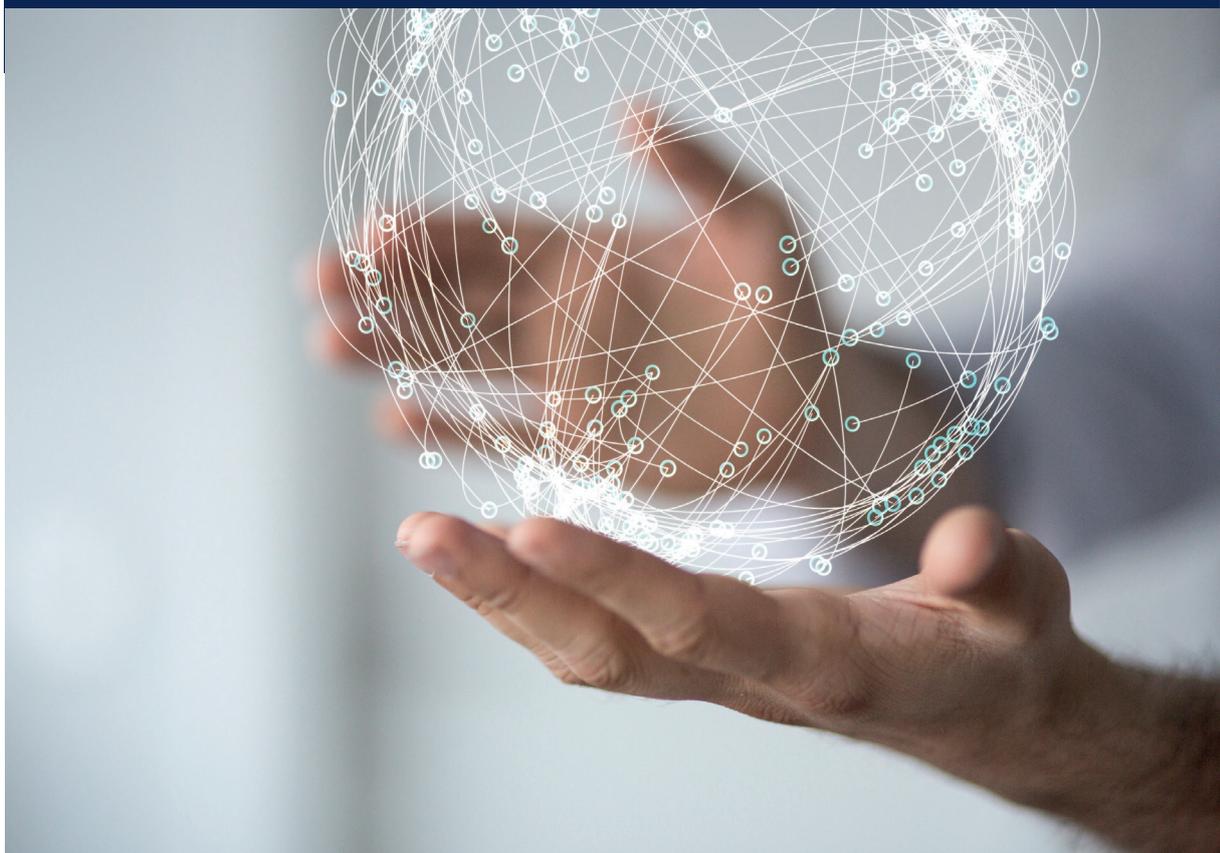


SGI Sustainable
Governance
Indicators

2014 Portugal Report

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Executive Summary

Portugal has been a consolidated democracy since the mid-1980s. Elections are free and fair, political rights are protected both de jure and de facto, there is media pluralism and freedom and the judicial system is independent. The legal basis and practical functioning of the democratic system are evident. However, while the formal aspects of Portugal's democracy are not in question, there is substantial and growing public dissatisfaction with its performance. Portugal also falls short in terms of sustainable policy performance and of governance capacity.

The problematic overall situation is probably best illustrated by the Accord Portugal signed with the European Commission, European Central Bank and IMF on 17 May 2011, which threw the de facto sovereignty of the country into question. Signed by outgoing Prime Minister José Socrates, it was supported by political parties that had received 85% of the popular vote on 5 June 2011 in the Assembly of the Republic and came into effect on 21 June 2011. The current government of Prime Minister Passos Coelho was committed to implementing the terms of the Accord in the June 2011 government program. There are currently at least five problem areas:

- Sustainability of public finances. Portugal has faced major difficulties in meeting its eurozone obligations in terms of budgetary consolidation in the new millennium.
- Economic growth. Portugal's economy saw a period of considerable growth until the beginning of the new millennium. This may help explain Portugal's difficulties in meeting its eurozone obligations, as it has sought to curtail expenditure and raise revenue in a heavily countercyclical manner.
- Socioeconomic inequalities. These are as much a cause as a consequence of poor economic growth. Portugal is one of the most unequal societies in the European Union. This is largely explained by the generally very low and very unequal levels of educational attainment. Weak economic growth in Portugal is a reflection of low productivity levels in the country.

- The huge challenge of converting legislation into actual public policy. The Portuguese political system does produce legislation to deal with problems. However, the implementation of these measures often falls short of the intentions.
- A very formalistic and slow legal system, with decisions often taking years. This not only corrodes citizens' trust in the judicial system, but also weakens the rule of law.

With regard to policy performance, the primary focus of public policy in the period analyzed has been on raising public revenue and reducing public expenditure in order to meet the budget deficit goals set out in the Troika's Memorandum of Understanding (MoU). This means that other objectives, such as dealing with environmental issues or socioeconomic inequalities or increasing public administration efficiency and efficacy, receive comparatively little attention and are secondary to the budgetary goals.

While austerity measures are expected to yield future gains for Portugal, the policies so far enacted do not ensure long-term sustainability of cuts in public expenditure. In its 2012 budget, the government cut public sector wages and pensions by 14.3% – a cut that was later deemed unconstitutional (but was temporarily permitted for the year of 2012) by the Constitutional Court. In its 2013 budget, the government again placed a large part of its public expenditure cuts in a similar (albeit smaller 7.1%) wage and pension cut, which was again deemed unconstitutional by the Constitutional Court.

The incapacity to formulate and implement sustainable policies has been exacerbated by growing opposition to austerity measures. Indeed, the main opposition party, the Socialist Party (Partido Socialista, PS), which was in office when the MoU was signed, broke with the government's austerity plan in late 2012. In addition, there have been massive demonstrations against the austerity measures, one of the largest being the 15 September 2012 demonstration. These protests reflect a broader and deepening mistrust of political actors that further weakens the steering capacity of governance.

Finally, it must be noted that the country faces a deep economic recession, which cannot be dissociated from these patterns. This recession has most notably percolated through to a very fast rise in unemployment, reaching 17.8% in April 2013 from 12.6% in May 2011. Unemployment is now more than four times higher than in early 2002 (4.3%), which also helps explain the decline in satisfaction with democracy over the past decade.

Key Challenges

When the Memorandum of Understanding (MoU) was signed in May 2011, it was welcomed by many as the necessary impetus for much-needed and oft-delayed reforms in Portugal. Indeed, the MoU garnered widespread political and public support. Politically, the MoU was approved by the three parties that have monopolized government in democratic Portugal, the Social Democratic Party (Partido Social Democrata, PSD), Socialist Party (Partido Socialista, PS) and the Democratic and Social Center (Centro Democrático e Social, CDS). Together, these parties garnered 78.4% of the vote in the June 2011 legislative elections, while the anti-Troika parties – the Portuguese Communist Party (Partido Comunista Português, PCP) and the Left Bloc (Bloco de Esquerda, BE) – yielded their worst results in nearly a decade.

Portugal faced considerable challenges in May 2013. Its economy had been stalling, with GDP declining 1.6% in 2011 and 3.2% in 2012, and the government's figures predicted a further 2.3% fall in 2013. Unemployment had increased to 17.8% – an unprecedented record since democratization. Public accounts remained far from sustainable, with a 6.6% budget deficit in 2012, and with government debt rising to 127.3% of GDP by March 2013, more than 30 percentage points higher than in 2010 (94%).

Two years on, the scenario is very different. The political consensus has all but eroded. The opposition PS distanced itself from the PSD–CDS coalition austerity measures; unions and employers' associations have increasingly expressed their misgivings and dissatisfaction with policy options; and the coalition itself has shown increasingly public signs of internal strife. Citizen dissatisfaction with the MoU has also mounted, with a poll in May 2013 indicating that only 11% still agreed with the MoU, as opposed to 41% who felt it should be renegotiated and 41.5% who said Portugal should withdraw from it. This declining political and public consensus is of relevance when the government is planning to concentrate the central part of its reform of the state in 2014 with cuts of €4.7 billion.

This swift change in the political and public mood cannot be dissociated from the rapidly deteriorating economic conditions of austerity. Moreover, this austerity has so far largely failed to reach its intended goals – a pattern reflected in successive revisions to the MoU budget deficit targets. Within this context – namely a free-falling economy that aggravates public accounts, deep mistrust in

politicians and seemingly evaporated public and political consensus – suggestions for confronting and handling these central problems are far from straightforward. Nevertheless, there are three key areas that might help overcome the seemingly intractable challenges Portugal now faces:

1. Europe: while Portugal's problems have a national dimension, they also reflect a wider European challenge. In this regard, Portugal would do well to actively engage in seeking European-level solutions and consensus. While Portugal is a peripheral country, it has accumulated capital as a "good European" and it should seek a more active role at EU level. Naturally any solution will require broad consensus, not least from the more powerful member states, but that does not mean that Portugal should withdraw from the debate. By all accounts, there is considerable scope for greater engagement at EU level for Portugal.

2. Re-establish consensus: Portugal undoubtedly faces an enormous challenge and has little time to deliver, as the current bailout ends in mid-2014. Nevertheless, implementing the required long-term reforms will be difficult, if not impossible, without wide political and public support. In particular, the government will need to engage with four other actors to generate wider consensus: the main opposition party, PS; the social partners; citizens; and last but not least, the Troika. In this process of re-establishing consensus, all actors must be willing to concede some of their preferences and see others adopted – something that appears to be increasingly lacking from debate in the last two years.

3. Improve governance capacity: Portugal scores poorly in a number of categories, such as the weak usage of evidence-based instruments in policymaking; lack of strategic planning and input in policy; weak societal consultation; weak policy implementation; and little reflection on institutional arrangements of governing. Inevitably, these impinge on the quality of policy, both in terms of its conception and implementation. Indeed, they are a central component in explaining how Portugal reached the point it did in 2011. While Portugal has little time and faces considerable challenges in terms of getting public accounts in order and responding to the MoU, without additional governance capacity the measures adopted are likely to be less effective and less sustainable.

If the PSD–CDS-based government can hold until the next scheduled elections in 2014, and if the members of the Troika can exercise some degree of flexibility, then Portugal's impressive democratic consolidation can be matched by social and economic reforms commensurate with the country's leadership in the move from dictatorship to democracy.

Policy Performance

I. Economic Policies

Economy

Economic Policy
Score: 5

The period under analysis coincides with the bailout of Portugal by the EC–ECB–IMF Troika. The measures negotiated by the Portuguese government, both at the outset of the bailout and as time has progressed, are inevitably constrained by the terms set out by the country’s international lenders and by the overall goal of achieving sustainability in Portugal’s public accounts.

This has inevitably had an impact on economic policy, which has essentially played a secondary role to the overall goal of reducing public expenditure, increasing public revenue and implementing reforms negotiated with the Troika.

The austerity measures of period 2011 – 2013 have percolated through to a substantial economic recession. GDP declined 1.6% in 2011, 3.2% in 2012 and is expected to decline a further 2.3% in 2013.

Within this backdrop, the only positive note is the improvement in the balance of trade and the increase in exports, although this has not been enough to generate economic growth or avoid growing unemployment. The Memorandum of Understanding (MoU) that Portugal signed with the Troika aimed to foster “the reallocation of resources towards the tradable sector,” with exports becoming the main engine of growth, rather than remaining the protected non-tradable sector of the previous decade. The government has sought to encourage exports, and this appears to have been achieved to some extent, with Portugal’s trade balance – chronically in deficit – generating a surplus in 2012 for the first time since 1943.

Citation:

Memorandum of Understanding (MoU) between Portugal and the EU, IMF, and European Central Bank.

Labor Markets

Labor Market Policy
Score: 4

Unemployment has increased very quickly over the last two years, reaching 17.8% in April 2013, over five percentage points higher than the 12.6% of May 2011. As a result of the Memorandum of Understanding (MoU) and of the government's austerity measures, the government approved new labor legislation in May 2012 that considerably increases labor market flexibility, while unemployment benefits have been further cut. However, these measures have been insufficient to compensate for the fast falling economy as domestic demand collapsed. Indeed, it must be noted that the government's 2013 budget forecast of 16.4% unemployment in the current year has already been surpassed by a large margin and there are no signs of the trend being reversed.

Taxes

Tax Policy
Score: 3

Portugal is ranked by foreign investors as one of the least competitive countries in Europe, and private investment has been decreasing since 2003. The most recent Global Competitiveness Index ranks Portugal at 49, above only Greece (96th) in western Europe, and below Spain (36th) and Italy (42nd). In 2011 it was ranked 45th.

Taxes have increased considerably as a result of the country's attempts to achieve balanced public accounts in the 2011 – 2013 period. The 2013 budget included a tax increase that was publicly described by the country's finance minister, Vítor Gaspar, as being "enormous." Overall, some 80% of the consolidation in the 2013 budget is to be achieved from the revenue side – a significant departure from the original plan for the adjustment to be achieved by cutting expenditure (two thirds) and raising revenues (one third).

In a recession context, tax receipts are not increasing as much as the rising tax rates would suggest, with high budget deficits suggesting that public receipts fall well short of public expenditure. Similarly, tax policy falls short of the goal of horizontal and vertical equity. There continues to be widespread tax avoidance in the realm of personal income tax, placing a tax burden mostly on employees. At corporate level, studies indicate that the effective tax rate is

often lower for more profitable companies. The insufficient revenue from corporate and personal income taxes leads to a greater dependence on indirect taxation to sustain public expenditure – thus running against the vertical equity criterion.

Citation:

See World Economic Forum, Klaus Schwab, The Global Competitiveness Report, 2012-2013.

Budgets

Budgetary Policy
Score: 3

In theory, taxes should be sufficient. However, three of the four posited goals have not been achieved. This situation is in part due to high costs of public administration with an elevated number of civil servants (578,384 out of 3,827,000 total employed persons in the last quarter of 2009) and the fact that public companies lose money. The taxes are not sufficient to cover the costs of public expenditure, especially as the economic recession had a negative impact on tax receipts while increasing public welfare expenditure.

The initial Memorandum of Understanding (MoU) stipulated the goal of “Reduc[ing] the government deficit to below €10,068 million (equivalent to 5.9% of GDP based on current projections) in 2011, €7,645 million (4.5% of GDP) in 2012 and €5,224 million (3.0% of GDP) in 2013.” However, these targets have been altered twice already. Thus the 2012 budget deficit was revised to 5% in September 2012. In March 2013, the targets were further changed to 5.5% budget deficit in 2013, 4% in 2014 and 2.5% in 2015. These revisions reflect the inability to reach the original targets, with the official budget deficit reaching 6.4% in 2012.

Research and Innovation

R&I Policy
Score: 4

Research and innovation policy partly supports innovations that foster the creation of new products and enhances productivity. There is a policy to support research and innovation – backed by the European Union and the Portuguese government – that functions in universities and in businesses, and in some research centers which are linked to businesses and universities. These include: Aveiro University, Faculty of Medicine at Coimbra University, Faculty of Engineering at Porto University, Advanced Technical Institute of Lisbon, New University of Lisbon at Costa da Caparica, University of the Algarve, University of Minho, etc. There is not, however, a formulated policy to create new products to increase productivity. Moreover, the austerity measures have also had an adverse impact on support for research and

innovation, curtailing public funding – the main source of investment on R&D – substantially. The economic recession has also had an adverse impact on private investment in R&D. Indeed, the European Union’s Innovation Union Scoreboard shows that Portugal’s innovation index declined by 4.9% between 2010 and 2012, contrasting with the overall EU increase of 2.4%.

Citation:

(1) European Union, “Innovation Union Scoreboard 2013”

Stabilizing Global
Financial Markets
Score: 5

Global Financial System

In terms of the Memorandum of Understanding with the EC–ECB–IMF Troika, Portugal is in the process of restructuring its financial markets.

II. Social Policies

Education Policy
Score: 4

Education

The government of Passos Coelho that took office in June 2011 abolished the “New Opportunities” program of lifelong learning that had been a flagship of his predecessor’s executive. The New Opportunities centers were replaced in March 2013. The government has also sought to favor technical and professional education more strongly, and increase national-level examinations for students. However, there is little evidence that these have generated gains in terms quality, access or efficiency.

With regard to quality, the austerity measures and cuts have had an adverse impact on the already poor median quality of education in Portugal, with schools and universities seeing their budgets slashed. Schools have lost teachers, with those leaving being defined not on their quality but rather on the nature of their contract. Universities have also seen some brain drain as a result of lower budgets and reductions in wages.

Similarly, access has been affected, both on the supply and demand sides. On the supply side, the cuts have sustained existing bottlenecks (e.g., in pre-schooling). The demand side has been constrained by the recession – with increasing unemployment and lower family incomes – and austerity, with higher tuition fees and more limited financial aid for poorer students.

While the number of university graduates has increased, Portugal remains far below the OECD average. Likewise, the high school dropout is very high. There is little efficiency in the education system.

Social Inclusion

Social Inclusion
Policy
Score: 5

There are government social policies that seek to limit socioeconomic disparities, but they are poorly funded and do not prevent poverty effectively. Taxes were first imposed and then increased on pensions, which are taxed as though they are income. The government is seeking to improve the social situation through laws and programs but rising unemployment increases social inequalities. Also, in view of the need to reduce social costs of the government, there is pressure to reduce contributions to poverty reducing programs, including pensions.

Health

Health Policy
Score: 6

Portugal's population shows comparatively good levels of overall health. Life expectancy has continued to grow, and in 2011 surpassed the EU average for the first time for males (77.6 years versus an 77.4 EU average), and for the first time since 2005 for females (84 years versus an 83.2 EU average). Infant mortality also diminished, and remains lower than that of Denmark, Germany, France or the Netherlands.

Portugal has a universal and general National Health Service (NHS), accessible to all residents. This has come under particular financial pressure as a result of the pressure on Portugal to curb public expenditure. Health expenditure has been considerably cut and the costs levied for using the NHS have increased – more than doubling in 2012. These higher costs – with an emergency room visit now costing €20 or almost 5% of the net monthly minimum wage – appears to have an adverse impact on inclusiveness, as they may price out some poorer users.

Overall, Portugal presents a cost efficient health system. It has successfully cut health expenditure further in the last two years, albeit at the cost of inclusiveness and, to a lesser extent, of quality.

Citation:

(1) Eurostat data -“Life expectancy at birth, by sex”

Families

Family Policy
Score: 6

There is little change on family policy per se in this period. The rules concerning maternity leave remain virtually unchanged, although there was a reduction of up to 14% in the amount of the maternity subsidy implemented by the government from July 2012 onwards – again, a reflection of the austerity and public expenditure cuts that were implemented. However, this largely unchanged policy now interacts with a far less favorable context, with the birth rate in 2012 the lowest on record at some 10%–20% lower than in 2011. This cannot be dissociated from the economic recession and rising unemployment, which has had an adverse impact on the country's already low fertility rate, and reflects the few opportunities there are for women to combine parenting and work. In this context – and with the current birth rate well below the level necessary to maintain Portugal's population – more proactive policies are clearly needed.

There are some new programs but they appear insufficient. Beginning in February 2012, parents with children below the age of 12, or with chronic illnesses, could request flexible work schedules. After the expiry of mothers' child care leave, employers are required to provide for retraining programs. Women can spend more time at home with children on parental leave – and fathers can take over from mothers. The parental leave period is 120 days at full salary and 150 days at 80% of salary.

Pensions

Pension Policy
Score: 4

Pensions policy has been one of the most scrutinized aspects of Portugal's 2011 bailout, and has been one of the domains in which the government has sought to reduce public expenditure. To that end, a number of cuts and measures have been enacted. A 2013 study indicated that on average the government has saved more than €2.5 billion on pensions since 2011, reducing each pensioner's income by an average of €733.

While these cuts have hit the highest pensions especially hard, they have also affected poorer pensioners – damaging the goal of preventing poverty among the elderly. A study indicated that in 2010 – 2011 three out four pensioners in Portugal received a pension of €500 or less, and that the risk of poverty among the elderly is higher in Portugal than elsewhere in the European Union. This effect is likely to be aggravated, as cuts in pensions were compounded by the recession and rising unemployment, which weakened overall family income.

The government has sought to reinforce the fiscal stability of the pension system. To that end, the age of retirement is planned to increase from 65 to 67 years (although as of May 2013 that had not yet been implemented), and the government has also reduced future public sector pensions. Nevertheless, this stability was made difficult by the diminishing population – as both birth rates and immigration fell – and by the economic recession and unemployment, which inevitably reduce social security revenue.

The current pensions system does not appear to ensure intergenerational equity. While the government has maintained this as a goal of its reforms, there is little or no evidence of this being achieved.

Citation:

(1) Erika Nunes, “Estado já retirou 733 euros a cada reformado desde 2011”, *Dinheiro Vivo*, Maio 2013.

(2) Carneiro, Roberto, et al (2012). “Envelhecimento da População Portuguesa: dependência, activação e qualidade”.

Integration

Integration Policy
Score: 7

The economic crisis has seen a decrease in immigration, both in terms of the influx of immigrants and in the stock of immigrants residing in the country. In 2012 the total number of immigrants according to the country’s Borders and Foreigners Service (Serviço de Estrangeiros e Fronteiras, SEF) stood at 417,042 – a 4.5% drop on 2011.

This decline has taken some of the pressure off of programs targeting integration. The Portuguese government runs an integration program via the Alto Comissariado para a Imigração e Diálogo Intercultural but with the economic crisis and the reduction in the influx of immigrants, focus on the issue has diminished. There are, in addition to public programs, some private programs sponsored by NGOs, such as Portuguese language lessons and skill training. The Gulbenkian Foundation also sponsors programs for doctors.

That said, Portugal’s integration policies remain very favorable and generally successful. Indeed, the latest Mipex (Migrant Integration Policy Index) report of 2011 gave Portugal the second best overall integration policies of the 31 countries considered (EU-27 plus Canada, United States, Norway and Switzerland), with a score of 79 – substantially higher than the EU-27 average (52) and lower only than Sweden (83).

Citation:

(1) Serviço de Estrangeiros e Fronteiras (2013).“Relatório de Imigração, Fronteiras e Asilo - 2012”, p. 9

(2) Huddleston, Tom, et al (2011),“Migrant Integration Policy Index III”, p. 11

Safe Living

Safe Living
Conditions
Score: 7

Portugal is signatory to and participant in all of the relevant Europe-wide programs regarding public security.

Despite the economic crisis and rising unemployment, crime has not risen in the period under analysis. Indeed, the 2012 National Internal Security report indicates a drop in overall criminality – particularly violent and serious crime. Portugal remains a relatively safe country in international terms, especially with regard to violent and serious crime, although this is less true of burglaries and petty theft. The most recent data (2010) showed Portugal having the 5th highest rate in the OECD of burglaries per 100,000 population according to the UN Office on Drugs and Crime, Statistics on Crime, Sexual Violence.

While the economic crisis has not seen an overall increase in crime, new forms of criminality have emerged, possibly initiated by the recession. One such instance is the stealing of non-valuable metals, such as copper from internet and phone cables, metals from public artworks (e.g., bronze statues), or of public railings and sewage covers made of metal. This type of crime has gained some media salience, and the 2012 National Internal Security report indicates there were 15,172 instances in 2012.

Citation:

(1) Sistema de Segurança Interna,“Relatório Anual de Segurança Interna 2012”

(2) Nick Cowen & Nigel Williams / Civitas (2012),“Comparisons of Crime in OECD Countries”, p. 5

(3) Sistema de Segurança Interna,“Relatório Anual de Segurança Interna 2012”, p. 45.

Global Inequalities

Global Social Policy
Score: 5

In the period under analysis, foreign aid has been very much a secondary consideration in foreign policy, with the main interest being in economic diplomacy to promote the Portuguese economy and exports. That does not mean that Portugal is disengaged – it still participates well in terms of foreign aid, especially in the Portuguese-speaking countries of Africa and East Timor. However, while there was funding for foreign aid projects, there was little concern with the overarching aid policy, which means that coherence was not as strong as it might be. This lack of interest also percolates through to the

design of international policies and the lack of international leadership in that regard.

It must also be kept in mind that Portugal is a follower, and not an international leader, and has very few resources. Therefore, while Portugal is supportive of the good intentions, it is in fact marginal to their implementation and design.

III. Environmental Policies

Environment

Environmental
Policy
Score: 5

There is legislation to protect the environment. However, once again, the current government is so focused on hard economic realities that in the overall scale of things, the environment is not considered a political priority. And although the government has failed to implement adequate policies to mitigate climate change, ensure renewable water sources, and protect forest areas and biodiversity, the reduction in production resulting from the economic crisis has eased the pressures placed on the environment.

Global Environmental Protection

Global
Environmental
Policy
Score: 5

Portugal agrees to and participates in EU-wide policies on the environment. Portugal has also signed the Kyoto Protocol. It agrees and participates in this legislation, but the main issue concerns implementation in both the domestic and global settings.

Quality of Democracy

Candidacy
Procedures
Score: 9

Electoral Processes

Individuals and political parties enjoy largely equal opportunities to register for and to run in elections, both de jure and de facto. Parties espousing racist, fascist or regionalist values are all constitutionally prohibited, as are parties whose names are directly related to specific religious communities. However, these rules are rarely applied, and the small, extreme-right National Renewal Party (Partido Nacional Renovador, PNR) was allowed to contest the June 2011 legislative elections.

While independent citizens can run in municipal elections, they are barred from contesting legislative elections, where only registered political parties can present candidates. The requirements for registering a party are relatively onerous. To be formed, parties require the legally verified signatures of 7,500 voters. Moreover, they must ensure that their internal party rules and statutes conform to the political party law, which requires that parties' internal functioning must conform to "the principles of democratic organization and management" (Article 5 of the Political Party Law – Lei dos Partidos Políticos) and defines a number of internal bodies that parties must have (Articles 24–27).

These requirements do not generally prevent new parties from forming. Thus, the June 2011 legislative elections saw a total of 17 parties running – one more than the preceding 2009 elections. However, in March 2013, the registration of the Socialist Alternative Movement (Movimento Alternativa Socialista, MAS), a splinter of the Left Bloc (Bloco de Esquerda, BE), as a political party was refused by the Constitutional Court, on the grounds that its statutes did not adequately ensure the principles of democratic organization, management and legal oversight. This decision was contested by the head of the Portuguese Lawyers' Order. After an appeal by MAS was rejected by the Court in late April 2013, the putative party announced that it would submit a new application to the Constitutional Court to be registered as a political party.

Citation:

On the laws see, for example, Eleição da Assembleia da República 1 / Outubro/1995: Legislação eleitoral actualizada e anotada (Lisbon: STAPE/MAI, 1995); and Lei dos Partidos Políticos (Political Party Law) – Lei Orgânica n.º 2/2003, de 22 de Agosto, com as alterações introduzidas pela Lei Orgânica n.º 2/2008, de 14 de Maio.

Media Access
Score: 9

Parties have access to broadcast time on television and radio for political purposes during the official campaign period of two weeks preceding the election date. This time is divided equally among the parties, according to the number of candidates they present. Parties need to present lists in at least 25% of electoral districts, and field a total number of candidates equal to at least one-quarter of the total number of possible candidates, in order to qualify for these broadcasts. However, despite airing during prime time, these short broadcasts (lasting a maximum of three minutes for each party) do not attract much of an audience. Thus, in the 5 June 2011 legislative elections, none of the party political broadcasts were in the top 15 most-watched television programs of May or June.

If one considers media access more broadly, access to news programs and political debates is overwhelmingly concentrated on the five parties that have parliamentary representation: the Socialist Party (Partido Socialista, PS), the Social Democratic Party (Partido Social Democrata, PSD), the Democratic and Social Center People's Party (Centro Democrático e Social – Partido Popular, CDS-PP), the Left Bloc (Bloco de Esquerda, BE) and the Democratic Unitarian Coalition (Coligação Democrática Unitária between the Portuguese Communist Party and the Ecologist Party, CDU). Thus, television news coverage, which is popular in terms of TV ratings, and is the predominant source of information for the Portuguese, is heavily concentrated on the five main parties.

With regard to political debates, for the 2011 legislative elections, a total of 10 debates took place between the leaders of these main parties, with each debate featuring two leaders. These debates drew considerable attention: the 10 debates had an average audience of 1,081,795 viewers, with the least popular debate being watched by more than 887,000 spectators and the most popular one drawing over 1.5 million viewers (ranking as the 7th most viewed TV program of May 2011). The issue of the political debates and of the unequal treatment of minor parties was a thorny issue in the 2011 election campaign. A number of the minor parties protested against the allegedly unequal treatment they received in terms of participation in political debates. Members of some smaller parties forced entry into the Portuguese public broadcaster in protest at their exclusion from the debates on 5 May 2011.

Voting and
Registrations Rights
Score: 9

Two of these smaller parties also contested their exclusion from political debates in the legal system. The court that was petitioned ruled in their favor, mandating the television broadcasters to feature them in one-on-one debates with all political parties that accepted these debates. In practice, however, the court ruling failed to achieve full parity for these smaller parties, as the majority of the larger parties refused to participate in the court-mandated debates and television broadcasters responded to the court ruling by broadcasting shorter, 20-minute debates (less than half of the 45 minute to one hour debates between the leaders of the main parties).

All adult citizens are guaranteed the right to participate in national elections. The government also provides transportation to those requiring it. Citizens in hospitals and in jails are also able to vote, and assisted as necessary, and Portuguese citizens living abroad can also vote. There is no observable discrimination.

Problems with substantial inflation of the electoral register remain. Comparing 2011 census data with the same year's electoral register, the latter outnumbered the former by just over 1 million voters, thus artificially inflating abstention rates by some 10 percentage points.

Much of this discrepancy appears to be due to Portuguese emigrants who are registered in Portugal but do not transfer their electoral registration to their overseas residence. As Portuguese voters can only vote in the administrative parish (or, if abroad, in the country) in which they are formally registered, this means that a substantial proportion of Portuguese emigrants are unable to exercise their voting rights. January 2013 data from the Internal Affairs Ministry indicated that in Luanda, Angola, there were 2,000 Portuguese voters on the official electoral register for Angola – a small fraction of the estimated 100,000 Portuguese immigrants to the Angolan capital.

At the same time, it must be noted that this discrepancy is not due to legal barriers to registration. Both within and without Portugal, electoral registration is a simple and non-exclusionary process.

Party Financing
Score: 7

Political party funding oversight lies with the Constitutional Court, which has a specific body to monitor party financing and accounts – the Entidade das Contas e Financiamentos Políticos (ECFP). There are two main sources of funds for political parties. Firstly, from the government, for all parties that received votes above a certain threshold in previous elections (over 100,000 votes in the case of legislative elections); secondly, private contributions to the parties, which must be registered with the electoral commissions of each of the parties, from local, to regional, and finally to national levels.

Parties' annual accounts and separate electoral campaign accounts are published on the ECFP website and are scrutinized by this entity. At the time of writing, assessments of the 2011 election campaign accounts have not yet been published. However, taking into account previous experience, we can conclude that there remains scope for irregularities in party financing and campaign financing.

While irregularities are assessed, this assessment takes place long after infractions are committed. For instance, the Constitutional Court's ruling on the 2008 party accounts was only pronounced in September 2011, and the Court's evaluation of the 2009 legislative election campaign accounts only took place in July 2012. Moreover, the sanctions for infractions are relatively small and infrequent. A 2012 study on control of party accounts – based on interviews with both the ECFP and party representatives – noted that the ECFP lacked human resources, which also limits its capacity to fully monitor party and election funding.

Citation:

(1) Marques, David & Coroado, Susana (2012). "Sistema Nacional de Integridade – Portugal", p. 31

Popular Decision-
Making
Score: 2

The institution of referenda exists at national and local levels. However, while citizens can propose referenda – with 75,000 signatures required to subscribe a petition for a referendum – the referendum itself only takes place if there is agreement from political officeholders. In the case of national-level referenda, the Assembly of the Republic or the government must propose the referendum to the president, and the president accept this proposal. Citizens can propose local referenda, but the Municipal Assembly can decide whether to call these referenda or not.

In practice, referenda are rare in Portugal. There have been only three national referenda in Portugal, the most recent in 2007. Local referenda are also rare, with five having taken place. There were two local referenda in the period under analysis (May 2011 – May 2013): one in the municipality of Cartaxo, on 18 December 2011 and the other in the administrative parish of Milheirós de Poiares, on 16 September 2012. Participation was very low in both. In the latter, 1,773 voters participated (54% of the electorate); in the former, 2,629 voters took part – a mere 12.6% of the total of electorate.

Media Freedom
Score: 6

Access to Information

Public and private media are independent from the government's influence, following the 1976 constitution. The media are regulated by the Entidade Reguladora da Comunicação Social (ERC). Four of the five members of the ERC board are appointed by a qualified majority of two thirds of the Assembly of the Republic, and the fifth member – who normally becomes the ERC's head – is co-opted by the other four members.

Despite a change in government in the aftermath of the June 2011 legislative elections, this period was also marked by alleged government interference with the media. The case involved Miguel Relvas, the minister for parliamentary affairs from the new center-right coalition between the Social Democratic Party (Partido Social Democrata, PSD) and the Democratic and Social Center People's Party (Centro Democrático e Social – Partido Popular, CDS-PP). Miguel Relvas was alleged to have threatened a journalist from the leading daily newspaper *Público* in May 2012, in order to prevent her from pursuing an unfavorable story. Earlier in 2012, Miguel Relvas was also accused of censoring a radio opinion piece by the journalist Pedro Rosa Mendes that was critical of the Angolan regime. In both allegations, the ERC considered it did not have enough evidence to find the minister culpable of undue behavior.

It should be noted that the Portuguese state owns the Rádio e Televisão de Portugal (RTP) Group, which has eight TV channels and eight radio stations. The board of this group is appointed by the government. As part of the Memorandum of Understanding's (MoU's) goal of reducing costs in state-owned enterprises, the government considered various options vis-à-vis the RTP in 2012, with the public discussion of these options – including privatization of the main TV channel (RTP 1) or its concession to private operators – leading the (then) RTP board to resign in August 2012. The decision to privatize has been delayed, and the government says it will first restructure the media before attempting to sell RTP 1. Also, the government seeks to assert control over the public media, especially television and radio, in order to save money and reduce demands on public funds. It should also be noted that the government is the largest purchaser of advertising due to the current span of the public sector.

Media Pluralism
Score: 8

Portugal's media market is a competitive and relatively diversified one. There are four main free-to-air terrestrial television networks – one public (RTP, with two channels) and two private (SIC and TVI), each of the latter owned by a different media conglomerate (Impresa and Media Capital). In the aftermath of the transition to digital television in 2012, the Portuguese Assembly's own channel, ARTV (previously only available on cable), was added to the roster of free-to-air channels.

The national cable television news channels, once restricted to offerings from the RTP and SIC groups, has been diversifying substantially since 2009. There are now five cable news channels in Portuguese, with SIC Notícias (founded in 2001); RTP Informação (2004; named RTP Notícias until September 2011); TVI 24 (2009); Económico TV (2010; associated with the daily business newspaper, *Diário Económico*); and *Correio da Manhã* TV (March 2013, associated with the daily tabloid, *Correio da Manhã*).

This diversification increasingly reflects the newspaper market, where a number of leading groups emerge. The Controlinveste group holds a number of relevant titles, notably *Jornal de Notícias* (a leading daily in northern Portugal) and *Diário de Notícias* (another leading daily newspaper). The Impresa group also controls some print outlets, its flagship being the influential *Expresso* weekly. Meanwhile, the Sonae group is behind another influential title – the daily *Público*. Cofina Media has the tabloid *Correio da Manhã* and the daily financial newspaper *Jornal de Negócios*; Ongoing has the other daily finance paper, *Diário Económico*; the daily “i” is owned by Sogapal; and the *Sol* weekly is held by Newshold.

This diversity results in a degree of pluralism of views and opinions. At the same time, however, it must be noted that the majority of media outlets – notably newspapers – face considerable financial challenges, as they frequently change hands. The “i” newspaper, for instance, was sold twice in 2011 and 2012.

Access to
Government
Information
Score: 7

Free and readily available access to official information is guaranteed in Article 48, 2 of the 1976 constitution, and there are mechanisms to ensure that this does in fact happen. There are extensive legal stipulations providing guarantees for access to official information. Additional support is supplied by the Aarhus Convention of the European Union which was signed on 25 July 1998 and ratified by Portugal on 7 September 2003. The government has recently put online virtually all official information and requirements such as permits and licenses. It can be readily accessed through home computers and for free in a

wide variety of public places such as municipal libraries. The Commission on Access to Administrative Documents (Comissão de Acesso aos Documentos Administrativos, CADA) deals with complaints regarding public access to information. It was established in 1995. In short, most of the relevant information is available online, and is readily accessible to interested citizens and groups.

Civil Rights and Political Liberties

Civil Rights
Score: 8

The Portuguese Constitution of 1976 defines broad categories of rights and guarantees for the population in Articles 12–23 and 24–27. This is generally also the case in practice. However, poorer elements of society, as in any country, tend to lack the educational, legal, and other means to take full advantage of these rights.

Within this context, three elements of concern remain largely unchanged.

(1) There continue to be reports of police violence and brutality. The government department responsible for investigating police brutality, the Inspeção-Geral da Administração Interna, received 913 complaints in 2011. The US Department of State Report on Human Rights Practices in Portugal considers there to be “credible reports of excessive use of force by police.”

(2) The treatment of prisoners remains another point of concern, with the US Department of State Report on Human Rights Practices in Portugal identifying once again as “credible” reports of “abuse of prisoners by prison guards.” Moreover, this report quotes data from the Directorate General of Prison Services that, in 2011, the prison system was operating at 112% of capacity, clearly indicating overcrowding.

(3) The legal system continues to effect lengthy pretrial “preventive” detentions, without charges being filed. According to the US Department of State Report on Human Rights Practices in Portugal, some 20% of the prison population was in preventive detention of this kind in 2011 – an increase (albeit a very slight one) from 19% in 2009.

Citation:

(1) Ministério da Administração Interna - Inspeção-Geral da Administração Interna. “Relatório de Atividades 2011”.

(2) US Department of State, Bureau of Democracy, Human Rights and Labor. “Country Reports on Human Rights Practices for 2012 - Portugal”

Political Liberties
Score: 9

Under the regime that ruled Portugal until 1974, there were virtually no political liberties. The basic goal of the political transition was to achieve and to guarantee political liberties. Portugal has been successful in this regard, and there are widely agreed upon political liberties. The basic legislation in the constitution, and subsequent regular legislation, guarantees these political liberties. They function reasonably well.

Non-discrimination
Score: 8

State policies seek to redress discrimination, and cases of overt discrimination are rare. Nevertheless, areas of concern remain:

- Discrimination against women in wages, with the gender pay gap increasing over recent years, from an unadjusted gender pay gap of 8.4% in 2006 to 12.5% in 2011. While this is below the EU average, the trend in Portugal contrasts with the decrease at EU level (17.7% in 2006 to 16.2% in 2011).

- Legal sanctioning of racial discrimination: in 2013, the Portuguese government evaluated its existing legislation on racial discrimination and found it lacking in terms of the actual sanctioning of discrimination, with only seven condemnations for discrimination since 2005. The government noted a study that indicated that more than three in four people who felt discriminated against did not press charges, as the overwhelming majority felt that nothing would result from a formal complaint. Moreover, the government also noted a 2012 report by the UN Committee on the Elimination of Racial Discrimination (CERD) that found Portugal to have a “subtle racism” that discriminates against people of African origin and causes inequality in access to education, public services and employment. This led the government to propose new legislation on racial discrimination in April 2013, which doubled the maximum fines for racial discrimination to €4,850 (for individuals) and €9,700 (for companies).

Rule of Law

Legal Certainty
Score: 7

Portugal is an extremely legalistic society, and its legislation is prolix and complex. In combination with pressure for reform arising from Portugal’s bailout and economic crisis, this causes some uncertainty as to what legislation will be applied, and how. This is best exemplified by some of the legal measures that the government proposed in its 2012 and 2013 budgets, which were subsequently deemed to be unconstitutional by the Constitutional Court.

The Accord Portugal made with the EC–ECB–IMF Troika included a “reform of the state” to reduce social costs. Therefore, a number of what were legally

Judicial Review
Score: 8

predictable programs including in health, transport, and education, are very likely to change as their funds are cut.

The judicial system is independent and it is very active in ensuring that the government conforms to the law. Indeed, 2011 – 2013 marked a high point of judicial intervention, with the Constitutional Court rejecting the key measures of the government’s budget in both 2012 and 2013 as unconstitutional.

In addition to the Constitutional Court, there are a number of other courts. The highest body in the Portuguese judicial system is the Supreme Court, constituted by four Civil Chambers, two Criminal Chambers, and one Labor Chamber. There is also a Disputed Claims Chamber, which tries appeals filed against the decisions issued by the Higher Judicial Council. The Supreme Court determines appeals on matters of law and not on the facts of a case, and has a staff of 60 justices (Conselheiros).

There is an attorney general, who, while nominated by the Assembly of the Republic, is fully independent. There are, however, some tensions, or different understandings, which raise questions regarding the level of independence and effectiveness of the judicial system.

There are also district courts, appeal courts, and specialized courts plus a nine-member Constitutional Court that reviews the constitutionality of legislation. In addition, there is the Court of Auditors. This is a constitutionally prescribed body, and is defined as a court in the Portuguese legal system. It audits public funds, public revenue, assets and expenditure to ensure that “the administration of those resources complies with the legal order.” The Court of Auditors is active in auditing and controlling public accounts. In total, there are more than 500 courts in Portugal and 3,000 judges. Even so, there are shortages of judges in relationship to the number of cases and the delays in reaching judicial decisions are a problem.

Appointment of
Justices
Score: 8

The High Council of the Public Prosecution Department (Conselho Superior do Ministério Público), which oversees the appointment of judges, consists of 19 members, including the attorney general. In October 2012, Portugal appointed its first female attorney general, Joana Marques Vidal.

Corruption
Prevention
Score: 7

In law, abuse of position is prohibited and criminalized. However, corruption persists despite this legal framework. A 2012 assessment of the Portuguese Integrity System by the Portuguese branch of Transparency International concluded that the “political, cultural, social and economic climate in Portugal does not provide a solid ethical basis for the efficient fight against corruption,” and identified the political system and the enforcement system as the most

fragile elements of the country's integrity system. This assessment is corroborated by the Transparency International Corruption Perception Index of 2012, which placed Portugal 33rd worldwide – one place lower than in 2011.

A law was approved by the Assembly of the Republic in September 2011 on illicit enrichment of holders of public office. However, this legislation was deemed unconstitutional by the Constitutional Court in April 2012. While practically all the parties that approved the legislation declared they would bring new legislation on this issue, as of May 2013 no new legislation had been approved.

In December 2011, the government announced it would present an Ethics Code for Public Administration. However, by late April 2013 the document had not been approved and it was revealed that the government had decided to not adopt it, instead integrating the ethical issues into the reform of the administrative procedure code.

Governance

I. Executive Capacity

Strategic Capacity

Strategic Planning
Score: 5

The Memorandum of Understanding (MoU) with the Troika strictly limits opportunities for strategic planning. Inevitably, while there is strategic planning in finances and in the economy more generally, it is severely limited by the terms of the MoU and negotiations with Portugal's international lenders. For example, there continue to be expert groups or offices consisting of government employees and outside experts formulating policies, like the Departamento de Prospectiva e Planeamento de Ministério do Ambiente, do Ordenamento do Território e Desenvolvimento Regional, Direcção Geral de Estudos, Estatística, e Planeamento (concerning employment) and the Gabinete de Estudos das Pescas. Most of the ministries have some kind of office or group for strategic planning. They occasionally exert some (limited) influence. However, under the current bailout, strategic planning is less evident than prior to the bailout. The MoU sets out a fairly definitive set of plans for the period of 2011 – 2014, thus rendering other plans less relevant, while the need to achieve the budgetary consolidation goals has led to greater attention on reaching short-term goals rather than long-term strategic planning.

Scholarly Advice
Score: 5

The government utilizes academic experts for research on a wide variety of topics and to implement strategic development. The use of academic experts is especially relevant in economic issues, but limited in its scope by the Memorandum of Understanding.

Interministerial Coordination

GO Expertise
Score: 6

The Prime Minister's Office (PMO) has limited policy expertise. While it is able to assess bills, it lacks in-depth policy assessment capabilities for the various policy areas. With the bailout terms and with the achievement of the budgetary targets becoming paramount in 2011 – 2013, the assessment of

policy has largely been centered on its budgetary implications, notably in terms of reducing costs and/or increasing revenue. To this end, the Ministry of Finance plays a more central role in the assessment of policy proposals, alongside the PMO.

GO Gatekeeping
Score: 9

The Prime Minister's Office (PMO) is able to return proposed legislation on the basis of policy considerations. However, in the period of 2011 – 2013, its de facto power to return legislation is constrained by the terms of the Memorandum of Understanding (MoU). This means that changes in measures in the MoU have to be negotiated with the EC–ECB–IMF Troika partners and cannot unilaterally be decided by the PMO. The priority given to budgetary consolidation means that the Ministry of Finance has seen its power increase, giving it also a de facto veto power over policy.

Line Ministries
Score: 7

The Prime Minister's Office (PMO) is regularly briefed on new developments affecting the preparation of policy proposals.

Cabinet Committees
Score: 6

Most ordinary meetings of the Portuguese cabinet – the Council of Ministers – are predominantly used for policy decisions rather than strategic policy debates. More political issues and strategic policy considerations are by-and-large prepared by the Council's inner core of a few ministers, augmented by other ministers and staff when required. However, as the economic crisis has deepened – and with a coalition government in office – the committee meetings are increasingly failing to settle all issues prior to Council meetings. This has led to some very long – and seemingly not entirely conclusive – Council of Ministers meetings, especially from the second half of 2012 onwards.

Ministerial
Bureaucracy
Score: 9

Since the mid-1980s the practice has remained one of prior preparation of cabinet meetings by senior ministry officials, such as junior ministers or director generals (who are also political appointees), depending on the issue. Under the Memorandum of Understanding and with the existing budgetary constraints, this coordination is often carried out with the Ministry of Finance. The ministry keeps very close control over all expenditure. This reached its most extreme form for a period in April 2013, when any expense by a ministry or public service had to receive prior authorization from the Ministry of Finance.

Informal
Coordination
Score: 4

Informal coordination mechanisms are central to government functioning and coordination. The horizontal informal links between ministries help compensate for the absence or rigidity of formal horizontal linkages.

Informal coordination has become all the more relevant in the 2011 – 2013 period, as the current government is composed of a coalition between two parties. The failures in informal coordination between the coalition partners led to the most substantial crisis in government during this period, notably in

September 2012 over proposed changes to social security contributions. These failures in coordination led the two parties to create a Council for Coalition Coordination in the same month. However, this does not appear to have resolved the coordination difficulties between the two parties entirely.

Evidence-based Instruments

RIA Application
Score: 1

The change in government appears to have undone the very tentative (and small) advances in the domain of RIA. There is little or no systematic and formalized RIA. Moreover, in some cases when impact assessments are supposedly carried out, their results are not publicly presented. For instance, when proposing controversial changes to the social security contribution system in September 2012, the minister of finance stated that an impact assessment of the measure carried out by the government showed this measure would increase employment by 1%, and exports by 1%–2% within two years. However, this report was never published or made publicly available, even when other studies were carried out by academics disproving these results, and the measure was ultimately withdrawn by the government later that same month.

Quality of RIA
Process
Score: 1

As noted above, systematic and formalized RIA does not exist in Portugal. The assessments that take place largely fail. The participation of stakeholders does generally take place, albeit inconsistently and without always encompassing all relevant stakeholders. Impact assessment results are often not made publicly available, nor are they systematically communicated. And there are no quality evaluations of impact assessment by independent bodies.

Sustainability
Check
Score: 3

Sustainability checks are not integrated systematically into impact assessments. They may take place in some impact assessments but not in others, in a rather ad hoc fashion that depends on who is carrying out the impact assessment. The same is the case with regard to the indicators that sustainability draws on; and the temporal dimension of the analysis.

Societal Consultation

Negotiating Public
Support
Score: 4

The government has met with social partners, including unions and employers' organizations, extensively. Initially it was able to obtain the support of these organizations (or of a significant proportion of them). This is best reflected in the 2012 labor reforms which gained the support of one of the two main union confederations, the General Union of Workers (União Geral de Trabalhadores, UGT). However, since mid-2012 there has been a gradual weakening of the government's ability to generate support, not least as austerity measures have

advanced further and the economic crisis deepened. As such, it has ended up largely alienating former partners. This was particularly evident in the 2012 proposal to change social security contributions – which was universally rejected by both employers and unions. While the government still meets with social partners, by 2013 it appears to do so largely as a result of legal obligations and with little room for negotiation.

Policy Communication

Coherent
Communication
Score: 7

The government has internal structures for communication. However, it is facing increasing challenges to achieving coherent and coordinated communication. The difficulty has been growing since mid-2012 as tensions have increased within the coalition, the economic crisis worsened and the austerity measures failed to fully achieve their budgetary consolidation goals. This lack of coordination is evident in terms of:

- Proposals that are announced and then withdrawn or not implemented.
- Publicized disagreements between ministers.

In April 2013, the minister in charge of communication resigned. While the main cause of his resignation was not communication problems, he was heavily criticized – even within his own party – for failing to achieve coherent and coordinated communication during his time in office.

Implementation

Government
Efficiency
Score: 6

The XIX constitutional government that took office on 21 June 2011 in the aftermath of the 5 June legislative elections does have a governance program. However, the government has not been successful in implementing much of it so far. It includes policies regarding the environment, economic policy, unemployment, etc. The government is instead obliged to implement the policies that are in the Memorandum of Understanding (MoU) as its first priority.

The government has largely remained on track in implementing the measures in the MoU. The Troika's fifth quarterly review of Portugal's economic adjustment program from 28 August to 11 September was fairly positive, noting that the country's program "remains broadly on track" and is "making progress, albeit against strong headwinds." However, at the same time, the MoU measures have been more actively pursued in some areas than others. In

March 2013, for instance, the IMF chief of mission stated that reforms in the energy and telecoms markets did not go as far as the international partners would have liked.

Citation:

(1) Statement by the EC, ECB, and IMF on the Fifth Review Mission to Portugal, 2012

(2) Diário Económico, “Selassie desapontado com preços da luz e nas telecoms”, 24/03/13

Ministerial
Compliance
Score: 9

The organization of and power relations in the parliamentary/cabinet system ensure that the government has incentives to implement its program. This is further reinforced by the stipulations of the Memorandum of Understanding (MoU) and the fact that Portugal is under a bailout.

That said, the current government faces additional challenges as a result of being a coalition, and the internal divisions within the government have become increasingly salient since mid-2012. Moreover, the internal organization of the government appears to have made implementation more difficult. The government has only 11 ministries, leading to the aggregation of previously extant ministries into “super ministries”. It appears that these super ministries – in crucial domains such as economy, employment and environment – are making it difficult to ensure complete implementation.

Monitoring
Ministries
Score: 8

The current government is small, with 11 ministries, 32 secretaries of state and one undersecretary of state. The ministries are not independent of the prime minister. The prime minister is also assisted by the Presidência do Conselho dos Ministros. The Prime Minister’s Office (PMO) can thus monitor implementation activities of all line ministries. However, the lack of in-depth policy capacity within the PMO constrains the overall degree of control. As a result of the bailout, the actual degree of control is also shared with Ministry of Finance in terms of financial control, and with the EC–ECB–IMF Troika, which undertakes trimestral reviews of the implementation of the Memorandum of Understanding (MoU). While this increases overall monitoring, it also means that monitoring is stronger in some dimensions (notably those of interest to the Troika, like financial aspects) rather than considering all policies or policy dimensions.

Monitoring
Agencies,
Bureaucracies
Score: 8

Portugal has seen a proliferation of quasi-autonomous nongovernmental organizations (QUANGOs) and other structures in addition to an already complex direct administrative structure since the 1990s. These structures were often left with little ex-post monitoring. However, in the context of the bailout and the need to reduce public expenditure, the government has taken far closer

interest in the operation of both QUANGOs and the direct administration. However, this interest is fundamentally centered on financial and budgetary aspects rather than the implementation of policy per se.

Task Funding
Score: 6

Portugal continues to be one of the most centralized countries in western Europe, with autonomous self-governing areas solely in the insular regions of the Azores and Madeira. 308 municipalities represent the main subnational level of government. In 2011, Portugal continued to have one of the European Union's lowest ratios of subnational public expenditure to GDP at 7%, considerably lower than the EU-27 average of 11.9%. The subnational sector has long been burdened with increasing debts. These reached a critical point in the 2011 – 2013. The most salient bailout was that of the Madeira regional government in late 2011, as a result of huge deficits in Madeira. Additionally, the government set up a bailout for indebted municipalities while at the same time tightening its control over local accounts in mid-2012. Overall – and as with other policy areas – the main focus in terms of subnational delegation is now on curbing public expenditure rather than policy delivery.

Constitutional
Discretion
Score: 5

Formally, the central government enables subnational governments to make full use of their constitutional scope of discretion with regard to implementation. However, subnational governments do not have their own revenue stream, instead being dependent on central government transfers. This means that the central government generally has considerable control. This control has increased in 2011 – 2013 as the central government imposed its own conditionalities on the Madeira regional government and on municipalities that requested central government help. The same is true of those municipalities which did not seek a central government bailout, as the increasing tightening of financial expenditure cut funding for programs that involved partnerships between central and local government.

National Standards
Score: 6

National standards are largely uniformly applied, albeit as a result of the control and provision of most public services by the central government. There are, however, differences between municipalities in some services, such as infrastructure, culture and increasingly also extra-curricular educational offerings.

Adaptability

Domestic
Adaptability
Score: 7

The European Union is extremely important to Portugal in all respects. Since joining the European Economic Community (EEC) in 1986, Portugal has become an integral part of Europe with all the implications arising from integration into a huge variety of legal and organizational frameworks. While the government of Portugal has not yet applied all of the EU laws and

regulations, it is increasingly adapting EU policies. Obviously, since Portugal is part of the European Union, and dependent upon it for funds and trade, a situation that can only increase with the current bailout, so the country has had to adapt its structures accordingly. The policies regarding the environment remain particularly problematic.

International
Coordination
Score: 7

Although Portugal is small and not very influential as a nation, it is a member of the European Union, the Organisation for Security and Co-operation in Europe, the Council of Europe, NATO, the World Trade Organization, etc., in which organizations it works with other nations to develop policies. It also applies the policies of these international organizations domestically, at least in terms of passing laws, and when it comes to the European Union it seeks to fully implement them. In this view, the government is largely able to shape and implement collective efforts to provide global public goods. Existing processes enabling the government to ensure coherence in national policies affecting progress are, for the most part, effective.

Organizational Reform

Self-monitoring
Score: 6

The overwhelming concern has been to apply the Memorandum of Understanding (MoU) and seek budgetary consolidation. This means that monitoring resources are primarily allocated to the implementation of measures in the MoU; demonstrating results to (and, when necessary, negotiating with) the international partners of the Troika; and monitoring public administration expenditure. There have been no substantial measures concerning monitoring of institutional arrangements over this period and there is little evidence of de facto monitoring of institutional arrangements of governing. What little occurs appears to be reactive to political crises or challenges.

Institutional Reform
Score: 6

There is no evidence of the government changing institutional arrangements to improve strategic capacity over the period 2011 – 2013. The dominant goal under the bailout has been to apply the measures of the Memorandum of Understanding (MoU) with the EC–ECB–IMF Troika and seek budgetary consolidation. The government has not had space to reconsider changing institutional arrangements and the changes that did take place, such as reducing the number of ministries to 11, appear to have had at best no impact on strategic capacity.

II. Executive Accountability

Citizens' Participatory Competence

Policy Knowledge
Score: 5

The economic recession and the bailout have increased citizens' attention and interest in policy matters. However, this greater demand for policy knowledge does not appear to translate into a corresponding increase in actual knowledge, with policy knowledge remaining limited and unevenly distributed. The factors that limit citizens' policy knowledge include: insufficient and partial explanation of policy by the government; partial and insufficient explanation of policy alternatives by the opposition; the media system tends to focus more on short-term issues and scandals than on in-depth policy analysis; presentation of policy in terms that tend to be exclusionary for most citizens; and a weak civil society that is unable to socialize and educate citizens on policy issues.

Legislative Actors' Resources

Parliamentary
Resources
Score: 6

The Assembly of the Republic does have a robust committee structure and system composed of standing and ad hoc committees, as well as committees to assess implementation of Plano do Governo and Orçamento do Governo. Moreover, it can call members of the executive to explain issues and has some degree of autonomy in terms of its budget allocations. However, there remains a substantial lack of expert support staff. Members of the Assembly generally do not have their own staff, and there is little expert support they can rely on. As such, the Assembly's capacity to monitor government activity is largely contingent on the members of the parliament's own expertise and expertise.

Obtaining
Documents
Score: 9

The government is obliged to respond within 30 days to requests for information from the Assembly of the Republic. While there is no data on how it responds specifically to requests from parliamentary committees, delivery of information to requests from members of parliament can be untimely or incomplete. Thus, in the first legislative session of the XII legislature, from 20 June 2011 to 25 July 2012, 6,525 questions and requisitions were made by MPs, of which 1,498 (23%) were unanswered. However, this appears to reflect a lack of institutional capacity to answer the questions rather than a deliberate attempt to conceal information from the Assembly. Moreover, it is likely that committee requests are answered more promptly and fully than those of individual MPs.

Citation:

(1) Divisão de Informação Legislativa e Parlamentar, Assembleia da República, “Atividade Legislativa - XII Legislatura, 1ª Sessão Legislativa (20 de junho 2011 a 25 julho de 2012)”

Summoning
Ministers
Score: 9

Ministers must be heard at least four times per legislative session in their corresponding committee. Additionally, committees can request ministers to be present for additional hearings. A committee request requires inter-party consensus. However, each parliamentary group may also unilaterally request ministerial hearings. These vary from one to five per session, depending on the size of the parliamentary group. Ministers accede to requests for their attendance at hearings.

Summoning Experts
Score: 8

Parliamentary committees are generally free to request the attendance of experts at committee meetings.

Task Area
Congruence
Score: 8

In the XII legislature (which began in June 2012) there are 12 permanent committees, which matches the number of ministers in the current government. That is not to say there is a direct correspondence – indeed, some committees monitor more than one minister – but all of the ministries and ministers are monitored. It should also be noted that the Assembly of the Republic created a special committee – the Comissão Eventual para Acompanhamento das Medidas do Programa de Assistência Financeira a Portugal – specifically to monitor Portugal’s ongoing implementation of the terms of the Memorandum of Understanding (MoU).

Audit Office
Score: 4

The Tribunal de Contas or supreme audit office (SAO) is totally independent of the Assembly of the Republic and the executive. It is part of the judicial system, on an equal level with the rest of the judicial system. However, while not accountable to the Assembly, it must report to it regularly.

Ombuds Office
Score: 1

Portugal does not have a parliamentary ombudsman. There is however a judicial ombudsman (Provedor de Justiça), which is situated in the judicial system. It serves as the advocate for citizens’ interests.

Media

Media Reporting
Score: 6

As a result of the increased interest in policy with the bailout, media reporting has improved somewhat. That said, analyses of government decisions fail to carry out systematic in-depth policy analysis. Moreover, policy analysis is carried out by expert commentators, with little or no journalistic work on policy issues.

One interesting trend of 2011 – 2013 has been the increasing commentary time allotted to former politicians, especially on television – the main source of

political information. An analysis in early May 2013 indicated that there were 69 hours of political commentary per week on the four free-to-air channels and three main cable news channels. Of a total of some 97 regular commentators, 60 of these were politicians. The current crop of commentators includes, for instance, the previous prime minister, José Sócrates, and the former leader of the Social Democratic Party (Partido Social Democrata, PSD), Manuela Ferreira Leite. This profusion of politician-commentators does not appear to contribute to greater policy analysis, not least as many of these commentators are engaged in a political career.

Citation:

(1) Dias Mendes, Filipa & Nunes Rodrigues, Pedro, "O império dos comentadores onde quem manda são os políticos", Público, 12/05/2013

Parties and Interest Associations

Intra-party
Democracy
Score: 3

Three parties met the 10% criteria in the 2011 legislative elections: Social Democratic Party (Partido Social Democrata, PSD), Socialist Party (Partido Socialista, PS) and Democratic and Social Center People's Party (Centro Democrático e Social – Partido Popular, CDS-PP). In all three parties, national-level decision-making is highly centralized around a small number of party leaders.

In the case of the PS and PSD, both hold direct elections of their party leadership by party members and have congresses with delegates also elected by party members. However, with regard to policy issues and candidates other than the party leader, the rank-and-file members have little say. Instead, decisions are largely made by the party leadership, which – depending on the internal balance of power – may have to negotiate with the leaders of opposing internal factions.

In the case of the CDS-PP, this degree of centralization is if anything stronger. It abandoned the direct elections of the party leader in 2011, has a smaller rank-and-file base and weaker internal factions. This means that virtually all decisions are placed in the hands of the party leader. Indeed, the current party leader has led the party for 13 of the last 15 years.

While only these three parties met the 10% criteria in the past legislative elections, one could also identify two other relevant parties in Portugal, the Portuguese Communist Party (Partido Comunista Português, PCP) and the Left Bloc (Bloco de Esquerda, BE). These are also marked by a high degree of

Association
Competence
(Business)
Score: 5

centralization of national-level internal decision-making.

A few business-related organizations are capable of formulating relevant policies – notably employers’ associations and trade unions. However, their proposals tend to be reactive to government measures rather than being proactive in setting policy debate. This pattern of reactivity has if anything been reinforced in the current period. While both employers and trade unions have increasingly expressed dissatisfaction with the austerity measures, there are few substantive alternatives presented other than reactions to specific government measures.

Association
Competence
(Others)
Score: 5

In the context of the economic crisis and of the bailout, there has been a reduction in the impact of other associations. On the one hand, the fact that Portugal has signed a Memorandum of Understanding (MoU) with the EC–ECB–IMF Troika, which specifies a very clear set of policy proposals, has seen civil society movements with policy platforms practically disappear from dialogue. Additionally, the overwhelming focus on economic issues means that other established groups’ proposals now gain less visibility (e.g., the environmental group Quercus).

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