign population in Portugal with legal resident status represents about 3.8% of the resident population, with a significant growth in the current decade (Table II).

**TABLE II - Foreign population with legal resident status as a % of the resident population**

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<tr>
<td></td>
<td>0.6</td>
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<td>3.8</td>
<td>3.8</td>
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Source: INE (online).

Spatial analysis emphasizes the importance that the resident population has in the coastal sub-regions, and in particular in the Algarve (Figure 9). Also, in certain sub-regions of the interior (Beira Baixa, Lower Alentejo, Upper Alentejo and Central Alentejo) the foreign population, representing approximately 2% of the residents, has played an important and meaningful role in contributing to the rejuvenation of territories with low density and ageing populations (CASTRO, 2012; OLIVEIRA & GOMES, 2017).
The territorial apparatus mirrors the process of European integration and development policies in the domain of the rural world, the cities, and competitiveness. The structural changes to the economy must be read within this context.

This evolution and the results achieved cannot be assessed without considering the role played by the Structural Funds, the Cohesion Fund, the underlying development strategies defined in each period, the programs designed and the participants.

From 1989 to 2013, a period which corresponds to the Community Support Framework and the National Strategic Reference Framework, the total volume of structural funds and cohesion funds made available to Portugal surpassed 96 billion euros, in 2011 currency values (MATEUS, 2013). Added to this amount is the national public counterpart of 48 billion euros and the private counterpart of 34 billion euros. In the end, the available funds totaled 178 billion euros, which allowed for the realization of a vast series of investment projects, mobilizing both public and private entities. The dual perspective, which considers the real convergence to the European scale and the participation in the global integration process, allows us to deliberate on what was achieved and the path taken to build a more competitive economy and a more cohesive society. The results must obviously presume the political, economic, social and cultural starting point. From a practical point of view, Portugal continues to be a “country of cohesion.” Investments were made that for the most part had a material result, from the transformation of the landscape, as in the example of new roadway infrastructures or the built environment, to the renovation of facilities or the purchase of machines and equipment, if including industrial and commercial activity. The way diverse programs and instruments were
conceived served to interpret the strategy and the efforts which favored the initial conditions, while not seeking to alter the patterns of specialized production and the organization and institutional models in force (TOLDA, 2000, GAMA, 2004, GAMA & FERNANDES, 2012). Spatially speaking, dispersion was favored, multiplying the initiatives from a variety of organizations and companies as opposed to selection options and assuming risks in the framework of the chosen strategy. Also of note was the lack of articulation amongst the initiatives, participants and the territories, compounded by the absence of a course of action meant to create the conditions for greater qualification of the country’s population to deal with the current level of fierce competitiveness on the global scale.

The development of the indicators shows that by 1999 the per capita GDP converged with the European average and diverged afterwards; consumption converged but productivity did not. What reasons can explain this evolution? What can we learn for the future? What role might have been played by the single currency and EU enlargement to the east? And increasing global integration? Portugal experienced great change, particularly in the material dimension (infrastructures, equipment, and construction). But what of the immaterial, institutional and cultural dimension?

An analysis of the data relative to the application of structural funds and cohesion funds (DEE-BP, 2009; RIBEIRO, 2011; MATEUS, 2015; MARQUES, 2017; PIRES, 2017 and TAVARES et al., 2017) clearly points to what has been Portugal’s principle weakness: the inability to define a long-term development strategy that can mobilize different economic and institutional agents, motivate all players to participate, articulate with clarity and appropriateness of context, and spark the sense of commitment in both the country’s leadership and leading players.

The past teaches that Portugal has continuously succeeded in making progress, realizing change and modernizing itself whenever there is an external factor involved. Europe is the context which in recent decades has functioned as the incentive for modernization and change. Along this vein, Portugal in Europe constitutes the reference point in which we see our identity and the one which we want to share, and in so doing we participate actively in its construction. What remains to be known is in what form and in what framework.

3 - Crisis, Resilience and the Future

To comprehend the current moment of crisis in which the Portuguese are living, one must take into account Portugal’s relationship with Europe, whose bonds must be understood in the framework of the Common Market, the European Economic Community and the European Union. Since the country’s entry into the EU in 1986, the event that most marks the turning point in the course of integration is the creation of the single currency in 1999 (which began circulation in 2002), aggravated by the international crisis of 2008 and opening the door to the present financial crisis, the declaration of bankruptcy in 2011 and the subsequent intervention by international creditors (2011-2014). The evolution has had a profound impact on the economy and on society and in terms of the process of Portugal’s approximation to Europe, undermining the economic model chosen, the social benefits, and the progress attained bolstered by the thought that it could benefit from the dynamics of stable and irreversible development that was the fruit of simply belonging to the exclusive 'Euro Club'.

Méditerranée, 130 | 2018
Recent events in this evolution and the reality of daily life have shown that nothing should be taken for granted. On the other hand, the evolution seems to be an increasingly one-way phenomenon, with the Portuguese thinking that the worst is yet to come.

The contextualization of the Portuguese crisis must therefore be done by considering two vectors of analysis. On the one hand, it is necessary to presume the evolution of the European Union with its successive enlargements, thus incorporating more diversity and competition, and, on the other hand, to recognize the constitution of the Euro Zone with implications for economies with characteristics similar to Portugal’s.

Firstly, we must recognize how Portugal relegated its competitiveness to offering the lowest costs (exemplified by low salaries) and specializing in technologically less demanding sectors, with consequences in commerce and international investment. The EU’s expansion to new member-states in Central and Eastern Europe—where salaries were even lower salaries than those paid in Portugal and which offered a more educated and more qualified active labor force and benefitted from a geographically more central location with respect to Europe’s more developed and more dynamic regions—transformed the relationship between Europe’s center and its periphery and thus relocated its strategic center. For their part, the economic policies directed toward business growth and development took on a new reference point founded on a strong single currency and ruled by budgetary rigor. In practice, there was a need to adapt to a new macro-economic regime in which the key variable for change would be productivity and would require a structural transformation that Portugal was unable to carry out. Portugal needed a qualitative ‘leap forward’ on the institutional and organizational level, evolving into a “single currency country.” If at first it was possible to create the conditions for nominal convergence, the process later showed that neither the political powers nor the directors of companies nor the public in general were in any position to understand how to move on to the next level where competitiveness is played out in all its dynamic factors. The problem was that Portugal continued to be “a country of cohesion.”

To understand the economic, social and financial crisis in Portugal, particular attention must be paid to the two following areas: the difficulties involved in altering structures and behaviors and the challenges in dealing with the European Union. Not to be overlooked are the workings of the global economy and the response of the European Union as a whole to the challenges of increasing global integration.

In this sense, the Portuguese crisis is, to a great extent, the result of the vision and ambitions which the elites from the realm of politics, business, and civil society had continuously imagined. The international context presented itself as being decisive for implementing the options they had chosen.

Although said options were limiting, the current situation is the result of the crisis stemming from the economic development model which essentially favored the realization of public infrastructure works across the country (housing, roadway and railway infrastructures, construction and modernization of facilities) and unlimited bank credit with favorable conditions for both private entities and for the State, to which is added the role of political agents who were regularly promoting and benefitting from this relationship with well-known consequences. For their part, the political electoral cycles determined the application of successive EU financing, which included management models (Public-Private Partnerships) based on the principle of dual payment (standard taxation and a user’s fee) which now has been deemed ruinous and unsustainable and
whose harmful scope is only now becoming more clearly appreciated. The prospects for a new future in the coming decades are quite dim when considering the weight of the commitments already agreed to.

Thus, the analysis of the economic, social and financial crisis highlights the following dimensions: employment/unemployment, the relationship between available income and change in habits and structures of consumption, the ensuing complications in the dynamics of economic activity, emigration, and quality of life conditions and poverty.

Portugal had always registered unemployment rates amongst the lowest in the European Union. The turn of the 21st century brought a new reality to the Portuguese, with unemployment constantly on the rise, with 2006 marking the year when the unemployment rate surpassed the EU-28 reported average. In 2013, the country reached its highest unemployment rate ever at 16.2%, with the rate falling in 2016 to 11.1% (EUROSTAT) (Figure 10).

Fig. 10 - Unemployment rate in the European Union and Portugal, 2000-2016

The recent evolution is worrying given the number of individuals involved, the constant increases, and the economic and financial context that has failed to reverse the process. The most immediate consequence of this recent evolution in unemployment is a drop in income. Decisions as to whether to spend or save money have changed, and at the same time Social Security has come under increasing pressure, thus requiring greater outlays. Even those who are still employed have changed their behavior, pondering and postponing decisions to acquire certain goods or services.

One of the most notable changes emerging from the triangular development model of civil construction, political power and the banking system is the general public’s mass purchasing of owner-occupied housing. This phenomenon not only has had consequences in terms of alterations to the landscape and land management (SILVA, 2014; DOMINGUES, 2017) but has also produced a housing surplus and has heaped debt upon families, resulting in the present-day situation of families in mortgage default, companies gone bankrupt, and substantial sums outstanding in bad and doubtful loans (Table III). The numbers of unemployed in the area of civil construction soared. At the same time,
family consumption of certain goods and services plunged, which intensified and deepened the painful effects of the economic crisis.

Table III - Enterprises' death rate: Total and by sectors of economic activity, 2004-2015

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**SOURCE:** INE / PORDATA.

These changes had consequences in the stagnation of the country’s economy and in the daily life of the population. Emigration has been a popular strategy amongst college-educated and qualified young adults. Many of the remaining jobless who are of employment age in Portugal have also begun to consider emigration as a career move.

This scenario is exacerbated by demographics and the population concentrated in urban coastal areas and cities in the interior of the country. The population has become older, family structures have changed, and the notion of solidarity prominent in the past has ceased to exist. This material crisis is thus intensified in this new context in which the State is increasingly absent.

In the wake of the crisis, Portugal has come to create a new type of dependency whose consequences and scope have not yet been fully assessed. Some of the country’s principal companies have been bought by foreign interests, a normal occurrence within the context of the current and growing trend toward global integration. Yet, attention must be paid to how some Portuguese companies seem to be on a path going in reverse. The problem is that strategic decisions in key areas (for example, electricity or telecommunications) no longer seem to have the welfare of Portuguese citizens at their core. The same can be said of the increasing privatization of public services (water).

For the current period following the departure of the Troika in 2014, a new reference point is to be marked with the new cycle of European financing (Portugal 2020), the options selected within the framework of programed financing (25 billion euros for the period 2014 to 2020, to which is added the national public and private counterparts), and the Thematic Objective for stimulating growth and creating jobs with the necessary interventions for carrying this out, and the performance and results expected from this financing. This alignment with the Europe 2020 Strategy and the existing data allow us to underscore the already observed trend in the previous community framework of favoring investment in dynamic competitive factors, either in the traditional sectors of specialization (for example, footwear and textiles) or in newer fields (the aeronautics and energy sectors). Another dimension for analysis highlights the potential which the country has been demonstrating with respect to the service sector and the tourism.
industry, taking advantage of both Portugal’s investments in education and training and its proximity and international geopolitical context.

Portugal’s process of integration into Europe reflects a period of victories which has changed the face of the nation, yet these were not just changes of a material nature. Democracy was consolidated and public liberties strengthened, with remarkable progress made in the areas of health care, education, and social security. Even so, economic development has seen its limitations over time. A new class of leaders linked to the main political forces has dominated the various levels of government, hindering the emergence of an economy and a society that are more independent and more proactive. The congested functioning of the economy, duly identified and debated (the tax system, bureaucracy, overlapping levels of decision-making) has impeded or stunted the economy’s reconversion and the structural changes to the industrial, agricultural, and forestry sectors, with investments in the maritime sector delayed. Many of the long-needed reforms still await implementation.

Portugal once again needs to be challenged to reform how the State functions, and this task should be seen as both a problem and a solution. More needs to be done than might first appear. We live in a time of uncertainties but also one of opportunities. Can Europe come up with a new plan?

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ABSTRACTS

Portugal has much changed in recent decades. Understanding the recent socioeconomic transformations implies addressing the process of European integration from the outset. At the same time, the world has become increasingly complex. Changes (technological in nature), interdependencies and connectivity (globalization), demographic growth, and climate change and the loss of biodiversity (new challenges) occur in ever shorter and faster cycles, with profound and inequitable implications for individuals, institutions, and models of governance on a variety of scales, from the local to the global. An important issue to be examined is how a small country such as Portugal displays its capacity for adaptation in a world that is strongly dependent and interconnected.

Le Portugal a beaucoup changé au cours des dernières décennies. Chercher à comprendre les changements sociaux et économiques récents implique, dès le départ, de prendre en compte le processus d’intégration européenne. Par ailleurs, le monde est de plus en plus complexe. Les changements (technologiques), les interdépendances, les connexions (la globalisation), la croissance démographique, les changements climatiques et l’appauvrissement de la biodiversité (nouveaux enjeux), se produisent par cycles de plus en plus courts et accélérés, avec des conséquences profondes et différenciées sur les personnes, les institutions, et les modèles de gouvernement, à des niveaux différents (du local au global). La question majeure qui se pose à nous renvoie à la capacité qu’a un petit pays tel que le Portugal à s’adapter, dans un monde de plus en plus interdépendant et interconnecté.

INDEX

Keywords: European integration, crisis, globalization, socioeconomic dynamics
Geographical index: En
Mots-clés: Intégration européenne, crise, mondialisation, dynamiques socio-économiques

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