

6 From Atlantic past to European destiny

Portugal

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Two political factors conditioned Portugal's integration into the process of European unification between 1945 and 1974: the dictatorial nature of Salazar's regime and its tenacious resistance to decolonization.¹ It was only following the institutionalization of democracy and the process of decolonization during 1974–75 that the first serious steps were taken to follow a strategy of integrating Portugal into what was then the European Economic Community (EEC) – a policy that was to become the touchstone for political consensus among the moderate political parties of the nascent democracy.

A small country on the southern periphery of Europe, Portugal entered the twentieth century with a consolidated liberal regime in a very homogenous nation–state.² With the abolition of the constitutional monarchy following the republican revolution of 1910, the country experienced a failed democratization. In 1916, Portugal entered the First World War on the side of the Allies, which resulted in a period of endemic cabinet instability and pro-authoritarian military activity that aggravated the young republic's legitimacy crisis.

A *coup d'état* in 1926 led to the establishment of a military dictatorship that was internally divided as a consequence of the conflicts that existed within the heterogeneous conservative bloc that supported it. Stability was only restored within the dictatorship at the beginning of the 1930s when António Salazar, the young Catholic-conservative Finance Minister, rose to become one of the longest surviving right-wing dictators in twentieth-century Europe. When Salazar institutionalized Portugal's New State (*Estado Novo*), the Portuguese economy was backward, with a weak and sparse industrial base.³ Levels of urbanization were low and the structure of Portugal's active population included 51 per cent engaged in the primary sector. While the New State was inspired by European fascism, its political institutions, which were created in 1933, were primarily influenced by Catholic corporatist ideals that resulted in the institutionalization of a dictatorial regime supported by a weak and elitist single party.⁴ The *Estado Novo* was deeply conservative and relied more on traditional institutions like the Church and the Army, and a controlled administration than on mass organizations. The new regime did not seek to challenge the international order – it maintained its privileged alliance with the United Kingdom and, as a strategy for ensuring the survival of its fragile African empire, remained neutral during the Second World War.

In the period following the Second World War II, the Estado Novo defined itself as an ‘organic democracy’ and endeavoured to conceal its resemblance to fascism; however, institutional and decision-making changes were very limited. It was only after Salazar (who died in 1970) was replaced by Marcello Caetano in 1968 that a series of reforms took place and part of the political elite associated with the old dictator was removed. Salazar’s neutrality during the Second World War, his military concessions to Britain and the United States, and the rapid onset of the Cold War ensured the survival of his regime in an unfavourable post-1945 international climate. Portugal joined NATO and the United Nations (after an initial veto from the Soviet Union) within the next ten years. But it was not easy for the regime to adapt to the new US-dominated international scene. The dictator had always feared and mistrusted the United States; this feeling was heightened as decolonization began and the UN subjected Portugal’s colonial policies to international condemnation. The Salazar regime survived by cultivating an external image of a benign and ageing authoritarianism that was an anti-communist bulwark of Western civilization, and by efficiently controlling internal opposition.

Portugal did not experience the same levels of international isolation as its Spanish neighbour following the Second World War. Its status as a founding member of NATO and as a participant within other international organizations, such as the Organization for European Economic Co-operation (OEEC) and the European Payments Union (EPU), and its receipt of Marshall Plan funds – albeit on a relatively small scale – are all examples of the country’s international acceptance.⁵

The New State and European unification after 1945

Salazar had his own vision, not only as to what he considered Portugal’s position in the world should be, but also its position in the post-Second World War world. His idea of Portugal’s place was based on a traditional thesis that held to two fundamental presuppositions. The first of these was that Portugal was essentially an Atlantic country and as such should not concern itself with continental European questions but should instead concentrate its strategic energies in two directions – towards a privileged, or even exclusive, alliance with the major maritime power, and towards the colonial empire in Africa. He was particularly troubled by Britain’s decline and the rise of the United States, which he regarded with ideological scepticism and political mistrust as the main maritime power. He also rejected the importance of multilateral diplomacy in the international system, and the United Nations in particular. He also had problems accepting the principle of self-rule and, consequently, the resulting process of decolonization. Finally, he watched in silence as the process of European economic reconstruction was conducted through the criteria of international cooperation rather than under the inter-war principles of nationalist autarchy.

Salazar’s scepticism in relation to the United States, and his rejection of decolonization were not new: they had always conditioned his vision of Europe

and its relationship with Africa. He saw the relationship between Europe and Africa as a complementary one and viewed this Europe–Africa binomial as a unity in terms of economic, political and military plans. This was the strategic conception at the heart of all of Salazar’s beliefs and it was this that was to emerge during the formulation of his foreign policy, not only in relation to Europe and European construction, but also to the entire system of Western security and NATO. In Portugal’s foreign policy from the very beginning of the Cold War, two events highlighted the duality of the country’s strategic direction. Portugal’s hesitation over the Marshall Plan in 1947 illustrated its reservations regarding the reconstruction process while the signing of the Lajes Agreement in 1948 – a bilateral defence agreement between Portugal and the United States – heralded Portugal’s incorporation into the Atlantic security system, later confirmed with its entry into NATO in 1949.⁶

The Marshall Plan led Portugal to participate in all of Europe’s institutional economic cooperation structures – from the OEEC and the EPU to the European Monetary Agreement (EMA).⁷ In the latter half of the 1940s, and while the European reconstruction process was taking place in an atmosphere dominated by the principle of intergovernmental cooperation, Portugal’s position was complex and its participation singular, although this very participation was to lead to the country’s integration into all the institutions that were created with the purpose of promoting economic cooperation between the European states. Despite its non-participation in the first purely European military cooperation agreements, for example, the Dunkirk and Brussels Treaties of 1947 and 1948 respectively, Portugal followed the development of the Western European Union and was integrated into the Atlantic security system.

Of the three types of European cooperation developed during the late 1940s, the only one in which Portugal remained totally marginalized was that of political cooperation. In fact, not only did the wartime and post-war pro-European movements have no political expression in Portugal (evidenced by the absence of any Portuguese intellectuals at The Hague Congress of 1948), the anti-European principles that drove Portugal’s foreign policy, and the authoritarian nature of the Portuguese regime in particular, excluded it from membership of the Council of Europe. While Portugal had participated in the development of European cooperation during the 1940s, the same cannot be said of its involvement with the integrationist movements of the 1950s. Although Salazar may have remained sceptical with respect to inter-governmental cooperation, his attitude towards any form of supranational integration or federalism remained openly hostile. Moreover, while Salazar was prepared to accept that the United States was the new Atlantic power, and to alter Portuguese foreign policy to establish a preferential relationship with it after Portugal’s integration into NATO, in his mind this had no bearing on European affairs where he continued to place great importance on the alliance with Britain and to follow Britain’s policy positions very closely.

Thus, Portugal stood alongside the United Kingdom at the margins of all European integrationist movements during the 1950s – remaining out of the

Schuman Plan and the European Coal and Steel Community (ECSC) as well as on the margins of the proposed European Defence Community (EDC) and its associated European Political Community (EPC). It was during the long and complex negotiations leading to the collapse of the EDC that Salazar clearly and unequivocally outlined his thoughts on European integration in a circular to all Portuguese embassies defining the principles of Portuguese foreign policy regarding this process.⁸ In this document, Salazar's position was made unambiguous and can be reduced to three points. First, his scepticism regarding the chance of any process of economic integration or political federalism succeeding was clearly expressed. Second, he stated that even should European federalism succeed, it would not be something that would interest Portugal. Third, he stated that should the international order develop into the formation of large regional blocs, it was by no means certain that Portugal's national interests would be best served within Europe, and that other strategic alliances, with either Spain or Brazil, or fundamentally, with Africa, would be preferable. In the words of the Portuguese dictator, with the exception of NATO, 'nothing else in Europe has any real political importance for us: we are more interested in Angola and Mozambique, and even Brazil ... Our Atlantic character imposes limits on our collaboration with Europe.'⁹

During the 1950s, the Atlantic front and the position of the United States were to become increasingly important factors in Portuguese foreign policy. However, from its entry into the UN in 1955, and from the beginning of the 1960s in particular, the colonial question was to become Portugal's main concern. The United Kingdom continued to be Portugal's main reference in all matters European. Consequently, Portugal closely followed the positions adopted by the United Kingdom in European affairs, at least until it became a founding member of EFTA.¹⁰ When the United Kingdom proposed the creation of a free trade area as a kind of roof over the emerging EEC in 1956–57, no one – not even the British government – thought that Portugal was eligible for membership. Considering the low level of Portugal's economic development, and the fact that the proposed free trade area deliberately excluded agriculture, it would appear that this proposal would be of no interest to Portugal. However, when the United Kingdom informed Lisbon of this proposal, Portugal officially stated its desire to be represented at the negotiations. Portugal accepted the general political objective of liberalizing the market and, in contrast with the other peripheral countries of Europe, Portugal did not have any financial problems. Finally, the question of the colonies, which could have constituted a problem, could be in Portugal's favour, given that the United Kingdom was interested in including the Commonwealth and could see a potential ally in Portugal. These reasons distinguished Lisbon from the other peripheral capitals and were decisive in securing Portugal's admission to the negotiating table.

The discussions took place within the OEEC, of which Portugal was already a member and where it adopted a moderate and constructive negotiating position. On substantive matters, Portugal did not raise any objections to the exclusion of agriculture and was cautious in its requests for special treatment for

Portuguese industry. On procedural matters, it rejected being labelled an 'under-developed country' and, diverging from the General Agreement on Tariffs and Trade (GATT) definition, introduced the concept 'developing country'. Portugal refused to participate within the group of under-developed countries and instead proposed the creation of a special group for itself, which resulted in the Melander Report. However, in November 1958, General de Gaulle exercised his veto and put an end to the negotiations. The 'non-Six' states – Britain, Norway, Sweden, Denmark, Switzerland and Austria – then held a meeting to resolve the resulting problems for themselves, without inviting Portugal on the pretext that the presence of a peripheral developing country could create undesired precedents. Nevertheless, when the second meeting was called, Portugal's goal to ensure its active participation was achieved through the political determination of the Minister of the Economy, Correia de Oliveira, and the diplomatic ability of its negotiators.¹¹ Portugal also enjoyed open and covert support from the United States and the United Kingdom, respectively. Thus, in the spring of 1959, when the idea of a free trade area was transformed into a more limited regional agreement restricted to the six 'non-Six', these six were in fact seven, with Portugal being part of the process. As a result, Portugal was a signatory to the Stockholm Convention leading to the creation of EFTA.¹²

In a situation where conditioning factors weighed heavily and the margin for manoeuvring Portuguese foreign policy was limited, EFTA provided the only alternative with economic advantages and without political costs. Politically, therefore, EFTA represented the optimum solution for Salazar as it enabled him to reconcile Portugal's economic integration into a European free trade area with the regime's political and diplomatic positions. The strictly inter-governmental character of the organization eliminated any supranational or integrationist pretensions, and, while it incorporated some continental countries, Britain's involvement allowed Portugal to maintain its essentially Atlanticist orientation and one of the country's traditional foreign policy strategies: continuation of the alliance with Britain. Most importantly, the fact that EFTA was a free trade area rather than a customs union allowed Portugal to remain within the organization while maintaining its privileged relationship with its colonies.

Membership of EFTA not only appeared to be cost-free, but it also brought several benefits. Portugal was integrated into a European institution that was dedicated to economic cooperation, which was an important contributory factor in terms of the country's future relationship with the EEC. Moreover, this international experience brought domestic lessons: by participating as a full member of EFTA – as an equal with the developed and democratic states – the regime gained additional legitimacy. Finally, because the free trade area model that was adopted allowed Portugal to maintain its privileged relationship with its colonies, it seemed to fit perfectly Salazar's own strategic conception of the complementary nature of Africa and Europe. In the context of Portuguese foreign policy's limited scope for manoeuvre, this represented an enormous political advantage and was the main reason for Portugal's membership of EFTA. However, it was also to have a perverse effect in the medium-term. The growing importance of

Europe in the Portuguese economy, and particularly in its external trade, provoked a radical change in the conception of the relationship between Europe and Africa during the 1960s. If at the time the Stockholm Treaty was signed in 1960 the concept was one of the complementary nature of Africa and Europe, then by the end of the decade it had become one of competition. This was the problem that exercised the regime during its final years, becoming the central political debate of Marcello Caetano's brief rule.

The reorientation of the Portuguese economy from Africa to Europe occurred precisely at the moment of the colonial wars which started in Angola in 1961, in Guinea-Bissau in 1963, and in Mozambique in 1964. Portugal's export sector responded dynamically to the stimulus provided by EFTA, which absorbed an ever-increasing proportion of Portuguese produce – to the detriment of the colonies. As David Corkill has noted, 'Inevitably, the changed economic realities of the 1960s and 1970s were progressively corroding the logic of imperial connections and of economic nationalism.'¹³ Portugal's economic growth during its first decade of EFTA membership reached 6 per cent, with foreign investment in Portugal also expanding. There was significant growth in external trade, both in volume and direction, which was to be of extremely important political significance. During the 1960s, the importance of the colonies for Portuguese trade declined and was replaced by Europe, with both tourism and emigration having important consequences on economic growth. During this decade the destination for Portuguese emigrants moved from the American continent to Europe – France in particular – and expanded at an impressive rate.¹⁴

Marcelo Caetano inherited a very different country in the summer of 1968, one that was more European (at least in terms of economic exchange), leading him to sketch the outlines of a set of liberalizing policies. Caetano himself had been one of the dictatorship's few notables to propose, in 1962, the adoption of a prudent federalist solution for the colonial question; however, after obtaining power, in both his political discourse and strategy promises he opted to continue the war. The war effort was redoubled, although now within the context of economic growth, and in 1970 Portugal spent a total of 45 per cent of its budget on defence and security. With a military force of 140,000 men, the proportion of the population under arms was exceeded only by Israel and North and South Vietnam.¹⁵ Despite muted protests by the 'Europeanists', who had precise data proving the very limited adverse effects that would be felt with the 'loss of empire', the government refused to prepare any initiatives for a peaceful resolution to the colonial problem.

Ultimately, Caetano's ideas on European integration and the Europe–Africa relationship did not differ substantially from those of Salazar; however, what was different was the domestic and international political situation. The economic effects of EFTA membership and the resulting approximation to Europe were translated domestically into two antagonistic concepts of developmental strategy that affected the country's external orientation. These two antagonisms came to the fore through the political debate between the 'Europeanists' and the

'Africanists' that dominated the regime's final years.¹⁶ Caetano's hesitations enabled a small liberal and technocratic pro-European group to consolidate itself within the dictatorship, which was to part company from the regime on the eve of its collapse. The spokespersons of this tendency, that emerged out of the limited pluralism permitted during the regime's final years, attempted to give a political expression to the close relationship as they saw it, between Europe, economic modernization and the liberalization of the regime. Caetano's position in this context was that of a referee who sought to reconcile what, at that moment, seemed irreconcilable. As far as he was concerned, the Africa–Europe alternative represented a false choice. Adopting a traditional Salazarist attitude, he defined the European question as 'the movement of economic understanding that will transform itself into a customs union', and 'the movement for political integration that will transform itself into a European federation'.¹⁷ Portugal had much to gain from the former and everything to lose from the latter. Economically, Portugal had to persevere with EFTA and other programmes for economic cooperation. Politically, however, Caetano shared de Gaulle's belief that Europe would have to remain a collection of independent states. It was in accordance with this belief that he developed Portugal's strategy towards the EEC/EC.

When the United Kingdom made its first application to join the EEC in 1961, Portugal adopted its traditional position of following Britain's lead in European questions and did likewise, albeit within the limits of the possible. There were three fundamental obstacles preventing Portugal from making a formal request for EEC accession: (1) the country's low level of economic development; (2) the authoritarian nature of the regime; (3) and the colonial problem (which had become critical with the outbreak of the war). During this difficult time, Portugal's diplomatic strategy was predicated upon opening multilateral negotiations between EFTA and the EEC. However, the United Kingdom's unilateral approach obliged Portugal to negotiate directly with the EEC. The difficult international situation and the lack of any domestic consensus led Lisbon to delay its application until 1962: the last EFTA member-state to do so. When it was made, the application was couched in an 'ambiguous manner' in order to allow a degree of flexibility at the negotiating table.

Much to Portugal's relief, de Gaulle's 1963 veto of Britain's application introduced a delay in solving the problem. The matter only came to the fore again following de Gaulle's departure from the political scene, when the European project was re-launched at the Hague Summit of 1969 that led to the EC's first enlargement. With the United Kingdom's renewed request for EC membership and its expected resignation from EFTA, this organization's future was irredeemably compromised. Once again the unilateral nature of Britain's application ruled out any opportunity for multilateral EFTA–EC negotiations capable of dealing with the Portuguese case. Portugal had to form some type of relationship with the EC, and it would have to negotiate it directly and bilaterally. Following Britain, in May 1970 Portugal requested talks with the EC and formed an *ad hoc* commission, the Inter-Ministerial Commission for External

Economic Cooperation that was charged with analyzing the situation and proposing possible alternatives. This Commission's report was clear in its diagnosis: the existing nature of economic relations between Portugal and Europe, and the United Kingdom's resignation from EFTA meant that it was imperative that Lisbon establish 'any kind of relationship with the EEC'. The Commission's report suggested three alternative ways forward for Portugal: accession to the EC, association with it, or the establishment of trade agreements with it. Accession was out of the question for political reasons. Association would be difficult because the EC wanted to reserve Article 238 of the Treaty of Rome for countries that were politically willing to join the Community but economically unable to do so for the moment. Establishing trade agreements with the EC thus emerged as the only politically possible alternative. The Commission recommended that Portugal adopt a moderate and flexible negotiating position: moderate in order to avoid raising the issue of the colonies in such a way as could undermine any agreement, and flexible in the formulation of the agreements so as not to undermine any future membership application. The trade agreement with the EC was signed in July 1972 and was ratified shortly after. The scope for manoeuvre in Portugal's foreign policy was too narrow to allow the flexibility required to step beyond the limits of a trade agreement, and its approximation to Europe and the weakening of EFTA required it to establish new multilateral economic relations. This being the case, an agreement with the EC was imperative, and a trade agreement was the formula that involved the minimum degree of political compromise.

Democratic Portugal: from application to accession

By mobilizing political actors that were absent in the transition to democracy in the other Southern European countries, the colonial wars were a specific and determining factor in the overthrow of the Portuguese dictatorship in 1974. It was in the emergence of the Armed Forces Movement (MFA, *Movimento das Forças Armadas*), a movement of middle-ranking officers who were increasingly attracted to left-wing politics, more than the nature of the dictatorship's fall – a military *coup d'état* – that the uniqueness of the Portuguese transition resides.

The 25 April 1974 military coup paved the way for the institutionalization of Portuguese democracy as well as decolonization, with Guinea becoming independent in 1974 and Angola and Mozambique in 1975.¹⁸ Portugal's transition occurred at the height of the Cold War, at a time when there were few international pressures for democratization. The rupture provoked by the Portuguese military resulted in an accentuated crisis of the state, fuelled by the concurrence of democratization with the decolonization of the last European colonial empire. Powerful tensions, which incorporated revolutionary elements, were concentrated into the first two years of Portugal's democracy. During 1974–75, Portugal also experienced a high level of foreign influence. This influence ranged from diplomatic pressure and support for the strategies against the extreme Left of the 'Hot Summer' of 1975 to external support for the creation

of political parties and interest groups. Portugal was a constant topic of discussion at international forums, from NATO and the EC to the Soviet bloc.

The military coup took the international community – and the United States in particular – by surprise.¹⁹ Faced with intense social and political mobilization from the Left, and concerned with the flight of the country's economic elite and their capital, the moderate parties obtained only limited success in organizing themselves and were able to function during the crisis only with financial and technical support from important figures within the US administration and the European party groups and affiliated organizations, with the latter often serving as guarantors ensuring the support of the former. The support of these parties and their foundations and the rapid affiliation of the parties and trade unions to European transnational party political organizations were an important factor in explaining the swift domination of the political system by the parliamentary parties over their rivals within the military and the extreme Left.²⁰

The EC observed Portugal's transition with discretion, although it gave unambiguous signals that, politically, it favoured the emergence of a pluralist democratic system, while simultaneously granting limited economic assistance. Soon after the first democratic elections, which took place in 1975, the European Council announced that it was prepared to begin economic and financial negotiations with Portugal, although it stressed that, 'in accordance with its historical and political traditions, the European Community can only support a pluralist democracy.'²¹

The transitional period was characterized by conflict concerning the country's foreign policy options, through the practice of parallel diplomacy and, consequently, by the absence of any clear foreign policy goals. Despite the conflicts, hesitations and indecision, the Provisional Governments, and in particular those with a preponderance of military ministers, tended to favour adopting a Third Worldist foreign policy and promoted the formation of privileged relations with the country's former colonies. This was the final manifestation, albeit in a pro-socialist form, of the thesis that was so close to Salazar's heart: of Portugal's 'African vocation'.

The consolidation of democracy, which began in 1976 with the election of the first constitutional government, was characterized by the clarification of Portugal's foreign policy choices, and by the unequivocal positioning of Portugal as a Western country, albeit one that was simultaneously Atlanticist and European. It was these two visions that were to become the basic strategic foreign policy vectors for the nascent democracy. The Atlanticist outlook was predicated on the permanence of Portuguese foreign policy's historical characteristics, and played an important role in directing Portugal externally and in stabilizing it domestically. The establishment of good bilateral relations with the United States, and the strengthening of its multilateral participation within NATO, were the clearest expressions of the new democracy's international position. Having overcome the Third Worldist temptations of the revolutionary period, Portugal adopted the 'European option' unreservedly from 1976. Now, however, this choice was a strategic decision and a political project, rather than

the merely pragmatic and economic stance it had been under the authoritarian regime.

Contacts between the Portuguese government and the European institutions were initiated as early as 1974.²² The European Commission granted Portugal economic assistance, while the European Council made its political position clear: it was ready to begin negotiations, but only on the condition that a pluralist democracy was established. Nevertheless, the country's economic condition, the political instability and continuing uncertainty regarding the destiny of the democratic regime during the transitional period ruled out any advance from the European front. It was the first constitutional government, led by Mário Soares, which adopted the 'European option'. The first step in this process occurred in August 1976 when the Portuguese government successfully applied for membership of the Council of Europe. Once a member of this organization, which also consolidated the international community's recognition of the new democratic regime, Lisbon began to outline its next and decisive step: application for accession to the EC. Following a series of successful negotiations in a number of European capitals between September 1976 and February 1977, the government made its formal application for EC membership in March 1977. One month later, the European Council accepted Portugal's request and initiated the formal process laid out in the various treaties, including the mandatory consultation of the European Commission. In May 1978, the Commission presented a favourable report, clearing the way for the formal negotiations to begin in Luxembourg the following October. With the formal application made, and accession negotiations under way, the hesitations and polemics over the nature of Portugal's integration had finally been superseded, putting Portugal firmly on the European path.

The government was motivated by, and based its decision to follow this strategic option on, two main objectives. First, EC membership would consolidate Portuguese democracy, and second, EC assistance would guarantee the country's modernization and economic development. Several Portuguese economists remained fearful, with the majority expressing grave reservations about the impact that EC membership would have on some sectors of the Portuguese economy, and arguing instead for an 'association' model to be adopted. The former Prime Minister, Mário Soares, recalls that:

[he] heard the economists ... and, in the end, begged their forgiveness whilst informing them that Portugal was going to join nonetheless ... for to do otherwise would mean that there could be no certainty that Portugal's democracy would be consolidated. At that time, Portugal was still under military control.²³

A complex series of negotiations, which lasted seven years, followed Portugal's membership application. An earlier step had been taken in September 1976 – prior to the country's formal application – with the revision of the 1972 EC trade agreement through the conclusion of the Additional and Financial

Protocols, which Portugal interpreted as representing a form of pre-membership agreement.²⁴ Despite these prior agreements, formal negotiations on Portugal's membership lasted until June 1985.

There were two important domestic factors that can help explain just why the accession negotiations for such a small country with a relatively weak economy were so complex and drawn out. First, there was Portugal's economic situation immediately prior to the transition and, more importantly, the economic measures that had been taken during the revolutionary period, in particular the nationalization of important economic sectors. Second, continuing governmental instability and the political and constitutional nature of the Portuguese regime. Following 1976, the democratic regime was undeniably pluralist, and was generally considered as such; however, the 1976 constitution was a product of the revolutionary period, and consecrated within it the Council of the Revolution. It was a democracy, but it was a democracy under the tutelage of an undemocratic military institution. These factors weighed heavily in the negotiations, and delayed their conclusion. During the early 1980s, Portugal's democratic regime overcame all of these objections. The constitution was revised in 1982 to abolish the Council of the Revolution and the National Defence Law, and the armed forces finally accepted their subordination to the civilian political authorities. By 1983 Portugal's democracy had been consolidated, thereby eliminating all the domestic obstacles that were preventing the successful conclusion of the entry negotiations.

One external hurdle remained, however. During Europe's southern enlargement, the EC was also conducting accession negotiations with Spain, a country that had a much larger economy than Portugal and which did not share its smaller neighbour's history of close relations with European economic institutions.²⁵ France and Greece were also to be significant obstacles during these negotiations, albeit for different reasons. Portugal's diplomatic strategy was to keep its entry negotiations separate from those of Spain, in the hope of securing EC accession more rapidly, thus giving it the important status of member-state prior to Spain's entry. This strategy was to prove unsuccessful, as the Community's policy was to negotiate with both Iberian nations simultaneously, with the result that Portugal's accession was delayed a further two years, until after all the dossiers on Spain had been concluded.²⁶ The culmination of the accession process finally arrived in June 1985, when Portugal signed the Treaty of Accession. On 1 January 1986, Portugal became a full member of the EC.

Several authors have suggested 'that the European Community played an important role' in the promotion of democracy in Southern Europe.²⁷ While the economic support offered by Europe was important, the overall impact of the 'prospect of membership' on the consolidation of Portuguese democracy merits much deeper investigation. Nevertheless, for one section of the Portuguese political elite of that era, accession was viewed as a guarantor of domestic democratic consolidation, and as a lever for the country's modernization.

Whilst present in the programmes of several of the new political parties from the earliest days of the April 1974 coup, it was primarily in the context of the

political cleavages of 1975 – when they were faced with socialist and Third Worldist alternatives – that the parties of the right and the centre-left emphasized ‘Europe’ and the EC as a reference for Portugal’s future.²⁸ In the context of a polarized transition, in which some of the divisions had been solidified into a conflict that was more ‘between democrats and revolutionaries than between democrats and “involuntaries”’, the European option was an important factor in the break from a dictatorial, isolationist and colonialist past, while simultaneously assuming an anti-Communist and anti-revolutionary dimension.²⁹

The Portuguese case provides a good illustration of the thesis that considers the European Community to be a reference for Europe’s development, and acts as a ‘ready symbol’ that the democratic elites could utilize to legitimate the new domestic order after the contested transition and the end of the colonial empire that had been so dear to the New State. On the other hand, and as had been the case in Spain, it led to the successful consolidation of a ‘democratic tradition’ that was based on the ‘synchronization and homogenization of [national] cultures and institutions, with those of Europe’, whose social and economic components had been changing since the 1960s.³⁰

When Mário Soares, as leader of a Socialist government, made Portugal’s formal request for EC accession in May 1977, the country was living with the legacy of a contested transition, had a constitution that protected the nationalizations and agrarian reform, and which maintained a strong military presence in political life. The theme of the Socialist Party’s (*Partido Socialista* – PS) 1976 electoral campaign was *A Europa Conosco* (Europe with us), with the party receiving support from many of Europe’s most important Social Democratic leaders. By adopting this rather vague theme, the PS was seeking to distinguish itself from the Third Worldist and neutralist tendencies that had characterized Portuguese politics during 1974–5, and which yet retained some support within the moderate left and the Armed Forces Movement. Soares incorporated the proposal for EC accession into his party’s programme as a foreign policy priority for Portugal.³¹

By 1974, EC membership had also become a theme in the programmes of the right and centre-right parties, with the Social Democratic Centre (CDS, *Centro Democrático Social*) proclaiming itself convinced pro-European, and the Social Democratic Party (PSD, *Partido Social Democrata*) adopting a more cautious approach. The CDS, which was affiliated to the European Union of Christian Democrats (EUCD), adopted a strongly pro-European strategy right up to accession. The PSD, which was formed by the reformers and ‘liberals’ of the dictatorship’s final years, first inserted itself into the European liberal party group, although it defected to the European People’s Party in 1996.³² Beginning with the PS’s initiative, the three parties advanced rival proposals for promoting the accession negotiations, although the PSD was at times less consistent. During the latter half of the 1970s, arguments in favour of the Community were actively promoted as the means through which the necessary political and constitutional reforms, particularly those relating to the military presence within the Council of the Revolution and the nationalizations, could be affected. Only the

Communist Party, the *Partido Comunista Português* (PCP) remained consistently opposed to EC membership, and rejected the prospect of accession. This opposition was an important element in its political campaigns between 1977 and 1986. After 1986, the PCP stopped calling for Portugal to withdraw from the EC, and adopted a more moderate position.

Civil society and the interests groups representing those who would be most affected by EC membership had practically no role to play during any stage of the accession negotiations. European integration was a decision made by the political elite alone, rather than 'a response to popular demand'.³³ The governing elites dominated the negotiating process, with only limited involvement by the business associations or agricultural interests. Semi-paralyzed as a consequence of the transition to democracy's most radical phase, the employers' organizations were slow to establish international contacts and participate within European structures. Following the wave of nationalizations and agrarian reform in 1975, these organizations welcomed Portugal's application from the perspective of their domestic battle for a reduction of the public sector, the liberalization of employment laws and the initiation of a privatization programme. Both the Confederation of Portuguese Industry (CIP, *Confederação da Indústria Portuguesa*) and the Portuguese Industrial Association (AIP, *Associação Industrial Portuguesa*) supported accession, although to differing extents. The CIP was more concerned about the economic effects of liberalization on some sectors, and demanded more pre-entry economic aid. The AIP adopted a more pragmatic 'join and see' position.³⁴ Nevertheless, despite the CIP's occasional attacks, the hypothesis that the attitudes of these two organizations reflect an attempt to make the government adopt an aggressive negotiating stance rather than a reflection of any principled opposition by these organizations appears plausible, especially since these attitudes did not enjoy much support amongst their affiliates.³⁵ Several surveys on the attitudes of the employers' organizations towards accession have confirmed the dominance of political considerations, with the EC being presented as the 'guarantor for greater political security that will encourage investment in and modernization of the productive structures in the country'.³⁶

The party political and ideological cleavages were much more obvious within the trade union movement, with the Communist Intersindical being opposed to accession, and the social democratic General Workers' Union (UGT, *União Geral de Trabalhadores*) being firmly pro-European. Formed out of the struggle against communist domination of the trade union movement, and supported by foundations that were associated with social democratic, liberal and conservative political parties, the UGT was rapidly integrated into the European labour movement's international institutions.³⁷ It was only after accession that Intersindical moved away from its original opposition to adopt a more pragmatic position.

During the 1980s, Portuguese society finally broke free of the double legacy of authoritarianism and the 1975 revolutionary process. Democratic consolidation, EC accession and economic development all coincided to create a virtuous circle that could not have been foreseen at the moment of application. To the

surprise of many sectors of public opinion, in 1990 Portugal lost its status as ‘an under-developed country’, a label that had been used to characterize the country ever since the concept had been devised. Following the conclusion of two complex agreements with the International Monetary Fund (IMF), a flood of Community funds began arriving in Portugal with tangible effects. The statistics reveal that there was an observable improvement in living conditions, which was combined with a relatively low unemployment rate. Portugal underwent a second cycle of growth and social change. The movement of population toward the coastal areas and urbanization increased, although rates remained below the European average. More noteworthy, however, was the acute drop (to 12 per cent by 1992) in the number of workers actively engaged in the agricultural sector, a process that continued to break up traditional rural society in the northern and central areas of the country. Emigration was being replaced by a movement from the countryside to the cities. The growth of the middle class and the tertiary sectors was also prominent during this period, and school attendance rates increased substantially. Rather than the catastrophic prospect that seemed to loom large for Portugal during the 1970s, the country managed to consolidate its democracy and take important strides forward in its social and economic modernization as a member of the European Union.³⁸ As a member of the EU, Portugal was also forced to accelerate the liberalization of its domestic market as a direct consequence of deepening economic and monetary union.³⁹

Portugal’s route to EU membership was promoted by the political elite, with a great degree of political consensus, and without any attempt to measure public opinion through referenda. It was not until after accession had been secured that popular opinion began to exert pressure for more public participation in the reforms that were taking place within the EU. Both the process of decolonization and the adoption of a pro-European political policy led to the production of a significant ideological output by some sections of the intellectual elite, although the oft-heralded ‘identity crisis’ never appeared in any tangible form. Following a period of recriminations criticizing the decolonization process that emanated mainly from conservative groups in the late 1970s, and which largely fell on deaf ears, smaller extreme right-wing parties sought to capitalize on the discontent felt in the small groups that had been most affected by Portugal’s new-found Europeanism: their target audience were those who had fled the colonies to settle in Portugal, the *retornados*. The conversion of this conservative ideology to a discourse proclaiming the need to defend a ‘national identity’ that was threatened by incorporation into the European Community also met with little popular success – even within the conservative milieu, as is evidenced by the fact that EU membership was supported by the two main conservative parties, the CDS and the PSD.

On the one hand, nationalist discourses emerged during the 1970s as a reaction against the country’s incorporation into Europe, promoted by a conservatism that emphasized the country’s exclusively Atlantic vocation. On the other, the Communist Party promoted the more economic-oriented defence of the ‘interests of the national productive forces’ in the face of European capi-

talism. However, with the myth of the empire ended, the democratic elites managed to consolidate the belief within public opinion that Europe was the only means through which Portugal could reconstruct any important relationships with the new Portuguese-speaking African states, particularly since almost all economic links had disappeared and political relations had deteriorated following the granting of independence in 1975. With the prospect of accession, and following in its wake, new identity problems were to arise, the most important of which was the nature of Portugal's relationship with its neighbour, Spain. During and, particularly, after Portugal's attempts to negotiate accession separately, Spain regularly appeared in the public's mind as the powerful neighbour that had 'invaded' Portugal's economy. Having swiftly transformed itself into Portugal's major trading partner, Spain and the 'Spanish menace' stood as a threat to the liberalization of the Portuguese market: 'Portugal: Capital Madrid', 'Portugal: Spanish Province' and similar headlines were widespread in the Portuguese press during the 1990s.⁴⁰

In 1978, three years after decolonization, almost 70 per cent of Portuguese citizens believed that 'Portugal had a duty to grant these countries their independence', although they also thought that 'the rights of the Portuguese had to be protected.' Only 2.2 per cent of those questioned were in favour of continuing the fight against the liberation movements.⁴¹ Nevertheless, a significant minority of 20 per cent thought, in 1978, that Portugal could not survive economically without the former colonies. The gradual disappearance of this belief seems to be linked directly to the prospect of EC accession: 'the accession process and membership itself, besides providing a substitute for the lost colonies, also represents an incentive for a change in the nature of the country's economic, social and cultural activities.'⁴² Nevertheless, the emergence of EC membership as a positive goal within Portuguese society was a lengthy process that was initially restricted to the political elite. In 1978, shortly after the formal membership application had been submitted, most Portuguese had no opinion on Europe, with over 60 per cent of the population stating that they did not know if EC membership was essential for the future of Portugal's economy. It was not until the early 1980s that the population became better informed and was able to express a clearer opinion on the subject. The Eurobarometer survey has regularly recorded Portuguese public opinion since 1980, and its reports have revealed a clear upward trend in support of EC membership, with a large increase occurring in 1986, the year Portugal finally joined. The proportion of the population believing EC membership to be a good thing rose from 24.4 per cent (1980–82) to 64.5 per cent (1986–90), rising to over 70 per cent during the 1990s.⁴³ In 1993, 65 per cent believed that Portuguese economic development had been boosted greatly as a result of EU membership. As appears to be the case in other Southern European countries, there seems to be a strong suggestion that the urban middle classes generally tend towards Europeanism with only a weak sense of 'national pride', while the less educated and the rural lower classes generally have weak pro-European sentiments and a strong sense of 'national pride'.⁴⁴

By reaffirming their country's European identity, and remaining optimistic regarding the EU following accession during the 1980s, the Portuguese do not seem to have experienced any serious identity problems, either through the loss of the colonial empire in 1975, or as a consequence of Portugal's new international position within Europe since 1986.

Conclusion

Portugal's approach to the construction of Europe between 1945 and 1974 was determined by several factors. First, the dictatorship accepted the economic aspects of intergovernmental cooperation while rejecting the political facets and any supranational or integrationist model. Second, it was dependent upon the narrow scope of the regime's foreign policy; that is to say, its policies were determined by economic and social factors (for example, foreign trade, emigration, and tourism) and not the result of any strategic choices – Europe was a necessity, not a project. Third, if during the 1940s and 1950s Portugal's attitude towards the construction of Europe seemed compatible with its idea of the complementary nature of Africa and Europe, then during the 1960s and 1970s its economic approximation to Europe and the ongoing colonial wars put an end to this illusion: these concepts were now seen to be politically antagonistic. The maintenance of the African colonial empire required the continuation of authoritarianism, while Portugal's integration into Europe required decolonization and democratization.

Being excluded from, and remaining mistrustful of, the EEC, and following positions adopted by the United Kingdom (its major trading partner), successful EFTA membership was an important economic aim for the dictatorship throughout the 1960s. Less paradoxically than it may seem at first sight, the colonial wars of the 1960s coincided with a period of real economic and social development in the colonies, particularly in Angola and Mozambique. The increase in the white population in the two largest colonies was significant, while the 'Europeanization' of Portugal's economy and the wave of emigration to Europe were also to make a difference during this decade. Negotiated on terms that were favourable to Portugal, which saw the majority of its economic activities largely protected, the EFTA agreement was one of the roots of economic growth in the 1960s and a key reason for the significant increase in commercial relations with Europe. It was also behind the emergence of interest groups with fewer associations with the colonies.

The development of a pro-European outlook, however, was essentially a consequence of decolonization and the institutionalization of democracy. Following a complex transition process, the integration of Portugal into the EC became a strategic objective. It was the consequence of significant changes in domestic policy and had political as well as economic overtones.⁴⁵ Democratic consolidation and Portugal's insertion into the European economic space were to become inseparable.

In the context of a polarized transition, the swift ‘Europeanization’ of the right- and left-wing parties that were moderated by the transnational foundations and organizations of the European political party groups was an important element in Portugal’s European integration.⁴⁶ In Portugal’s case, as in that of the other Southern European democratizing regimes – particularly Spain – ‘the idea that accession to the European Community would help to guarantee liberal democracy was more overtly voiced’ and was central to the strategy of the political elites during this period, as already noted by Geoffrey Pridham.⁴⁷

The first ten years of Portugal’s membership of the EU were a ‘golden era’ during which there was a large degree of pro-European consensus within the party system; there was economic growth and rising incomes and there was also real social change. Internationally, Portugal used its stronger position as a member of the EU to resolve the tensions that existed between it and its former colonies in Africa. The optimism of the 1990s was also marked by Portugal’s meeting the convergence criteria for adhesion to the European single currency, the Euro, and joining it in 1999–2000; this contrasted with the situation at the beginning of the following decade. With the EU’s movement towards institutional reform, enlargement and the eventual reduction of EU fiscal transfers, there is some evidence of a fear that Portugal could be ‘returning to the periphery’; this perception has resulted in the return of ‘Atlanticist’ views in the country following Iraq War of 2003.

Notes

- 1 This chapter is based on the authors’ research project, *Portugal and the Unification of Europe*, funded by the Foundation for Science and Technology, Lisbon. See, in greater detail, António Costa Pinto and Nuno Severiano Teixeira (eds), *Southern Europe and the Making of the European Union*, New York: SSM-Columbia University Press, 2002.
- 2 For an introduction, see António Costa Pinto (ed.), *Contemporary Portugal*, New York: SSM-Columbia University Press, 2003.
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- 4 António Costa Pinto, *Salazar’s Dictatorship and European Fascism*, New York: SSM-Columbia University Press, 1995.
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- 8 ‘Circular concerning European integration to diplomatic missions from the President of the Council of Ministers’, 6 March 1953, Arquivo Histórico Diplomático, PEA-M 309.
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- 19 Mario del Pero, 'Kissinger e la politica estera americana nel Mediterraneo: il caso portoghese', *Studi Storici*, 2001, vol. 4, pp. 973–88.
- 20 A very good source is the memoirs of the Socialists' former international secretary, Rui Mateus, *Contos proibidos: memórias de um PS desconhecido*, Lisbon: Dom Quixote, 1996. See also Rainer Eisfeld, 'Influencias externas sobre a Revolução Portuguesa: o papel da Europa ocidental', in Eduardo de Sousa Ferreira and Walter Oppelo, Jr. (eds), *Conflict and Change in Portugal, 1974–1984*, Lisbon: Teorema, 1985, pp. 79–99.
- 21 Cf. José Magone, *European Portugal: The Difficult Road to Sustainable Democracy*, London: Macmillan, 1997, p. 27.
- 22 Pedro Alvares and Carlos Roma Fernandes (eds), *Portugal e o Mercado Comum*, vol. 2: *Dos Acordos de 1972 às negociações de adesão*, Lisbon: Pórtico, 1980.
- 23 Authors' interview with former Portuguese Prime Minister Mário Soares, Arrábida, 1998.
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- 41 Mário Bacalhau, *Atitudes, opiniões e comportamentos políticos dos Portugueses: 1973–1993*, Lisbon: FLAD, 1994, p. 255.
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