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**STATE, WAGE RELATIONS AND SOCIAL
WELFARE IN THE SEMIPERIPHERY: THE CASE
OF PORTUGAL**

nº 23

Janeiro 1991

Oficina do CES
Centro de Estudos Sociais
Coimbra

OFICINA DO CES

Publicação seriada do

Centro de Estudos Sociais

Praça de D. Dinis

Colégio de S. Jerónimo, Coimbra

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**STATE, WAGE RELATIONS AND SOCIAL WELFARE
IN THE SEMIPERIPHERY: THE CASE OF PORTUGAL**

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This is a revised version of a paper presented at the Havens Center for the Study of Social Structure and Social Change, Sociology Department, University of Wisconsin-Madison, September 1990. The first draft of this paper was written in the Summer of 1990 at the University of Wisconsin-Madison under the sponsorship of the Havens Center, the Institute for Legal Studies and the Ibero American Studies Program. I would like to thank Maria Irene Ramalho, José Reis, Pedro Hespanha, Maria Manuel Leitão Marques, Erik O. Wright, Immanuel Wallerstein for their comments on earlier versions of this paper.

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1. INTRODUCTION

The postwar period gave birth to a world that for three decades seemed to be neatly divided between developed and underdeveloped countries. From different and often conflicting perspectives the social theories then developed -- modernization, development, imperialism and dependency theories -- tried to account for this division and to establish blocked or non-blocked passages, friendly or hostile linkages between the poles of the division. In the last ten or fifteen years this situation seems to have changed drastically. In the first place, countries of intermediate development emerged under very different forms. Though for the world system theorists these intermediate entities had always been there, as the semiperiphery, it is recognized that they have assumed a much greater prominence and variety which social theory tried to render under such concepts as semi-industrialized countries, newly industrializing countries, belated centers, dependence with development and, of course, semiperiphery. Secondly, internal changes in the developed countries have led to social conditions in these countries that are similar to those which used to characterize lesser developed countries, such as underground economy, informal sector, meaninglessness of democratic mechanisms, political corruption, segmented labor markets, degradation of the welfare, urban violence, increased inequalities, new and broader forms of social exclusion and destitution. That is to say, the so-called interior third world¹.

These changes have been so strongly perceived that some saw in them the emergence of a new international political economy of global interdependence, a fairly disorganized and quasi-chaotic global network of deterritorialized, transnational flows of capital, services and people in a world without a center, reproducing itself through a myriad of changing, unstable and underdetermined vertical and horizontal relations².

¹ Dudley Seers (1977) and Albert Hirschman (1983) were probably the first to argue that development economics and sociology of development were only sustainable scientific disciplines if they were applied to developed countries as well as to less developed ones. See A. Mateus, 1987:45.

² This conception is also being defended in the cultural field. Most recently, Arjun Appadurai has argued that "the new global cultural economy has to be seen as a complex,

In my view, as long as the benefits of the international division of labor are not equally distributed (as long as hunger and political oppression cannot be said to be randomly distributed throughout the world), and as long as capital accumulation on a world scale is based on the same contradiction between socialization of production and individual appropriation of surplus, recent trends should not be overemphasized or overgeneralized to make them the prolegomena of a paradigmatic change in the mode of development of industrial capitalism. This is not to say that this mode of development is not undergoing profound changes or that we don't need a new, alternative mode of development, but if this is the case other trends must be emphasized, other readings of present conditions must be proposed.

However, the above mentioned trends do signal some important changes in the world and in the ways we see it which comparative sociology has still to grasp. On the one hand, as the USA has been forced to share its hegemony with Europe and Japan, the world has become more polycentric, with different regions gravitating around different centers, and the proliferation of the center seems to be an ongoing process. On the other hand, the periphery of the world has become more and more fragmented giving rise both to more cruel forms of exclusion and to an ever growing range of intermediate, semiperipheral countries very distinct in terms of national patterns of development according to the region of the world in which they are located.

Moreover, global interactions have known in recent years a new intensity from the transnationalization of production systems to the worldwide dissemination of information and images through the media and to mass translocation of people as tourists, as migrant workers or as refugees. As a result, social reality seems to change as fast as the epistemological foundations of the knowledge or knowledges we develop about it, if not faster. A double trend which could be conceived of as a dialectical process is emerging and is to determine the comparative research in the 90's. As global interdependence and interaction intensifies, social relations in general seem to become increasingly deterritorialized, crossing borders

overlapping, disjunctive order which cannot any longer be understood in terms of existing center-periphery models" (1990:6).

which up until now were policed by customs, nationalism, language, ideology, often times by all of them together. In the process, the nation-state, whose main characteristic is probably territoriality, becomes a relatively obsolete, or at least unprivileged, unit of interaction. But on the other hand, and in apparent contradiction with this trend, there are emerging new regional and local identities built around a new prominence of rights to roots (as opposed to rights to options). This localism, both old and new, once considered pre-modern and today being re-coded as postmodern, is often adopted by translocalized groups of people and therefore cannot be traced back to specific genius loci or sense of place, but it is nevertheless always grounded on the idea of territory, be it an imagined or symbolic, real or hyper-real territory³. This dialectic is thus between territorialization and deterritorialization.

The impact of this dialectic on comparative sociology is threefold. Firstly, as social reality becomes more obsolescent, more translocal and less exotic it becomes also more comparable if not fungible. Each empirical object becomes implicitly or explicitly comparable to the rest of the world. Furthermore, the specific characteristics of a given country are potentially paradigmatic, generalizable to other countries. Secondly, the effect of deterritorialization on a country's social features manifests itself as disjuncture or uneven development. Accordingly, different social characteristics may be paradigmatic in opposite directions. For instance, a given country may be in some features paradigmatic of a third world condition and, in other features, paradigmatic of a first world condition. Each country is thus a configuration of features potentially paradigmatic in opposite directions. Its specificity as a social formation lies in the specific mix of such features.

This mix -- and this is the third impact of the dialectic mentioned above -- however unstable, is hyper-territorialized. Therefore, more theoretical innovation and specification and more "local knowledge" is required to do justice to the unique national combinations of transnationalized features.

³ This reterritorialization occurs usually at an infra-state level but can also occur at a supra-state level. A good example of the latter is the European Economic Community which is in the process of deterritorializing social relations at the state level only to reterritorialize them at a supra-state level.

The new conditions for comparative sociological work I have just sketched seem to be particularly prominent in countries of intermediate development. Such countries -- be they Portugal, Ireland, Spain and Greece, or Mexico and Brazil, or South Korea and Taiwan -- bring the dialectic of territorialization/deterritorialization to a specific high tension. As a consequence, their mix of paradigmatic features is particularly volatile. The intermediate countries of Western Europe are a case in point because their social mix is being doubly reconstructed as peripheral countries in one of the great regions of the world system (the European periphery) and as full members of the center of that region (the EEC). Of all these countries, Portugal is perhaps the most telling illustration of a complex mix of social features pointing in opposite paradigmatic directions, a configuration shuffled and reshuffled in the historical short-circuit of the past fifteen years in which there converge and melt such different social temporalities as the five-century long temporality of the European expansion, the two-century long temporality of the democratic revolutions, the one-century long temporality of the socialist movement, the forty-year long temporality of the Welfare State. In early 1974 Portugal was one of the least developed countries of Europe and at the same time the oldest European colonial empire. The longest lasting fascist type regime in Europe was dismantled in a bloodless revolution on April 25, 1974 and soon thereafter the greatest popular mobilization of postwar Europe put the goal of socialism on the political agenda of major political parties. Some months later, an ambiguous resolution on the revolutionary crisis opened up a long and tortuous process towards a social-democratic Welfare State at a time where in Western Europe and elsewhere in the central countries the Welfare State was entering a period of deep crisis.

For all these reasons, Portugal is a fascinating laboratory, though also very complex and very demanding in terms of sociological analysis. Bearing in mind the dialectic between territorialization and deterritorialization, the analytical framework I develop in the following combines the world system theory (adequate to capture the dynamics of deterritorialization) and the regulation approach (adequate to capture the dynamics of territorialization).

In the following, I will argue that:

1. Portugal is a semiperipheral society in the European region of the world system. For many centuries this semiperipheral position was based on the Portuguese colonial empire. Since the demise of the empire in 1974, Portugal has been renegotiating its position in the world system. It seems that a semiperipheral position of some kind will be maintained, this time based on the terms of Portugal's integration in the European Economic Community and on its privileged economic and social relations with Portuguese speaking Africa.

2. Once the state corporatist regime of accumulation and the mode of regulation imposed by the Salazar State were dismantled no new regime of accumulation and mode of social regulation have become stabilized and created its own routines of production and reproduction. Portugal is thus undergoing a period of transition which runs at different paces according to the different areas of social practice.

3. Such a period of transition manifests itself in significant inconsistencies, disjunctures or discrepancies. Two of them deserve special attention: a) the discrepancy between capitalist production and social reproduction or, in other words, between the norm of production and the norm of consumption; b) the discrepancy between the institutional forms of the fordist mode of regulation and the predominantly non-fordist, competitive regulation of the wage relation.

4. The social and cultural differentiation and heterogeneity derived from the above mentioned conditions have been regulated by the state. The centrality of the state in the social regulation throughout the last fifteen years accounts for the priority of the political in this period. Such heterogeneities and discrepancies have, in the very process of their regulation by the state, inscribed themselves in the institutional matrix of the state, a phenomenon which I will render through two concepts: **the parallel state** and **the heterogeneous state**.

5. Since it has not been possible to institutionalize a fordist regulation of the wage relation, it has not been possible to institutionalize a Welfare State either. In this respect the Portuguese state is a **quasi- or lumpen-welfare state**. However, the resulting deficit in state welfare is partially covered by a strong welfare society. This welfare society, though couched in social relations and symbolic universes which could be easily labeled as pre-modern, bears striking similarities with the kind of welfare society that Rosanvallon (1981; 1988), Lipietz

(1989), Aglietta and Brender (1984) others have been trying to resuscitate, and which some would call the postmodern welfare society.

6. The old and new equilibria of such a complex social and political structure are being destabilized, recomposed, reinvented in the process of integration in the European Economic Community. To a substantial extent the centrality of the state in social regulation in this period has derived from the leading role of the state in the negotiations that led to the integration. The state regulates the dialectic of identity and difference between Portugal and European core countries thereby assuming a political form which I designate as the ~~state-as-
imagination-of-the-center~~. The internal autonomy of the state, which during fascism lied in an autarcic, isolationist, hyper-nationalist mode of development (perhaps rather, underdevelopment), lies now in the process of integration in the EEC and, thus, in a context of ever decreasing national sovereignty.

7. The future of the European Economic Community is an open question. At the political level it is very early to even sketch the political form of the future Euro--state. At the economic level, the current priority given to the creation of the internal market is no guarantee that the internal market will also be a unified market. At the social level, the low priority of the so-called social dimension at the present time invites the suspicion that for a long time Europe will develop on two different speeds. The transitional period of Portuguese society is thus juxtaposed to the transitional period of Europe as a whole. Predictions are therefore doubly risky. With this caveat in mind, however, I would propose that, as far as Portugal is concerned, a semiperipheral mode of regulation is underway and is likely to stabilize in a few years after 1993.

II. THE SEMIPERIPHERY IN THE INTERSECTION OF THE HYPER-LOCAL AND THE TRANSNATIONAL: COMBINING THE WORLD SYSTEM THEORY AND THE REGULATION APPROACH

A review of the social scientific knowledge accumulated in the last forty years both about the central, developed, or first world countries and the peripheral, less developed or third world countries will show that such knowledge falls short of an adequate picture of

Portuguese society. While in some aspects Portuguese society approximates the type of characteristics that have been usually identified with the central countries -- as, for instance, regarding demographic structures, norms of consumption, political system, social stratification, cultural patterns and social order, in other aspects it approximates third world characteristics, as in the case of price--income formation, balance of payments, labor market, some infrastructural equipments, investment in R and D, and presence of noncapitalist modes of production.

In terms of some social and economic indicators Portugal occupies an intermediate position in the world system. Rough as it is, the GNP per capita is one of such indicators. In the study on the evolution of the GNP per capita throughout the world in the last fifty years, conducted by Arrighi and Drangel, Portugal occupies a consistent intermediate position (G. Arrighi and J. Drangel, 1986). A richer indicator is the degree of homogeneity between the sectorial structure of production (agriculture, industry and services) and the structure of employment. Using this indicator and comparing different countries in 1960 and 1983 Mateus (1987:54) shows the intermediate condition of Portuguese society⁴. Some other features of Portuguese society are neither more nor less than comparable features in other countries. They are just different and call for theories that will account for them.

For the world system theory, the existence of societies with intermediate levels of development is a structural, permanent, and relational feature of the world system. The first formulation of the semiperiphery in Wallerstein's *The Modern World System* is rather descriptive (1974). Later on Wallerstein would stress the political content of the semiperiphery. By their very intermediate character, semiperipheral countries perform a function of intermediation between the center and periphery of the world system and, very much like the middle classes at the nation state level, they contribute to the smoothing of the conflicts and tensions between the center and the periphery. As Wallerstein puts it "In moments of expansion of the world-economy, [semiperipheral] states find themselves

⁴ Moreover, the figures show the longevity of that condition in countries like Portugal, Spain and Ireland. Thus values obtained in 1983 in recently industrialized countries such as Brazil (38) and South Korea (40) correspond, grosso modo, to the values of 1960 for the European countries: Ireland (28); Portugal (38); Spain (42) (Mateus, 1987:54).

attached as satellites to one or another core power and serve to some extent as economic transmission belts and political agents of an imperial power" (1984:7).

In recent years, much research has been done on semiperipheral countries and the concept of semiperiphery has been further refined. Drawing on the research conducted at the Fernand Braudel Center Carlos Fortuna says that the semiperipheral states are characterized by a network of productive activities in which there is a relative equilibrium between core productions and peripheral productions wherefrom they derive a specific capacity of institutional and political manoeuvring in the interstate system (1987:180). But as W. Martin rightly emphasizes "to recognize the endurance of the semiperiphery raises far more questions than it answers," and he goes on asking the questions that, according to him, are the most crucial: "if semiperipheral states sit astride core-peripheral networks, how is such a position attained and maintained in the face of the strongly polarizing forces of the world-economy?; if the semiperiphery is more than simply a statistical cutting point on developmental indices, how has the zone itself operated over time as part of a developing capitalist world?; how and why has the semiperiphery, at least in the twentieth century, operated as a primary locus for social, labor, nationalist, and anti-systemic movements?" (1990:4).

This is not the place to scrutinize in detail the concept of semiperiphery and much less the world system conception of which it is a constitutive part. I will limit myself to stress two points. The first point refers to the regionalization of the semiperipheral condition. According to the world system theory, one of the structural features of the world capitalist economy is the competition among core countries. As a result, the world system is divided into regions, zones of influence, which constitute clusters of particularly intense economic, social, political and cultural relations among a given group of countries one or some of which constitute the center (USA, Japan, Western Europe). In light of this, though, the general type of intermediation accomplished by intermediate societies is defined at the level of the world system as a whole, the specific intermediation functions are established at the level of the particular region of the world system to which the particular society belongs and depend to a great extent on historical national developments within that region.

The function of intermediation implies that a given country acts in some areas as a peripheral country vis-a-vis a given central country and, in other areas, as a central country vis-a-vis the periphery. For instance, from the eighteenth century on Portugal functioned as a transmission belt in the world system, acting as a center vis-a-vis its colonies and as a periphery vis-a-vis Great Britain. Today, and just to take an example, the hypertrophy of tourism and of emigration in Portugal constitutes a clear sign of the peripheral function of this country vis-a-vis the norms of production and the norms of consumption prevailing in the central European countries (Mateus, 1987:55). On the other hand, the integration in the EEC will eventually enable Portugal to perform another central function vis-a-vis its former African colonies. In both cases, however, the intermediation functions are specific of the history of Europe and are an integral part of the social development of Portugal as an European country.

The second point I want to raise refers to the characterization of semiperipheral societies as both intermediate in terms of levels of development and intermediary in terms of their functions in the world system. The two characteristics are, of course, related, since the intermediation function presupposes an intermediate level of development and, conversely, the latter reproduces itself, partly at least, through the performance of the intermediation function. But not only are they conceptually autonomous as it also seems mistaken to assume a linear or mechanical relation between them. The intermediate nature of a given society translates itself in social characteristics that are specific of that society and, in a sense, unique. It is a product of its historical national development and of the multiple ways in which the latter has intermingled with worldwide socioeconomic processes. It is thus deeply inscribed in the social structure and social praxis. In sum, the intermediate character is a quality and not just a quantity and it represents the territorialized dimension of the global interactions in which a given country may be involved. The intermediation function may also be a long duration phenomenon, but it has a different logic of development. Because the capitalist world economy is politically organized in an interstate system the intermediation function is subjected to political discontinuities which may result in shorter or longer periods of disjunctures, discrepancies, hiatuses between intermediate structures and intermediation functions. When in 1974-75 the Portuguese empire came virtually to an end, the

intermediation function Portugal performed on the basis of its colonies also came to an end. However, its intermediate structures and processes remained untouched. The materiality and the quality of such structures and processes were deeply inscribed in Portuguese society and their complex modes of social reproduction extended far beyond the possession of the colonies. Such structures and processes are autonomous and active in appropriating, reconstructing and also limiting whatever opportunities arise for the emergence of new intermediation roles. Precisely because Portugal is undergoing a transitional process of the renegotiation of its position in the world system I think a closer attention must be given to the specific quality of its material and symbolic intermediate character.

To accomplish that we must resort to a theoretical perspective that concentrates on the specificity of national developments and analyzes them with an encompassing framework, running from the historical to the synchronic, from the economic to the social, the political, and the cultural. The complementarity sought for between such a theory and the world system theory will only be possible if both theories share some theoretical and even meta-theoretical concerns. I think this is the case of the French regulation approach. Though this is not really a theory, but rather a general analytical orientation from which different theories have been emerging, I think that, in general, both approaches share a Marxist past as well as the need to eliminate the economistic and mechanistic biases of some Marxism. Both focus on social relations in capitalist development and most particularly on exchange relations and wage relations. Both are holistic in nature and focus on the consolidation and transformation of social cohesion through time: the regulation approach, on the social cohesion of individual nation-states; the world system, on the social cohesion of the capitalist world economy.

The regulation approach is theoretically very loose. The version adopted here seems to me to be the most adequate to capture the dynamics of the Portuguese social development in the last fifteen years. It is generally acknowledged that one of the weaknesses of the regulation approach is the absence of a theory of the state that will account for the multiple and decisive roles the state performs in the processes of emergence and consolidation of the modes of social regulation (R. Boyer, 1986:52; B. Jessop, 1990:196). Following the initial suggestion of I. Wallerstein, it has been recently emphasized that such roles are particularly decisive in semiperipheral societies (W. Martin, 1990:7). In this

paper I address this question by focusing on the specific centrality of state regulation in a period of transition between modes of social regulation in a semiperipheral social formation in the European region of the world system. Furthermore, I will analyze the ways in which the process of transitional social regulation inscribes itself in the institutional matrix of state by identifying the different partial political forms which together constitute the fragmented totality of the state in the transition from one mode of social regulation to the next.

III. THE CRISIS OF THE MODE OF SOCIAL REGULATION: NORMS OF PRODUCTION AND NORMS OF CONSUMPTION IN A PERIOD OF TRANSITION

It may have been a coincidence but it is interesting to note that the end of the fascist regime in Portugal took place at a moment in which the central countries were entering a period of crisis. I mean the crisis of that mode of regulation which, according to Aglietta (1976), Boyer (1986) and others, had dominated particularly since the end of World War II. This mode of social regulation was characterized by intensive capital accumulation indexation of wages to productivity and mass consumption. It was the fordist mode of regulation. One would expect that this crisis would reverberate in a semiperipheral society with close economic ties with the countries most hit by the crisis, the central countries of Western Europe. But the revolution of April 25, 1974, by itself started a national crisis of social regulation in the Portuguese society. It was a sweeping crisis, running through all the sectors of social life and unsettling deep-rooted and long duration aspects of national historical development, a crisis that indeed for a short period assumed the form of revolutionary crisis. Thus the crisis occurred within a crisis and this is a crucial factor to understand some features of Portuguese society in the last fifteen years.

III-1. The Revolutionary Crisis (1974-75) and the Parallel State

This is not the place to give a full account of the Portuguese revolution. It is even highly probable that the historians of the future will deny the status of a true revolution to the

Portuguese events of 1974-5 as they have done with the German revolution of November 1918 (Broué 1971).

The Portuguese revolution began as a military revolt led by a sizable group of democratic and antifascist young officers, who were eager to put an end to the colonial war. In relation to the political project at home the programme of the Movement of the Armed forces (MFA) was straightforward in spite of its generalities: immediate destruction of the fascist features of the state apparatus; elections for a constitutional assembly where parliamentary democracy would be restored; political pluralism and autonomy of working-class organizations; an anti-monopolist economic policy aiming at a more equitable distribution of wealth. Concerning the colonial question, however, the programme was rather ambiguous. It called for a political settlement in a large Portuguese space. Such ambiguity was the inevitable consequence of the fact that the young officers had felt compelled to compromise with General Spínola who, excepting Costa Gomes, was the only general who had had conflicts with the rulers in the last period of the regime, Caetano's period. To compromise was then considered important, not only to minimize the possibility of resistance by some military units loyal to the old regime, but also to avoid any attempt at a unilateral declaration of independence by the white population in the colonies, particularly in Angola.

Spínola clearly represented the interests of monopoly capital while the young officers of the MFA were granted from the start a tremendous popular support by the working class and large sectors of the petty-bourgeoisie. This popular mobilization (economic and political strikes broke out throughout the country) was instrumental in bringing about Spínola's total defeat, as well as the neutralization of the rightist elements inside the MFA and the political radicalization of its more leftist elements. This fact, plus the firm rejection of the leading African liberation movements of any Spínola-type solution for the colonial question, were the main preconditions for what would become the most remarkable decolonization process of modern times, though much denigrated in recent years — a decolonization process almost totally free from neocolonialist features.

The qualitative changes in the political process took place after March 1975, the true beginning of the revolutionary crisis: extensive nationalization of the industry; total nationalization of the banking and insurance system; land seizures in Alentejo; house

occupations in large cities; workers' councils; self-management in industrial and commercial enterprises abandoned by their former owners; co-operatives in industry, commerce, and agriculture; neighbourhood associations; people's clinics; and cultural dynamization in the most backward parts of the country. None of these measures, taken individually, challenged the capitalist foundations of society or the class nature of state power. However, all these measures taken together -- along with the internal dynamics of working-class mobilization and of popular initiative, the generalized paralysis of the state apparatus and the evermore serious conflict within the armed forces -- did indeed bring about a revolutionary crisis. But on no occasion was there a situation of dual power conceived of as a situation of 'global confrontation' between 'two dictatorships' (Lenin, 1960, vol. 2:50; Trotsky, 1963:101). Although a full analysis of this fact is still to be made it seems to me that one of the major explaining factors lies in the very nature of the events that led to the revolutionary crisis. It all started as a military revolt, that is, a revolt from above, originating within the state apparatus itself. The aim was to destroy the fascist state power but indeed only the most explicitly fascist features of the state were destroyed, such as the political police, political courts and prisons, the one-party system, and paramilitary fascist militias. The state apparatus was otherwise kept intact, with its fifty-year heritage of authoritarian ideology, recruitment, training, and practice. Though under popular pressure there were some purges of personnel in public administration and industry, they were rather limited in number, often opportunistic and, in some crucial sectors of the state apparatus, such as the administration of justice, virtually nonexistent. In any case, purges were always restricted to personnel and never reached the structures of the state power. As to the two branches of the repressive state apparatus -- the police (PSP and GNR) and the armed forces -- the situation was even more striking. Since the police offered no resistance to the young officers of the MFA, there was no need to dismantle or even restructure the organization; only the top officers were replaced. As to the armed forces, they were shaken to their roots; but precisely because the revolt originated in their ranks and the political process was kept under military leadership, the armed forces felt globally re-legitimized and postponed any profound internal restructuring. This explains, among other things, why the soldiers' committees appeared very late in the process and without internal dynamics.

In sum, the state apparatus, once cleansed of its distinctly fascist features, did not collapse. It rather suffered a generalized paralysis. Because the political events had started inside it, it was 'relatively easy' to bring about the paralysis of the bourgeois state power. In this sense there was no bourgeois rule. But neither, and for similar reasons, was there a proletarian rule. In this connection the role played by the big working-class parties (the socialist party and the communist party) must be briefly mentioned. Having gained considerable influence in the state apparatus and inside the armed forces after March 1975, the communist party (PCP), the only political organization worth the name at the time, looked rather suspiciously on the spontaneous mobilization and creative organizations of the working class, both at the point of production and at the point of consumption. Under the mystifying argument that the enemy had already been destroyed by the nationalization of monopoly capital and that the sector of the MFA then in power would, if supported, carry out the class interests of the proletariat, the PCP always favoured policies inside the state apparatus and rejected as adventuristic the idea of revolutionary legality and of popular power. The socialist party (PS), of recent formation and heterogeneous composition, resented the influence of the communists in the state apparatus and rejected as authoritarian any political form but parliamentary democracy. Drawing its support from the bourgeoisie, sectors of the petty--bourgeoisie and the working class, who resented the power politics and the arrogance of the communists, the socialist party soon became the opposition party par excellence. As in Germany in 1918, the socialists became the leading party in a broad coalition of bourgeois and conservative political forces.

It may be said that the same process that had quite rapidly obtained the suspension or neutralization of bourgeois rule, had at the same time prevented proletarian rule from emerging in its own name. This was less a situation of dual power than a situation of dual powerlessness, as I would characterize it; a situation which was resolved in favour of bourgeois rule in November 1975 (Santos, 1979). The Portuguese revolution shows, indeed, as one of its striking features, that the capitalist state may undergo a generalized paralysis for an extended period of time without coming to a collapse. On the contrary, it remains intact as a kind of reserve state only to be reactivated if and as soon as the relations of forces change in its favour.

The end of the revolutionary crisis and the inauguration of the first constitutional democratic government in almost fifty years didn't end the social crisis, though it did change its nature. In terms of social regulation we can say that the crisis began before 1974 and continued after 1976 to the present day. I will now proceed to analyze this crisis, focusing on three strategic factors: capital accumulation, wage relation and the role of the state.

Social regulation of exchange relations and wage relations is a complex process made of basically three structural elements: state law (state normalization), contract (contractual normalization) and shared values (cultural normalization) (Boyer, 1986:55; Aglietta and Brender, 1984:77). What characterizes the authoritarian regime is the hypertrophy of state normalization, and its pretended tutelage over the other forms of normalization. The willingness of monopoly capital, quite evident after 1969, to enter direct negotiations with workers representatives epitomizes the growing conflict between state normalization and contractual normalization. As to the cultural normalization, the student movement of 1962 and of 1969, the migratory flows, the colonial war and the strikes showed that the fascist ideology of the loving, hard working family running a simple life with scarce means and no ambition of upward mobility, an ideology soaked in rural mythology and religious mysticism had, in fact, no normalizing power anymore.

The revolution of 1974, by dismantling the political form of the Estado Novo and its institutional base, created some of the conditions for the emergence of new institutions coherent with the changes in the regime of accumulation as it opened new, immense opportunities for social, political and cultural experimentation in all fields of social practice.

Once the political form of the Estado Novo was dismantled, the struggle for the choice of new institutions of social regulation was open. This struggle, which is typical of a crisis of social regulation, took place in Portugal, contrary to what happened in central countries, in the context of much broader social and political struggles. At stake was not just the institutionalization of a new wage relation and new exchange relations but rather the construction of a new political form, as modern democratic state. For this reason, the struggle was from the beginning concentrated on the control of the state. Under these circumstances there was not much room for contractual normalization. Moreover, after almost fifty years of authoritarian tutelage, neither capital nor labor had any experience of autonomous

organization and negotiation. As it had happened in central countries, a strong socially committed and efficient democratic state would have been necessary to promote, to assist or even to create interest organizations and to establish the rules of negotiation among them. But since it had itself become the center of the struggle, the state could not perform such function.

Indeed, as the social conflict intensified, the state became increasingly weak, fragmented and paralyzed. This however did not prevent, rather promoted, the promulgation of important labor legislation and social legislation under the pressure of the increasingly radicalized labor movement amplified by the multiple forms of popular mobilization that took place then. This legislation took the social democratic legislation of the Western European countries as a model, and in some cases it went beyond it in favoring the interests of the working class (autonomous labor organizations, right to strike, prohibition of lock out, social benefits or indirect salaries, stability of employment, minimum wages, collective contracts, restrictions on layoffs and dismissals). The impact of this legislation was soon translated into the relative weight of wage income in the national income. While in 1973 wages and salaries were 43.7% of the GDP, in 1974 they were 48.9% and in 1975, 57.6%.

The radicalization of the labor movement put capital as a whole on the defensive and not just its less modern or non-monopolist fractions. Because the control of the state was the privileged arena of struggle, capitalist forces tried several times to get control of the state and stop the further radicalization of the popular movement. The attempts failed and each time they failed they prompted new popular offensives which fueled power to the more radicalized sectors inside the Movement of Armed Forces. The most dramatic movement of this process was the nationalization of monopoly capital and the occupation of the big latifundia by farm workers and sharecroppers. At this stage the crisis changed in quality. In terms of social regulation it ceased to be a mere crisis of the mode of regulation to become a crisis of the regime of accumulation, if not a crisis of the mode of development itself, that is, a crisis of the capitalist mode of production.

The nationalizations dramatized the fact that the laws and institutions created during the revolutionary crisis, though in formal terms very similar to those of the fordist mode of regulation in central countries, had a very different material base, indeed, a material base that

contradicted them flatly. Instead of securing and stabilizing an intensive capitalist accumulation led by monopoly capital, those laws and institutions were part and parcel of a political and social movement that crushed monopoly capital, prompted massive capital flights to Brazil, South Africa and elsewhere and otherwise disrupted the productive order both in the nationalized industries and in those converted into cooperatives or self-management enterprises after they had been abandoned by their former owners. The private capital that continued production saw its profit rate fall dramatically as a consequence of the wage increase. In general little inclined to invest in technological innovation and frightened by the overall social instability, this fraction of the capital could not compensate for the increased labor costs through productivity gains. On the contrary, the rate of productivity fell abruptly during the revolutionary crisis. Thus the inconsistency between the legal and institutional framework, on the one side, and social practice, on the other, could not be more dramatic and has indeed remained to this day, under different forms and in different degrees, a structuring factor in the political and social development of Portuguese society.

When the revolutionary crisis came to an end on November 25, 1975 -- with the ousting of the leftist factions of the Movement of the Armed Forces, the stop imposed on the insurrectional vertigo of the Communist Party, and the general decline of popular mobilization -- it was clear that the strategic political goal had switched from the construction of a socialist state to the construction of a modern, democratic European state and thus, ultimately, to the restoration of capitalist rule. But the solution of the crisis represented a complex compromise among different military factions and between them and the political parties and the ambiguity of this political outcome was to reproduce, under different forms, the discrepancy between the institutional and legal framework and the social practice already observed during the revolutionary crisis.

In April 1976 the Constitutional Assembly promulgated the new Constitution of the Republic. This Constitution was very programmatic in its style. Besides confirming all the political, civic, social, and cultural rights typical of an advanced democracy, it established the political form of the state as a representative democracy combined with some forms of direct democracy under the constitutional control of a Revolutionary Council. It also pronounced the irreversibility of the nationalizations and the agrarian reform at the same time that it declared,

as the ultimate goal of national political development, the construction of socialism, not just a weak social-democratic version of socialism, but its strong version, meaning the construction of a society without classes and without the exploitation of man by man.

Under such a Constitution, the gap between the institutional framework and the social and political practice was extremely wide. In fact, the Constitution lacked the state to carry on its program. From the first constitutional government on it was clear that, in concrete political terms, the state's objective was to restore capital accumulation and build a democratic, social democratic European polity. This was the first, constitutional dimension of what I call the **parallel state**: a constitutional state busily constructing a modern democratic capitalist society under a Constitution that pointed toward a classless socialist society. This dimension of the parallel state lasted very long, until 1989, when the second revision of the Constitution eliminated its remaining socialist elements.

But the most important dimensions of the parallel state took and are still taking place at another level. The restoration of the regime of accumulation and its consolidation in a new mode of social regulation was no easy task. The dramatic increase in wage incomes had a fatal impact on the balance of trade. The consumption of consumer durables, mainly domestic equipment, by the working classes, which was the trademark of the fordist wage relation in postwar central countries, was made possible to the Portuguese working class only with the 1974 revolution. In the following years Portugal had the fastest growing rate of consumption of TV sets and wash machines in Europe. The imports soared and with them the public deficit and the foreign debt. The first stabilization program with the IMF was signed in 1978 and the usual prescription was imposed: restriction on internal consumption, promotion of exports.

Such a policy meant the devaluation of Portuguese labor, first brought about by inflation and the devaluation of Portuguese currency. But it also meant the degradation and flexibilization of the wage relation. The labor laws and institutions promulgated in the previous period (1974-77) were an important obstacle. Contrary to other laws and institutions of the previous period which by their nature were closely related to the exceptional social conditions of a revolutionary crisis (such as the laws on vacant house occupations), the laws and institutions regulating the wage relation were comparable, if sometimes more advanced, to those in force in the central countries of Western Europe which were now the political model

to be emulated. To repeal such laws would discredit the dominant political discourse and the state itself. Moreover, any attempt at repealing them would invite the immediate reaction of the trade unions for whom those laws represented a cherished victory not to be easily given away. Though on the defensive, the labor movement was still strong with an aggressive leadership controlled by the Communist Party.

The fordist laws and institutions remained in force but they lacked the economic material base that would be coherent with them. Confronted with this incoherence between institutional regulation and accumulation and prevented from changing the law, the state adopted two nonofficial long-range policy orientations that have since conditioned social development as a whole.

The first one consisted in distancing itself from its own legislation and institutions, by failing to implement the laws, or implementing them in highly selective ways, by not persecuting the violations of the laws if not even promoting such violations, by postponing the factual setting up of the institutions created by law, by cutting the budget of the institutions already in operation and by allowing others to be co-opted by the social groups they were supposed to control, etc. etc.

A certain measure of discrepancy between law in books and law in action is arguably an intrinsic characteristic of the modern state as the sociology of law has shown. What is striking in the Portuguese case is the degree and the quality of that discrepancy and the way it is disseminated in the different state agencies, each one acting as a kind of microstate with its own conception of the measure of law to be applied. This is the phenomenon which I call the parallel state: the formal state running parallel to an informal state; a centralized state covering the self-contradictory actions of diffuse microstates; the maximalist official state coexisting side by side with the minimalist, unofficial state.

As a consequence of the parallel state the private capital felt relatively relieved from strict institutional regulations of the wage relation and was able to gradually restore the conditions of accumulation. If in 1976 the wage income represented 56.5% of the national income, in 1978 it represented 44% and in 1983 42.3%. The parallel state has allowed for grotesque forms of exploitation, typical of the periods of primitive accumulation, to occur in a country with fordist laws and institutions. In January 1986 around 120,000 workers of 874

factories and firms were working without being paid, sometimes for several months in a row, keeping on the job for the fear of unemployment. According to the trade unions, the employers owed then the workers 15 million dollars. Particularly in the north where the export sector is concentrated, the illegal use of child labor is still frequent as is the practice of hiring workers (mainly women) for wages below the minimum wages. It has also been common to withhold social security payments, not only the employers' contributions, but also the employees contributions deduced from their wages⁵.

The parallel state is a very ambiguous state form because, in it, the absentism of the state is one of its most active forms of intervention. For instance, it has been argued that if the labor courts had functioned efficiently in the north during the late 70's and early 80's many firms that sustained the export boom would have gone bankrupt with all the disruptive consequences in terms of employment and balance of trade. The parallel state is thus the political form of a disjunction or discrepancy in the mode of social regulation according to which the laws and institutions of a fordist mode of regulation are not matched by a fordist wage relation. It is also a very unstable political form. It depends on a game that cannot be reproduced in a stable way. It is the outcome of a political game in which capital has been too weak to impose the repeal of fordist legislation but strong enough to prevent its effective implementation; whereas labor has been strong enough to prevent the repeal of the laws but too weak to impose its effective implementation.

Moreover, there are autonomous state reasons against the parallel state. It resembles a third world pattern of state action or in any case a non-European pattern and for that reason its potential for delegitimation increases as the country enters the European Economic Community. Indeed, 1986 marks the beginning of the decline of the parallel state. A slow decline which in recent years has been sped up by the government stability, by the first major impact of the integration in the EEC (the inflow of structural funds), by the second revision of the Constitution in 1989 and finally by the type of exchange relations and wage relations that came to prevail and which will be analyzed in the following.

⁵ Even more outrageous has been the practice of not delivering to the trade unions the union fees paid by unionized workers and also deduced from the wages.

III-2. The Heterogeneous State I: The Social Construction of Social Actors

As the parallel state has declined as a long range policy orientation, another policy orientation becomes more prominent. This policy orientation I will call **the heterogeneous state**. It comprises a complex set of state actions aimed at reducing the distance and the discrepancy between the institutional framework and the socioeconomic relations, this time acting mainly on the latter and through state initiatives that presuppose an active participation of social forces and organizations. The goal is to develop some measure of coherence, of stable social regulation, among highly heterogeneous production and exchange relations and among highly segmented or discontinuous labor markets. This policy orientation invites a closer look into the social structure and the social actors in the past fifteen years.

I have argued that for very different reasons both the authoritarian Estado Novo and the revolutionary crisis were characterized by the hypertrophy of state normalization in detriment of contractual normalization. In the first period it was labor in particular that lacked the autonomy to organize and negotiate, while in the second it was capital that lacked that autonomy. It is my contention that the past fifteen years have been dominated by a broad social and political process, which still goes on today, aiming at creating or promoting the creation of social actors that will accept and reproduce a mode of social regulation in whose terms institutional regulation and socioeconomic practice meet on a more realistic level, if a less brilliant one. This process, which involves all the social forces and actors, has been regulated by the state and here lies the centrality of the state throughout this period.

The first sub-strategy refers to contractual normalization. Contractual normalization presupposes the existence of organized social actors willing to dialogue and to enter a social pact. Both in terms of political development and social structure, Portuguese modern history has not favored the emergence of such social actors. Neither capital nor labor has a tradition of autonomous organization and negotiation. As a result the goal of contractual normalization in the post-revolutionary period had to start almost from zero. This difficulty was and still is inscribed in the social structure itself.

As to capital, Portuguese bourgeoisie has always been highly heterogeneous. On one side, a small sector of modern entrepreneurs with a profit structure based on technological innovation, productivity gains, high wages and links with transnational capital, a sector that was seriously affected by the nationalizations of 1975; on the other side, a myriad of small entrepreneurs with a profit structure based on low wages investing in traditional and less and less competitive sectors, addicted to state protectionism, possessing a rentist mentality and behavior typical of a contradictory class location between bourgeoisie and petty bourgeoisie. Since these two large sectors are in turn internally diversified, the organization of interests becomes very difficult and centralized capital-labor agreements highly improbable. After the revolutionary crisis, the emerging capital organizations had very low membership participation, were dominated by sectors used to state protectionism and repression of labor, and adopted a highly political outlook of revanchism against the revolution and the "chaos" it had created, against the new labor and social legislation, claiming the payment of damages to the former owners of the nationalized industries.

As to labor, Portuguese social structure is even more heterogeneous. On one side, a small sector of urban proletariat, working in nationalized or foreign capital industries and services, with a high level of unionization and a proletarian class habitus. On the other side, the immense majority of the working class working in small private enterprises in small towns and rural areas, often times owning a small plot of farm land, with a family income pulling drawing from different sources and a petty bourgeois or peasant class habitus. In the fastest growing industrial zones of Portugal almost 40% of the workers live in families with some agricultural activity and are, for that reason, semi-proletarians, or part-time farmers. After the revolution, the labor organizations had a massive membership inherited from the revolution, but were in fact dominated by the small urban sector and their leadership controlled by the Communist Party. The General Confederation of Workers (CGTP), though already on the defensive, kept a very aggressive discourse dominated by the resentment against the failure of the revolution and the betrayal of socialism by the Socialist Party; in such mood they had very little inclination to negotiate with the class enemy.

The obstacles to contractual normalization were, therefore, almost cyclopic. The social deficit was not only of corporatist association but, more deeply, a deficit of actorship. In

my view, the state has been playing a central role in reducing this social deficit. Indeed, one of the main dimensions of state normalization has been the promotion of contractual normalization. The objective has been to promote the emergence of new social partners (and to recycle old ones) that will be interested in social dialogue and concertation and that indeed will derive their representativity and legitimacy from their success in dialogue and concertation. Such dialogue and concertation must proceed according to rules established by the state and under its supervision, a condition that must also be accepted by the social partners.

In relation to capital organizations, the state has been central in socially regulating their demands. On the one hand, it has legitimized and indeed subscribed and amplified those that are politically feasible and forward looking and that are based in economic and technological imperatives consensually accepted by both the entrepreneurs and the state bureaucrats. On the other hand, it has suppressed, trivialized or neutralized those demands that are politically unfeasible and backward looking derived from resentment and revanchism against the revolution and pretend to act as if the revolution had never happened. These policies have consisted, at different times or occasions, in encouraging the emergence of new organizations or promoting those already existing, providing financial and institutional support for specific initiatives, using the mass media to diffuse capitalist messages, setting up state institutions in which capital organizations have great influence, recruiting high government officials from the ranks of capital etc. etc.

As regards labor, the strategy has been mainly oriented to isolate the communist confederation of trade unions, the CGTP, refusing contacts with it, producing a sustained hostile discourse against the confederation's discourse and practice, minimizing its victories and amplifying its defeats, encouraging individual unions to separate from the confederation and above all encouraging the emergence of a new confederation with a different, democratic style and unionist practice based on dialogue, negotiation, and concertation. In this respect the Socialist Party, which was the governing party in the immediate post-revolutionary period, played a key role. Considering themselves a working class party and having led, during the revolutionary crisis, the struggle against the communists' position that would make it illegal to create more than one confederation of unions, the socialists felt that a new confederation

controlled by them or at least in tune with their political program was required by the challenges of the democratic reconstruction of the economy, as had happened in other European countries (France, Italy and Spain). In 1978 the General Union of Workers (UGT) was founded. It was constituted by a majority of unions of the service sector, with a very outspoken leadership using an aggressively anti-communist discourse and promising a new, autonomous and democratic labor activism. Since its creation, the state always showed its preference to deal with the UGT, and having always tried, whether appropriate or inappropriate, to contrast its ideology and practice with those of the CGTP.

Following some European models the Permanent Council of Social Concertation was founded in 1984, composed by six representatives of the government, six representatives of labor (three representatives of each confederation) and six representatives of industrial commercial and agrarian capital, with wide consultative functions covering all economic, fiscal and monetary policies. At first the CGTP refused to join the Council, having agreed to participate actively only after 1987.

The social construction of social actors and of contractual normalization has been a rather ambiguous process. At the same time that they have gained recognition as nationwide social actors, the labor organizations have lost strength and influence in the day-to-day tasks of securing the interests of the workers at the point of production. Many employers have felt strong enough to prohibit the entry of union delegates in their factories. And the real wages have been falling in spite of the growth of productivity. If we take 1972 as the base (100) the average productivity increased in 1982 to 145.8 while the real wage cost decreased to 75.2. The alarming decrease of union membership is the mirror image of the poor performance of trade unions throughout this period.

This phenomenon invites a closer look into the accumulation process and wage relations and therefore into the role of the state in creating the structural conditions of accumulation and the pattern of reproductive specialization (the second policy or sub-strategy of the heterogeneous state).

III-3. The Heterogeneous State I: Toward a New Regime of Accumulation

One major dimension of state intervention in this field has been the emergence and consolidation of a new sector of monopoly capital which will eventually assume the role that was to be performed by the monopoly sector smashed by the revolution. In this respect it is important to contrast agrarian capital with industrial and financial capital. The dismantling of the agrarian reform started earlier, in 1977, and is by now virtually accomplished. Most of the land has been returned to the former owners and their descendants. The reconstitution of the agrarian bourgeoisie has been much easier, in social and political terms, than the reconstitution of industrial and financial monopoly capital. First, the agrarian reform occupied only 18% of the arable land of the country. Second, the cooperatives and collective units of production set up in the aftermath of the occupation of the latifundios were strongly influenced by the Communist Party and the latter was increasingly isolated both politically and socially. Third, the rural proletariat had always been a small sector of the labor force, had very little organizational experience and also little influence in the CGTP.

On the contrary, the reconstruction of the industrial and financial capital has been by far a much more complex economic and political process. First, contrary to what happened in the agrarian reform, the industries, the banks and insurance companies were nationalized and became part of the so-called state entrepreneurial sector. That is, they became a source of state reproduction, generating funds and opening new opportunities for the exercise of state clientelism and state populism. Second, the nationalizations were defended by both federations of labor and up until recently by the Socialist Party, which was for several years the governing party. Third, given the new international conditions of capital accumulation the monopoly sector to be reconstructed should integrate new groups, with forward looking, non--revanchistic attitudes and better links with transnational capital. Forth, the privatization of the nationalized sector, when brought about, should bring some relief to the state treasury. Since 1986, when the centrist party formed government, the privatization became one of the main goals of the government program. After complex negotiations with the Socialist Party the constitutional obstacles to full denationalization were removed in 1989 and the process of privatization is now in full swing and is very similar to the one adopted by Thatcher in England.

The consolidation of a new industrial and financial monopoly sector could be seen as a core-like strategy, that is, a strategy to promote a modern sector of intensive accumulation interested in upgrading the national pattern of productive specialization and international integration, a sector that would see the wage relation as a factor of realization of capital (mass consumption) rather than as a factor of valorization of capital (a cost of production). In sum, a sector that would promote a greater coherence between the real wage relation and the fordist regulation formally in force. After all, throughout this period the nationalized sector had been the one in which greater coherence was achieved, since, for obvious reasons, the state-as-public-administrator denied the state-as-an-entrepreneur the illegal facilities that it had granted private capital.

In reality, however, though in this sector some pockets of fordist regulation are developing, the core-like pattern of accumulation and regulation has been by far outrun by old and new periphery-like patterns of accumulation and regulation. The coexistence of contradictory patterns, supported by old and new structural factors, has made the Portuguese economic structure highly heterogeneous and discontinuous in terms of logics and organizations of production, in terms of wage relations and labor markets and in terms of exchange relations. I would argue that this is the nuclear characteristic of Portuguese economy and that the major function of the state has been to keep the heterogeneities and discontinuities within boundaries.

After 1978, the year of the first stabilization program under the IMF, the economic policy abandoned all structural objectives and concentrated on the conjuncture. From then on the state policies concentrated on the control of the external and public deficit, the control of inflation and the promotion of exports. Throughout the period exports grew at average rate higher than the annual growth rate of the GDP and much higher than the average growth rate of imports. Because of the emphasis on low labor costs, the export sector that most benefited from these policies was the traditional, labor-intensive sector of textile and garment and shoemaking. It grew faster than any other, and given its low technological base and its devaluation in international terms it led to the degradation of the international value of the national productive system. In the 1973-1980 period this value decreased 3.4%. In Spain it increased 2.3% and, as a measure of comparison, in South Korea, 10% (Reis, 1989:241).

In terms of the wage relation, this sector, together with civil construction are at the base of the pyramid. They account for the majority of the employment and are dominated by the poorest forms of wage relation: low wages, highest rates of fixed term contracts, underground work, semi-proletariat with close ties to small holding agriculture and rural life, high rates of young and female labor usually worse paid than adult and male labor, low professional training, and restrictive career access.

In a detailed analysis of the labor markets Maria Rodrigues has identified 11 subsystems of employment and has classified them according to the relative quality of the wage relation (1988:248). The top of the hierarchy is occupied by the production of intermediate and equipment products and is dominated by the public enterprises (those that are now being privatized) and the bottom of the hierarchy is occupied by the above-mentioned sector of export and mass consumption products. Within each category there is wide differentiation which occurs not only intersectorially but also intrasectorially. For this reason the labor market is not just segmented but rather discontinuous (Rodrigues, 1988:259). The discontinuities have been reproduced in recent years under several forms and by different means. A brief reference to some of them, which of course have been identified in other countries, and most particularly in Southern European countries.

First, the growth of clandestine work. It has been growing steadily, involving various forms, some more obviously illegal than others, and its role in the consolidation of a new mode of social regulation is object of debate. Though it is very difficult to estimate its weight in the employment system, it has been possible, for instance, to calculate the rate of nonregistered workers in different sectors: 51% in civil construction; 20% in garment; 59% in fisheries.

Second, the growth of subcontracting. This is also a general trend and for comparative purposes it is very important to distinguish among the different forms of subcontracting. Maria Marques has analyzed in great detail the patterns of national and international subcontracting and has compared them with those of other European countries. Portuguese patterns have a hybrid nature but with the distinctive predominance of peripheral traits (Marques, 1989:361).

Third, the growth of the feminization of the labor force. In this respect the changes of the last two decades have been tremendous. In 1960 men were 81% of the labor force and, in 1981, 65%. Between 1970 and 1981 the statistical category of domestic housewife decreased from 74.4% to 41.3%. This development has been concomitant with others equally dramatic. The rapid decline of the fertility rate -- the fastest demographic transition in European history -- and the fastest growth rate of domestic equipment. However, women have been the major victims of the heterogeneization of the labor markets as they tend to work in the sectors with most degraded wage relations.

Forth, the increasing numbers of agency workers, that is, the use of agencies that provide a range of workers for clients on a temporary basis. Though illegal until recently, these contracts are an emerging form of evading the rigidity of the fordist laws and institutions.

Finally, the growth of the autonomous work. Portugal has the lowest proletarianization rate of Europe. In 1984, this rate was 82% for the EEC and 67.1% for Portugal. This is due to two convergent phenomena. One is the strong presence of the small holding agriculture, which I will mention below, and the other is the growth of autonomous work. In the period 1974-81 it grew 36% while the wage labor grew only 12%. Autonomous work is overwhelmingly false autonomous work and is so defined in legal terms, to avoid the labor laws and, above all, the social security payments.

All these trends converge to the conclusion that the regime of accumulation that has been emerging in the last fifteen years has favored the quantity of work in detriment of the quality of work (Portugal has the lowest unemployment rate in Europe: 4,7%). The dialectic of integration/exclusion has thereby in general terms come on the side of exclusion. In terms of their contribution to the national product important pockets of fordist integration have remained mostly in the public enterprises. But the productive specialization of the economy has been lowered. As a result, the fordist laws and institutions have only been effective in highly selective terms and for that reason they have coexisted with a predominantly competitive, neoliberal regulation of the wage relation. The dramatic progresses in the regulation of the wage relation obtained in the revolutionary period and in the two years thereafter have been followed by equally dramatic regressions in the real social value of labor.

The regulation theory has claimed that the changes in the mode of regulation may start in any of its constitutive elements. It has also been claimed that the regulation of the wage relation is relatively autonomous in bringing about changes in the regime of accumulation. The Portuguese case indicates that the autonomy of the wage relation may, at times, be very relative indeed. Given the weight of the political factors in the configuration of the wage relation, the general conditions of its autonomy may also become the general conditions of its dependence. Indeed, in the Portuguese case, the state has produced the autonomy of the wage relation in a given moment and, in the following, its dependence. It did that through the parallel state and the heterogeneous state. The heterogeneous state, in contrast with the parallel state, does not rely on law or on its violation and is more positive than negative -- it acts through administrative decisions, economic guidelines, monetary and financial mechanisms, fiscal incentives, exchange rates, subsidies, vocational training, public threats against more aggressive social actors, management of strikes in the public sector, myth making in the media etc. etc. Through all these means the state has assumed a very central role in social regulation even if apparently it lacks an economic policy or is rather inefficient in its deployment. In my view the fragmentation and apparent incoherence of economic measures have been crucial to regulate the heterogeneity and discontinuities of the wage relations and of the accumulation process itself. Though transitional periods call in theory for the predominance of structural policies over conjunctural policies, the fact remains that the structural intervention of the state may take place, in some circumstances, through conjunctural intervention. The combination of apparently contradictory and highly fragmented and discontinuous conjunctural interventions end up producing a new structure. This process is far from being completed in the Portuguese case but the trends cannot but be seen.

Centrality in social regulation can be therefore combined with inefficiency, which may occur by sheer inefficiency, but also by design. One of the most striking features of the official discourse of the Portuguese state is its anti-statism. Throughout this period state agents have been claiming that the state is a poor administrator and an even poorer producer, this being the main reason to strengthen civil society and private enterprise. This masochistic discourse is, however, not self-indicting because the concrete state, in so discoursing,

distances itself from the abstract state, the real (and thus, unreal) *bête noire*. Because the state has also to intervene in order not to intervene, the anti-statist discourse is self-defeating. The centrality of the state reproduces itself through the discourse of the marginality of the state.

The social regulation of heterogeneity and discontinuity does not by itself make the state an heterogeneous state. The heterogeneous character of the Portuguese state lies in the fact that the heterogeneity and discontinuity in the social structure have reproduced themselves in the political and administrative matrix of the state through the range of modes of social regulation that have been attempted and the speed with which they have been replacing one another in the last fifteen years. In such a short period, the Portuguese state has evolved from state corporatism, to transition to socialism, to fordist regulation and welfare state, to neoliberal regulation. Since each mode of regulation has translated itself in laws and institutions, in administrative services and ideologies, and given the inertia of these phenomena, the structure of the state at a given moment has a geological nature of different layers, differently sedimented, some old some new, each one with its own logic and implicit strategical orientation. Here lies the heterogeneous state.

The heterogeneous state does not limit itself to the regulation of exchange relations and wage relations. It extends over to the broad field of social welfare which I will analyze below. Before that however it is imperative to mention other dimensions of the social heterogeneity of the Portuguese society, which are crucially important to understand the field social welfare.

III - 4. The Discrepancy Between Capitalist Production and Social Reproduction: The Role of the Small Holding Agriculture

The picture of the Portuguese society I have given so far focuses mainly on wage and exchange relations and their regulation by the state. It is a partial picture and as such it fails to capture other aspects equally relevant to understand the society. However heterogeneous in terms of accumulation and wage relations Portuguese society appears as a very cohesive society. For instance, it has the lowest crime rate in Europe. However seemingly periphery-

like as regards the main trends of recent economic development, Portuguese society presents many other features in which the center-orientation predominates as in cultural life, in family conceptions and above all in consumption patterns. Though still distant in quantitative terms, the norms of consumption are, in qualitative terms, closer and closer to European norms. The two structuring commodities of working class mass consumption in the fordist mode of regulation, the automobile and the house, have become increasingly central in the expense planning of the working class families. The consumption of domestic equipment has also increased dramatically, as I mentioned earlier.

These features illustrate the intriguing fact that in Portugal the social crisis has always been less serious than the economic crisis. Leaving aside other aspects of this phenomenon I will concentrate on the question of consumption. My main argument is that there is a discrepancy or dissociation between capitalist production and social reproduction or between the dominant norm of production and the norm of consumption. The discrepancy or dissociation lies in the fact that the norm of capitalist production is less developed than the norm of consumption and, accordingly, that the latter is closer to the center than the former. This is due to a peculiar wage-income relation in which terms non-wage incomes play an important role in the income pulling of working class families, a phenomenon that directly or indirectly is related to the strong presence of small holding agriculture. This characteristic seems to be common to semiperipheral countries in the European region but it presents itself in Portugal in a particularly striking manner (Reis, 1989; Hespanha, 1990).

If we compare Portugal and the FRG in terms of product and consumption in parities of purchasing power the figures are striking: the difference in terms of product is between 2,480 (Portugal) and 13,240 (FRG) but in terms of private consumption is between 2,846 (Portugal) and 6,175 (FRG). In other words, the GDP per capita underestimates in 2.4 times the average standard of living (Mateus, 1987:57). In order to explain this distortion it is necessary to analyze the household income and its composition. Between 1973 and 1983 the sum of wage incomes and incomes from property and entrepreneurship (including corporate profits) -- that is, the two main sources of income in a capitalist society -- suffered a decrease of 20.1% (from 85.1% to 65%). On the contrary, the weight of incomes from saving accounts increased from 3.1% to 19.4%, which means that rentism is an important dimension

of the reproduction of Portuguese families. Social security payments and current transfers increased from 4.1% to 12.1%. External private transfers, which are basically the remittances of migrant workers, maintained throughout the period, with some oscillations, the same rate: 11%. If we exclude corporate profits from autonomous income (property and entrepreneurship) the latter is basically constituted by income derived from the small holding agriculture. Throughout the period its national average weight is around 25% of the household income. In this respect, the regional differences are quite striking, but even more striking is the fact that the region with the highest industrial growth in the last decade is close to the national average. This shows the weight of non-capitalist incomes in the social reproduction of Portuguese workers, and the peculiar complementarity between agriculture and industry. Agriculture accounts for 19% of the employment but more than one-third of the Portuguese families have an agricultural linkage which shows the incidence of double class and contradictory class locations. Interestingly enough this linkage ranges from 18% to 69% in the regions with most dynamic industrial growth⁶.

Small holding agriculture is a structuring component of the industrialization process and, as one might expect, a rather ambiguous one in social terms. On the one hand, it has functioned as an important compensatory mechanism in periods of crisis but, on the other hand, it has alleviated the pressure on wages thereby contributing to the degradation of the industrial specialization. But the strong presence of small holding agriculture extends beyond productive activities and influences such different areas as symbolic universes, electoral

⁶ It is then clear that the Portuguese model of agriculture is quite different from the European model after the war. As Reis has shown, the latter is characterized by a rapid and permanent rural exodus to industrial branches offering high salaries and the consequent decrease of the active rural population and of the number of the farms, an increase in the average area of farms, mechanization of household agriculture through credit, and the intensification of production and trade. On the contrary, the Portuguese model of agriculture is associated with less massive exodus from agriculture and, in any case, without rural exodus, pendular migrations, semi-proletarianization, ruralization of industry, prevalence of self-consumption or simple mercantile production, a steady high number of farms with small average areas throughout the last thirty years, and low industrial wages (Reis, 1985). See also Hespanha (1990).

patterns, labor union activism, forms of sociability. The latter will be mentioned briefly below in the section on social welfare.

The dissociation between norm of production and norm of consumption means, therefore, that the heterogeneity of Portuguese society is not confined to discontinuities of the labor markets. It derives also from the coexistence and articulation of different modes of production: private capitalist production, state enterprises production, cooperative production, production for self-consumption, simple mercantile production. The heterogeneous state extends also to these other forms of heterogeneity.

As I mentioned earlier the complex mixture of social heterogeneity and social cohesion in the Portuguese society is also important to understand the patterns of social welfare and, for that matter, the role of the quasi- or lumpen-welfare state. To this I turn now.

IV. A WEAK WELFARE STATE IN A STRONG WELFARE SOCIETY

I will argue in the following that the Portuguese state is not a welfare state in the technical sense, though in some respects it approximates this political form. I will also argue that the deficits in state welfare are partially compensated for by the social welfare that can be produced in a society which is relatively rich in relations of community, inter-knowledge, and mutual help. This latter phenomenon I will designate as **welfare society**.

The welfare state is the dominant political form of the state in the central countries in the phase of "organized capitalism", and, as such is part of the fordist mode of regulation. It is based on four structural elements. First, a social pact between capital and labor under the aegis of the state, a pact whose ultimate goal is to make capitalism and democracy compatible; second, a sustained, even if tense, relation between accumulation and legitimation; third, a high level of expenses in social consumption (welfare services); fourth, an administrative structure that has internalized the social rights as rights (not as state benevolence).

Judged in light of these attributes the Portuguese state falls short of the welfare state it is a **quasi- or lumpen-welfare state**. For the reasons already presented, no social pact has been established and the hypertrophy of state normalization is as visible in the field of social policies as in the field of the wage relations. During the revolutionary crisis and in the two

following years, there was an attempt to build an advanced welfare state, not only in terms of the extension of the risks covered and the quality of the services, but also in terms of the democratic participation of citizens' groups in the organization of those services. In that period, the social expenses increased dramatically. For instance, in the field of health, they grew from 1.9% of the GDP in the period of 1971-73, to 2.9% in the period of 1974-76. As we already know, this period was characterized by an excess of the tasks of legitimation over those of accumulation and was followed by another with inverted priorities. Accordingly, in the following years social expenses grew at a much slower rate; in some cases they even stagnated, and today they are still far behind the European average values.

As one might expect of an intermediate society, the Portuguese state approximates the welfare state of European countries in some aspects more than in others. The European welfare states are internally very diversified and it is common to distinguish between the Continental model and the Anglo-Saxon Scandinavian model (Alber, 1988:452). The Portuguese state seems to come closer to the latter. In general terms it approximates it more in what concerns range of services and the type of instruments to provide them and the financing mechanisms, and less in what concerns scope and quality, indeed the two features that, together with range, directly determine the quality of welfare consumption.

However, what most unequivocally distinguishes the Portuguese state from the welfare state is the fact that the public welfare administration has not yet fully internalized the conception of public welfare as a matter of right, and in some respects goes on conceiving it as a matter of state benevolence, as was the case during the fascist regime. Indeed, the revolution of April 25 left the administration relatively untouched and even if there were changes they took place at the level of personnel not at the level of structures. Under these conditions the authoritarian ideology of the Estado Novo administration infiltrated the administration of the new, democratic state. In the field of social services such authoritarianism translates itself in a discretionary, privatistic behavior. People are serviced differently according to the informal connections they manage to mobilize in their favor. In a sense, they are doubly clients of the state, of the state that produces the services and of the state bureaucrats that deliver them.

The degradation of the state welfare in the last ten years parallels the degradation of the wage relation analyzed above. In the field of welfare, the measures adopted to lower the welfare content of the state have been very similar to the ones that have been adopted in central countries in the aftermath of the crisis of the welfare state. It is as if Portugal is undergoing a crisis of the welfare state without ever having had a welfare state. The research I have conducted on the health services enables us to see the full range of such measures which indeed have also been adopted in other social fields (Santos, 1990:193). The National Health Service promulgated in the late 70's was based on an advanced concept of health -- health as community health -- and followed the British model closely. A potentially universal service, it gave full priority to public medicine and health care and that is why it was fiercely opposed by the national medical association. Partly because of this opposition and also due to the changes in government in the early 80's, the National Health Service was never fully implemented and whatever parts of it had been implemented were soon subjected to severe criticism. The restrictive measures gained a new strength and coherence in the last four years under the centrist party rule.

These measures have included budget cuts that led to the degradation of the services so that the better off turn to the private sector and absorb the costs of health care in the family budget; new administrative guidelines that restrict access, thereby increasing the selectivity of a formally universal service; several measures of cost--sharing thereby transferring to the families part of the costs. But they have, above all, included a sliding process of privatization of the National Health Service whereby the state gradually ceases to be a producer of welfare and becomes a financing agency for welfare produced privately in the market or in the nonprofit charitable sector (Campos, *et al*, 1986; Carapineiro and Pinto, 1987). In 1975 the private sector accounted for only 2.8% of the total health investment while in 1980 it accounted for 17.2% and this percentage has been growing in the last ten years. The production of health care has in part been transferred from the state to the private sector. Today, more than 30% of public health expenses are payments to the private sector. This transfer has been following a distinctive pattern: to the private sector are transferred the profitable services, capital intensive services with high technological content and low hospitalization time, such as high-tech diagnosis, dialysis and elective surgery. The state

keeps for itself the less productive, more labor intensive services with high hospitalization content. This pattern has led to the emergence of what I call, borrowing from O'Connor, the social-industrial complex (O'Connor, 1973).

The transfer of public services to the private sector has however taken another form. In the last decade the state has been supporting, financing, promoting, and even creating nonprofit private institutions which by means of contracts with the state provide social services which were formally provided by the state, particularly in the field of welfare for the elderly and handicapped. These charitable institutions, of which there is a great tradition in Portugal, provide services under the supervision of the state and indeed are supposed to operate as quasi-public institutions. They are civil society institutions, but the presence of the state in their operation is so pervasive both in regulatory and financial terms that I designate them as **secondary civil society**, in order to stress the fact that through them the state reproduces itself in non-state institutions. This process bears some similarities with the role of the state in the promotion of social actors in the field of wage relations, although, in the case of the secondary civil society, the institutions depend much more on the state and are supposed to operate as quasi-state institutions.

By downgrading quality and upgrading selectivity the state has limited the range of public welfare. Through cost-sharing it has partially recommodified welfare services. Through privatization it has created new areas for capital accumulation, captive or protected markets in which the state is sometimes the only consumer. In all these forms has the Portuguese national health service been under attack, though, as in England, it has so far resisted full dismantling. As with nationalizations in the field of accumulation, so the dismantling of the public welfare has been the ground of heated social and political struggles. Because the beneficiaries of the public welfare are a broad sector of the population and are socially identifiable, it is predictable that the supporters of the public welfare will have more chances of succeeding than the supporters of the nationalizations.

The degradation of the quality of the public welfare has taken forms that parallel those in welfare states of Europe during the last decade. But their social and political meaning should be different, because the threshold or base from which the process of degradation started was, and still is, in Portugal, lower than in developed Europe. However, in Portugal the

deficit of public welfare does not manifest itself in forms as socially and politically disruptive as we might expect in light of its dimension. It is my contention that this is due to the fact that part of the deficit of state welfare is covered by socially produced welfare. In other words, in Portugal a weak welfare state coexists with a strong welfare society.

By welfare society I mean the networks of relationships of inter-knowledge, mutual recognition, and mutual help based on kinship and community ties, through which small social groups exchange goods and services on a nonmarket basis and with a logic of reciprocity that approximates that of the gift relationship as analyzed by Marcel Mauss (1950). Such networks vary widely in terms of formalization, range and scope, duration and stability. In Portugal, due to the strength of the small holding agriculture and the prevalence of rural or small town working families residence, the forms of the welfare society are dominated by patterns of sociability, by class habituses, cognitive maps and symbolic universe that are usually attributes of rural life. However, contrary to what is often believed, such networks are not exclusive of the rural areas; they exist also in urban areas. Moreover, they often comprise complex linkages between rural families and communities, on one side, and urban families and communities, on the other side.

The welfare society is a form of social capital in Bourdieu's terms. Its social valorization and realization is of more strategic importance in those social groups and families whose life trajectories are most affected by the deficit of public welfare. In 1981, 71% of the unemployed declared that their main source of income and life support was the family. The deficit of unemployment benefits is thereby made evident.

The welfare society covers a wide range of activities, not always easy to identify. Drawing on my research on the Portuguese health services I will give you two elucidating examples.

Over the weekend more than 10,000 people visit their friends and relatives in the two central hospitals of Lisbon, and the figures are not much lower in the central hospitals of other big cities. Furthermore, during the week the figures, though lower, are still significant and unheard of elsewhere in Europe. The social isolation of hospital patients is a major problem in welfare states and, in Europe, the role of professional social work in the hospitals is today a

controversial issue. In Portugal, the welfare society provides hospitals with free, informal social work and, I dare to say, of a much better quality.

Another example is provided by the popular or folk medicine that is available in the welfare society. It includes a wide range of goods and services: traditional self--therapy; nonmonetary exchanges of both natural and supra-natural goods and services such as, accompanying the sick in their homes; providing medicinal herbs and preparing tisanes; lending pharmaceutical products; pledged pilgrimages to Fatima and other sanctuaries in return for cures believed to be miraculous; monetary exchanges outside the market, like alms and votive offerings; small mercantile production of goods and services like herbs and ointments; services rendered at a fee by a midwife, a folk medicine person, a medium, a witch. Some of the goods and services are provided by specialists, be they the saints or the midwives while others are provided by neighbors and kin.

Folk or popular medicine holds a conception of bodily and mental health that is quite different from that of alopatic medicine (F. Hespanha, 1987). It therefore provides different products and services through different social relations. As a matter of fact, folk medicine involves a specific mode of production of health. I argue that, in Portugal, health care is the result of an articulation of three different modes of production of medical services and health care: public medicine, private capitalist medicine and popular medicine. The relations between the welfare state and the welfare society are interwoven in the dynamics of this articulation. The heterogeneity that derives from the joint operation of different and sometimes contradictory welfare logics is regulated by the state. In the social field, the heterogeneous state presents itself as a lumpen-welfare state that counts on the welfare society to compensate for its own shortcomings, thus reducing the crisis of legitimation that could derive therefrom.

Curiously enough, some social scientists in central countries of Western Europe have also recently proposed the concept of welfare society to discuss the crisis of the welfare state and its possible solutions. Thus Rosanvallon speaks of the need for a "more decentralized and more diversified form of welfare provision in many respects akin to the flexibility that the family used to provide" and calls for a re--expansion of social policy based on "publicly motivated but privately organized groups (such as charitable institutions) and the

traditional family itself'(1988:539). In the same vein, Lipietz develops the idea of the third sector, a social utility sector, beyond the state and the capitalist private sector (1989:108).

This discussion has brought a new light and a new interest into the research on the Portuguese welfare society. The research so far has tended to conceive of the welfare society as a pre-modern survival or residue. However, in the light of the discussion on new mixes between welfare state and welfare society, what was previously conceived of as a pre-modern residue is gradually re-coded as a postmodern feature. There are, of course, differences between the Portuguese welfare society and the welfare society that is now being proposed in central countries, but there are also some striking similarities. Above all, the Portuguese case illustrates and, in a sense, anticipates as in a social laboratory some of the potentialities but also some of the limitations and side-effects or perverse results that can develop out of the new trend toward a new combination of welfare society and welfare state. It has been argued that the welfare state put too much emphasis on equality in detriment of security; that, as it developed citizenship, it also bureaucratized it; that it turned citizens into clients thereby increasing dependency and social control; that it eliminated commodity fetishism in the field of social welfare but only to replace it by state fetishism.

The research on Portuguese welfare society yields a few comments on this. First, it should be borne in mind that the services provided by the welfare society are never the same as those provided by the state. This is clearly illustrated by the social work involved in the visits to hospitals or by the conception of the body and of health in folk medicine. Second, the welfare society is hostile to equality or, at least, it does not distinguish as clearly as the welfare state between legitimate and illegitimate inequalities. Third, welfare society is hostile to citizenship and to legal entitlements, since welfare relations are concrete, multiplex, and based on the concrete, long-term reciprocity of sequences of unilateral benevolent actions. Fourth, welfare society also creates dependency and forms of social control, which may be more flexible and more negotiable but also more visible. Fifth, welfare society tends to create spatial rigidity. Last but not least, most of the burden of the welfare provided by the welfare society will inevitably fall on women if dominant family practices are not changed. These comments are intended to expand the scope of the discussion on the welfare state/welfare society mix. In analytical and political terms it is crucial to distinguish between progressive

mixes and regressive mixes. In my view, the discussion so far, though well intended, has fallen short of a clear distinction.

The analysis of the Portuguese welfare society as a strong welfare society coexisting with and complementing a weak welfare state and the expansion of the analysis in light of the new alternatives that have been proposed for the crisis of the welfare state illustrates the dialectic of territorialization and deterritorialization in the world system. In concrete terms what is at stake is the challenges confronting national experiences increasingly interpenetrated by transnational experiences.

I have been suggesting that the Portuguese society is a very complex social formation whose social cohesion and dynamic development is premised upon the reproduction of unstable equilibria between highly heterogeneous and dissociated social, economic, political and cultural processes, many of them inscribed in the long duration history of the country. In this light, it is legitimate to ask what impact the integration in the Common Market will have on these equilibria, bearing in mind that, according to officially stated goals, integration does mean economic, political, and social integration. To this I turn now.

V. THE STATE-AS-IMAGINATION-OF-THE-CENTER AND THE INTEGRATION IN THE EUROPEAN ECONOMIC COMMUNITY

Portugal has been a full member of the EEC since 1986. Together with Spain, Greece and Ireland it has benefited from a transitional period of structural adjustments aimed at increasing the homogeneity of the EEC as a whole. In its most important aspects this period will end in 1993.

One of the most remarkable features of the Portuguese process of integration in the EEC is the priority given to political considerations. When the Socialist Party in the late 70's adopted for the first time the slogan "Europe with us", the objective was that, by joining the EEC, Portugal would be able to build and consolidate a stable democratic society, an European Western society. The "excesses" of the revolutionary crisis were still present and the Leninist, if not even Stalinist, posture of the Communist Party was still considered

potentially dangerous. The integration in the EEC would decisively contribute to eliminate these non-democratic elements and to consolidate the young democracy.

The priority of the political, which, as I emphasized, was a general feature of the period, combined with the corporatist deficit also mentioned above, reinforced the centrality and the autonomy of the state in the negotiations leading to the integration in the EEC. The negotiation was a complex process and the social impact of many of the agreed upon measures is still to be felt. The state conducted the negotiations with virtually no consultation with the social interests organizations. Repeated surveys, not only among the population in general but also among the employers, have revealed an almost total ignorance about the economic, political and social consequences of the integration in the EEC.

The autonomy of the state has a political, an economic, and a symbolic dimension. As regards the political dimension the autonomy of the state has been justified in terms of the national interest that is up to the state to defend. Contradictorily enough, the autonomy of the state to defend national interests takes place in a process whose unfolding will considerably reduce the autonomous capacity of the state to control the mechanisms of national development. Another political dimension of state autonomy lies in the legal and institutional harmonization called for by the integration. In recent years the legal and institutional productivity of the state has been geared to the goal of harmonization and this goal has also served as a justification to undo some of the legal and institutional innovations of the period between 1974 and 1977 or to delegitimize the social and political demands that are supposedly in contradiction with the harmonization goal. The underside of the political autonomy of the state is the distance that it has created between national social actors and the challenges of the integration in the EEC.

The economic dimension of the autonomy of the state has lain mainly in the management of the sizable structural funds that the EEC has injected into the Portuguese economy as part of the transitional program of structural adjustment and homogeneization. The state has assumed total control of the distribution of the structural funds and has done it in a highly particularistic way, divorced from any strategic conception of economic development and at the mercy of the pressure of organized interests and political clientele. This has given rise to a form of state populism which, contrary to the forms of populism in, for

instance, Latin America, does not involve common people but rather enterprises and economic groups, and the relation they entertain with state power does not use the intermediation of political leaders, rather reaches the state bureaucracy directly.

During the transitional period, Portugal has been a net beneficiary of the integration. The structural funds, when not misused through corruption, have contributed to the general conditions of accumulation, for instance, through the construction of infrastructures and vocational training, and have also created employment in many sectors. For these reasons the economic impact of the integration has so far been positive and, consequently, the state has been able to convert autonomy into legitimation. Whether this virtuous cycle can go on after 1993 is an open question.

The political and economic dimensions of the autonomy of the state in the context of the integration in the EEC have fed on its symbolic dimension. The latter is a very complex dimension because through it the state regulates, mainly by discourse and symbolic actions, the dialectic of distance and proximity, of difference and identity between Portugal and Europe. The regulation consists in creating an imaginary universe in which Portugal becomes an European country like any other, its lower level of development, a mere transitional feature whose management is entrusted to the state as the guardian of the national interest. This symbolic construction is a strategic resource in the credible deployment of the other dimensions of the state autonomy. So much so, that in my view it determines the dominant political form of the state in the context of the integration in the EEC, a political form which I will call ~~the state-as-imagination-of-the-center~~.

The ~~state-as-imagination-of-the-center~~ is a political form with multiple productivity. First, it produces intelligible and credible signs of a future better life thereby making current hardship and scarcity transitional and thus acceptable if not legitimate. Second, it enables the state to cash in on all the current benefits from the integration, relegating for a vague future any possible costs. Third, it delegitimizes any specificities of national development that are not amenable to current state objectives (e.g. the state entrepreneurial sector) under the guise that they contradict European patterns of development and that, therefore, cannot be politically sustained. Fourth, it depoliticizes the internal political process by invoking the technical inevitability of some measures in light of European constraints.

In spite of its multiple productivity, the state-as-imagination-of-the-center has a specific material base. Namely, the political and economic relations that Portugal has been developing with the former African colonies. In the light of these relations, Portugal appears as a central country, a member of the EEC, and indeed in competition with other EEC countries such as France, Spain and Italy. At the symbolic level these relations dramatize the fact that Portugal belongs to the center and indeed condition the political and the economic nature of the exchanges. However, at a deeper level, one might also see here the reconstruction, in new terms, of the colonial, intermediary, transmission belt role: Portugal acting as an intermediary between the core and the periphery.

In my view, this reconstruction unites the colonial to the post-colonial period and it is an important ingredient of the autonomy of the state in the context of the integration in the EEC. I would argue that the autonomy of the state, which in the fascist period was based on the colonies, is now based on the integration in the EEC, of which the relations with the Portuguese speaking African countries will be an increasingly important element. Like all the other political forms of the Portuguese state, the state-as-imagination-of-the-center is a transitional entity. According to the nature of future European development either the "imagination" or the "center" will disappear from this political form. What are then the prospects?

The future of the EEC is today, as much as ever, an open question, more open in terms of its political and social dimension than in terms of its economic dimension. The last years have witnessed a decisive revitalization of the European community. The treaty of Rome has been reformulated by the Single European Act, the 1992 strategy, the market without frontiers and the Social Charter. These measures taken together point to an integrated, harmonic development of the European community in all its dimensions -- economic, political and social. In real terms, however, the policies and the instruments that have been concretely applied reveal a clear priority of the economic dimension, the construction of the internal market. Moreover, though the political discourse stresses the goal of the economic and social cohesion and, therefore, of the increasing homogeneization of the European space, the economic policies being implemented have a strong neoliberal tone

and seem very little sensitive if not altogether hostile to the goal of social cohesion and social homogeneization.

This can be illustrated by the long discussions and successive stalemates on the question of an European social policy (Streeck, 1989; Teague, 1989). Beyond the statutes on equal opportunity not much has been accomplished. The Val Duchesse talks on social dialogue have failed. According to the Single European Act, while all issues relating to the internal market can be decided by a majority vote, the issues relating to social policy will require a unanimous vote, with the exception of the provisions on health and safety of workers.

The Commission has been pushing for a more dirigiste social policy but without much success. The Belgian initiative on the so-called plinth-of-social-rights to be granted in all member-states may have some chances of being accepted but not, as some would like, as an European Social Constitution, that is, as binding norms directly applicable in all countries. Most probably it will rather constitute a "social regime" in which terms the norms will be more than mere guidelines but less than legally binding obligation. If so, the goal of social homogeneization will remain a remote one.

Besides, the history of the EEC makes us feel pessimistic about the feasibility of such goal. If we analyze the evolution of the real income (GDP per capita in parity of purchasing power) between 1960 and 1987 of the twelve countries that form today the EEC, three conclusions are in order (Mateus, 1989:179): first, the majority of the central countries cluster around the community average with some oscillations, upward in the case of FRG, and downward, in the case of England and Holland; second, Portugal, Greece, Ireland and Spain form a distinct group with a level of real income between 26% and 46% below the community average; third, in the sub--period of economic expansion (1970-1975) these disparities decreased while in the period of economic crisis and restructuring (1975-1987) they increased again. More revealing, however, is the fact that the integration only shows a potential for social homogeneization in the first period of the community, the period between 1958 and 1973 when the EEC included only six countries. The subsequent enlargements of the community don't show any dynamics toward homogeneization. If we analyze the evolution of the dispersion between the maximum and minimum national income levels

between 1960 and 1987, the following results are elucidating: the EEC-6 shows a dispersion of 1.32 in 1960 and a dispersion of 1.15 in 1987; the EEC-9 shows a dispersion of 1.89 in 1973 and 1.84 in 1987; the EEC-10 shows a dispersion of 1.97 in 1981 and 2.15 in 1987; and finally the EEC-12 shows a dispersion of 2.21 in 1985 and 2.15 in 1987. Except for the last value, which is probably related to the transfers of structural funds, no dynamics of homogeneization is detectable in the last decade. The same results would be obtained if we compared regions instead of countries.

In light of this, the homogeneization, even if only partial, is a very difficult goal and can only be obtained through courageous structural policies both at the community level and at national level, involving not only the construction of the internal market but also the building up of social cohesion and the construction of a new European state. For the time being, nothing of this sort is in sight. On one side, there are visible discrepancies between national and European structural policies and the measure of discrepancy manifests itself through nationalist regression (e.g. the cases of Great Britain and Portugal). On the other side, the less developed countries, those that most need wide structural policies, are those that, in the context of the community, have less capacity to develop and implement them. In this respect, the danger may lie in the European attempt to gain international competitiveness at the cost of its periphery.

Europe is the motherland of social protection, as Aglietta says, the remarkable social experience of a mixed economy wisely combining state intervention and broad social concertation. This is a commendable pedigree, but the disturbing coincidence -- which is not a coincidence at all -- is that the discourse of social cohesion at the European level is coexisting with the dismantling of the welfare states and the increase of social inequality at the national level in all EEC countries.

VI . CONCLUSION

The integration in the EEC has gradually become the single most important factor structuring the period of transition which Portuguese society has been living since 1974, or better, since 1969. This transition has been a double one, taking place both at the national

and at the European level with increasing interpenetration between the two levels. Portuguese society is a highly heterogeneous society, not only in economic and social terms, but also in political and cultural terms. The complex weaving and cross-neutralization of those multiple heterogeneities in Portugal -- one of the oldest nation states of Europe and certainly the oldest in the sense of having had the same borders for longest, as well as one of the most homogeneous in ethnic terms -- has made it possible so far to combine high heterogeneity and diversity with high social cohesion. This complex process has been regulated by the state which has inscribed in its institutional matrix the very transition and social heterogeneity that are object of its regulation. In different spheres of social life the state has assumed different partial political forms: in the sphere of exchange relations and wage relations, the form of the parallel state followed by the form of the heterogeneous state; in the sphere of social welfare, the form of the quasi- or lumpen-welfare state; in the sphere of European integration and values attached to it, the form of the state-as-imagination-of-the-center. All these forms are transitional and bear witness to the tensions between core-orientation and periphery-orientation, between international promotion and international demotion, between social integration and social exclusion. They represent the Portuguese way of living through the dynamic transformations of the world system in the last fifteen years.

This transition is far from reaching its conclusion. However, the different partial political forms of the state and their evolution seem to point to a new semiperipheral mode of social regulation.

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