The Europeanization of Portuguese Democracy

Nuno Severiano Teixeira
and António Costa Pinto
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1 Introduction: Portugal and European Integration, 1974–2010

Nuno Severiano Teixeira

Introduction

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).

Portugal did not experience the same levels of international isolation as neighbouring Spain following the Second World War. Its status as a founding member of the North Atlantic Treaty Organization (NATO) and as a participant within other international organizations such as the Organization for European Economic Cooperation (OEEC) and the European Payments Union (EPU), and the fact it received funds from the Marshall Plan—albeit on a relatively small scale—are all examples of the country's international acceptance.

1 N. S. Teixeira, "Between Africa and Europe: Portuguese foreign policy, 1890-1986", in A.C. Pinto (ed.) *Modern Portugal* (Palo Alto, CA: SPOSS, 1998), pp. 60–87; A. C. Pinto, *O fim do Império português: A cena internacional, a guerra colonial e a descolonização, 1961–1975* (Lisbon: Horizonte, 2000).

Excluded from and mistrustful of the Treaty of Rome, which paved the way to the EEC, and following positions adopted by the United Kingdom, Portugal's membership of the European Free Trade Association (EFTA) was an important economic aim for the dictatorship throughout the 1960s.[2] Negotiated on favourable terms for Portugal, which saw most of its economic activities largely protected, the EFTA agreement laid the ground for the economic growth of the 1960s and the significant increase in commercial relations with Europe. It also boosted the emergence of interest groups less involved with the colonies. However, the development of a pro-European outlook was essentially a consequence of the decolonization process and the institutionalization of democracy.

Following a complex transition process, the Portugal's integration into the EEC became a strategic objective, with simultaneous political and economic overtones. Democratic consolidation and European integration in were to become inseparable.

Democracy and European Integration (1974–1986)

The military coup of 25 April 1974, paved the way for the institutionalization of Portuguese democracy. Portugal's transition occurred at the height of the Cold War, a time when there were few international pressures for democratization. The rupture provoked by the military coup accentuated the crisis of the state, fuelled by the simultaneous process of democratization and decolonization of the last European colonial empire.[3] Powerful tensions, which incorporated revolutionary elements, were

2 N. Andresen Leitão, "Portugal's European integration policy, 1947–1972", *Journal of European Integration History* 7 (2001), pp. 25–35.

3 K. Maxwell, *The making of Portuguese democracy* (Cambridge: Cambridge University Press, 1997).

concentrated into the first two years of Portugal's democracy. During 1974–75, Portugal also experienced a high level of foreign intervention, ranging from diplomatic pressure to the creation of political parties and social organizations (such as trade unions and interest groups), as well as the anti-left strategies of the so-called 1975 "hot summer". As a result, Portugal was a constant topic of discussion at international forums from NATO to the EEC, and within the institutions of the Soviet bloc.

The military coup took the international community, particularly the United States, by surprise.[4] Faced with the intense social and political mobilization of the left, and concerned with the flight of the country's capital and its economic elite, the moderate parties only had limited success in establishing themselves and were only able to function during the crisis due to financial and technical support from leading figures in the US administration and from other European 'political families', mainly the German Social Democrats, which often served as guarantors.

Transition to Democracy and Decolonization

The EEC observed Portugal's transition with discretion, although it gave ambiguous signals. It favoured the emergence of a pluralist democratic system, whilst simultaneously granting some limited economic assistance. In 1975, soon after the first democratic elections, the European Council announced 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".[5]

4 M. del Pero, "Kissinger e la politica estera americana nel Mediterraneo: Il caso portoghese", *Studi Storici* 4 (2001), pp. 973–88.

5 See J. Magone, "A integração europeia e a construção da democracia portu-

The first significant international challenge for Portuguese democracy was the disposal of its colonial empire. The second was to open the country to the world and re-establish diplomatic relations with all countries, bringing an end to the international isolation suffered by the deposed regime.[6] Decolonization and the re-establishment of diplomatic relations did not constitute a new strategic direction for Portugal's foreign policy; rather, in the midst of the strenuous conflicts during the process of democratization, there was another silent battle taking place, one concerned with the international strategic choices to be made by the new democracy.

The transition period was characterized by a political and ideological conflict centred on the country's foreign policy goals and which was translated into the practice of parallel diplomatic actions led through various institutional agents, and which was consequently reflected in the absence of a clear foreign policy.

Despite the conflicts, hesitations and indecision, the provisional governments, particularly those with a preponderance of military ministers, tended to favour adopting a Third-World approach to foreign policy and promoted the formation of special relations with the former colonies. This was the final manifestation, albeit in a pro-socialist form, of the thesis that was so close to Salazar's heart—Portugal's "African vocation".

guesa", in A. C. Pinto and N. S. Teixeira (eds), *Penélope: Portugal e a unificação europeia*, 18 (1998), p. 137. See also J. Magone, *European Portugal: The difficult road to sustainable democracy* (London: Macmillan, 1997).

6 S. MacDonald, *European destiny, Atlantic transformations: Portuguese foreign policy under the Second Republic* (New Brunswick, NJ: Transaction, 1993); J. M. Ferreira, "Political costs and benefits for Portugal arising from membership of the European Community", in J. da S. Lopes (ed.), *Portugal and EC membership evaluated* (London: Pinter, 1993); J. Gama, "A adesão de Portugal às Comunidades Europeias", *Política Internacional* 10, (1994-95), pp. 5–19.

The consolidation of democracy, which began with the election of the first constitutional government in 1976, can be characterized by a clear choice of Portuguese foreign policy as a Western country, simultaneously Atlanticist and European.

These were to become the basic strategic foreign policy vectors for the recent democracy. The Atlanticist outlook was predicated on the permanence of Portuguese foreign policy's historical characteristics, and played an important role both in directing Portugal externally and in stabilizing it domestically. The establishment of bilateral relations with the United States, and the strengthening of its multilateral participation within NATO, was the clearest expressions of the new democracy's international position.

Having finally overcome the Third World temptations of the revolutionary period, Portugal unreservedly adopted the "European option" from 1976 onwards. Now, however, this choice was a strategic decision and a political project, rather than the merely pragmatic, economic stance it had been under the authoritarian regime.

Democratic Consolidation, European Option and Adhesion to the EEC

Contacts between Lisbon and European institutions were initiated as early as 1974. The European Commission granted Portugal economic assistance while the European Council made its political position clear: it was ready to begin negotiations on the condition that pluralist democracy was established. Nevertheless, the country's economic situation, the political instability and continuing uncertainty during the transitional period ruled out any advance on the European front.

The first constitutional government, led by Mário Soares, adopted the "European option". The first step in this process took place in August 1976, when the Portuguese government successfully applied for membership at 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 decisive step: its accession application to the EEC.

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 EEC membership in March 1977. The European Council accepted Portugal's application the following month and initiated the formal accession process according to the treaties, including the mandatory consultation of the European Commission. In May 1978 the commission presented a favourable report, clearing the way for formal negotiations to begin in Luxembourg the following October.[7] 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, placing Portugal firmly on the European path.

The government was motivated by, and based its decision to follow this strategic option on, two principal goals. First, EEC membership would consolidate Portuguese democracy; second, EEC assistance would guarantee the modernization of the country and its economic development. Several Portuguese economists remained fearful, with the majority expressing grave reservations

7 J. M. Ferreira, "Os regimes políticos em Portugal e a organização internacional da Europa", *Política Internacional* 11 (1995), pp. 5–39.

regarding the impact EEC membership would have on some sectors of the Portuguese economy.[8]

There then followed a complex series of negotiations over the ensuing seven years. A first step had been taken in September 1976, prior to the country's formal application, with the revision of the 1972 EEC trade agreement through the conclusion of the Additional and Financial Protocols, which Portugal interpreted as representing a form of pre-membership agreement.[9] Despite these prior agreements, formal negotiations on Portugal's membership continued from October 1978 until June 1985.[10]

There were two important domestic factors explaining why the accession negotiations for such a small country with a relatively weak economy were so complex and drawn out. First, Portugal's economic situation immediately prior to transition and, more importantly, the economic measures taken during the revolutionary period—in particular, the nationalization of important economic sectors.

Second, the continuous governmental instability and the nature of the country's political and constitutional regime. After 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 a democracy under the tutelage of an undemocratic military institution. These factors weighed heavily in the negotiations, delaying their conclusion.

8 J. Cravinho, "Characteristics and motives for entry", in J. L. Sampedro and J. A. Payno (eds), *The enlargement of the European Community: Case studies of Greece, Portugal and Spain* (London: Macmillan, 1983), pp. 131–48. See also A. Tovias, *Foreign economic relations of the European Community: the impact of Spain and Portugal* (Boulder, CO, and London: Lynne Rienner, 1990).

9 Ferreira (note 7), p. 28.

10 P. Alvares and C. R. Fernandes (eds), *Portugal e o Mercado Comum: Dos Acordos de 1972 às negociações de adesão*, vol.2 (Lisbon: Pórtico, 1980).

During the early 1980s, Portuguese democracy overcame all of these objections. The constitution was revised in 1982 and the Council was abolished. The new national defence law finally established the subordination of the armed forces to the civilian political authorities. By 1983, democracy in Portugal had been consolidated, clearing the domestic obstacles to the successful conclusion of the accession negotiations.

One external hurdle remained. In the framework of Europe's southern enlargement, the EEC was also conducting accession negotiations with neighbouring Spain, a much larger economy than Portugal, and a country that did not share its history of close relations with European economic institutions. Portugal's diplomatic strategy was to keep its negotiations separate from Spain, thus hoping to secure a fast track to accession, in order to guarantee the status of member state before Spain. This tactic unsuccessful, however, as the community's policy was to negotiate with both Iberian nations simultaneously. This resulted in Portugal's accession being delayed by two years, until negotiations with Spain had been concluded.

The accession process culminated in the signing of the Treaty of Accession by the new government led by Mário Soares in June 1985. Portugal became a full member of the EEC on 1 January 1986.

The Europeanization of Portugal (1986–2010)

Portugal's membership of EEC paved the way to a period of Europeanization of the Portuguese society, registering profound domestic and foreign policy changes. These changes followed the deepening and enlargement process of European integration.

Since the democratic constitution of 1976 came into force, Portugal has known a wide political consensus on foreign policy, particularly regarding European integration. Apart for cyclical moments of greater ideological cleavage, there has always been agreement in this matter between the main Portuguese political parties: the centre-left Socialist Party (PS), the centre-right Social Democratic Party (PSD) and the right wing Democratic and Social Centre (CDS).

Such an agreement is based upon the "perception of Portugal as a nation, simultaneously Atlantic and European", with the latter dimension being more important in recent decades.[11]

Faithful to its Atlantic roots, from 1986 Portugal's foreign policy strengthened its European focus. The "European option" played a fundamental role in the consolidation of democracy and in the country's modernization. Therefore, it can be said democratization and modernization were the main domestic echoes of Portugal's European integration during the last quarter of the 20th century.

Generally speaking, Portugal supported the 1986 Single European Act, the 1992 Maastricht Treaty and the ensuing treaties that deepened the process of European political and economic integration. The various governments viewed Portugal's presence in the European Union (EU) as a commission and council support guarantee for Portuguese economic and structural development plans, despite realizing these alterations implied changes at the domestic and foreign policy levels.[12]

This process was not linear. Three core moments highlight Portugal's participation in the European integration process after 1986.

11 S. Royo (ed.), *Portugal, Espanha e a integração Europeia: Um balanço* (Lisbon: Imprensa de Ciências Sociais, 2005), p. 36.

12 Royo (note 11).

First, between 1986 and 1992, which was characterized by a position of pragmatism and moderation towards the European integration process, as the country sought to adjust to the challenge of Europe.

Second, from 1992 to 2000, when Portugal's participation in the European project reached its peak with successive Portuguese governments placing the country at the forefront of the European integration process.

Finally, from 2000 onwards, which has seen a return to pragmatism, Portugal has used European integration tools to maximize its external role, balancing the costs and benefits of the country's presence at the heart of the EU.

Prudence and Pragmatism: The First Years of Membership

Portugal joined the EEC at the same time as the European integration process was getting under way. By 1986, the EEC was undergoing a period of institutional relaunch through the signing of the Single European Act (SEA), the first revision of the Treaty of Rome in about 30 years. This change received a cautious welcome in Portugal, as the political intensification brought about by the SEA led the political elite to doubt Portugal's ability to meet the new demands. The opening of the Portugal's economy, which was backward compared to most of its European partners meant the country's accession had to be followed by compensatory economic measures.[13]

In terms of the political goals, the Portuguese government, led since 1985 by Aníbal Cavaco Silva, followed a strategy that

13 P. Lains, "Os caminhos da integração: Da autarcia à Europa do Euro", in M. C. Lobo and P. Lains (eds), *Em nome da Europa: Portugal em mudança (1986–2006)* (Cascais: Princípia, 2007), pp. 14–40.

focused on the credibility of full Portuguese membership, while at the same time seeking to profit from the economic and social advantages arising from EEC participation.[14]

Despite the moderation and pragmatism of the Portuguese position, the first phase of the country's EEC membership was nevertheless marked by one of the base principles of the SEA: the decision to create a single market was intimately connected with the need to promote economic and social cohesion within the community. As a consequence, with the approval of the Delors I plan, Ireland and the countries of southern Europe received considerable levels of financial compensation to help them meet the challenges of an increasingly liberalised European market. This was decisive for Portugal. The Lisbon government was one of the main beneficiaries of these measures, with strong consequences in the structural transformations performed in Portugal. Such transformations also helped change the Portuguese public's perception of Europe and the benefits of the country's European integration.

If in the early years of membership the dominant perception was of one of concern, regarding the country's ability to meet the challenges of accessing the EEC. The massive financial transfers rendered clear and visible the advantages of integration, hence radically changing Portugal's perception of Europe.[15]

From the political perspective, European integration forced the Portuguese government to rethink its alliances within Europe. During the early years of membership, Portuguese prudence and the pragmatism of Cavaco Silva's governments, ensured Portugal retained its Atlanticist position, aligning with its former EFTA

14 V. Martins, "Os primeiros anos' in N. Andresen Leitão (ed.), *20 anos de integração Europeia (1986–2006): O testemunho português* (Lisbon: Cosmos, 2007).

15 A. G. Soares, "Portugal e a adesão às Comunidades Europeias: 20 anos de integração europeia", in R. G. Perez and L. Lobo-Fernandes (eds), *España y Portugal: Veinte años de integración europea* (Salamanca: Tórculo Edicións, 2007), p. 69.

partners. Following its traditional foreign policy line, at least as far as the European integration process was concerned, Portugal remained aligned with the United Kingdom, believing Margaret Thatcher's government were safe and prudent allies with which to face the growing supranational trends within Europe.

In the autumn of 1989, when the Berlin Wall fell and the communist regimes in central and Eastern Europe collapsed, Portuguese foreign policy still followed the traditional Atlanticist line. However, after the collapse of the Soviet Union, German reunification, and European enlargement and deepening that was the result of the Maastricht Treaty, Lisbon's position evolved into a more flexible Euro-Atlantic position. This new position became evident during the first half of 1992, when for the first time Portugal assumed the presidency of the EU. At the time, the European question was posed as new national goal, with the country truly committed to the EU's new institutional form: Political Union.[16]

Euro-Enthusiasm: A Decade of Convergence

Portugal's 1992 EU presidency marked a change in the process of Portugal's integration. The Portuguese success in ensuring reform of the Common Agricultural Policy (CAP), contributed to changes in the position of Cavaco Silva's governments from the conservative of the early years, initiating a period of enthusiasm towards more active participation in the European project. While the EU entered a new stage following the signing of the Maastricht Treaty, Portugal revealed itself to be a *good student*; moreover, one that was truly committed to the European process. [17]

16 C. Gaspar, "Portugal e o alargamento da EU", *Análise Social* XXXV, 154–155 (2000), pp. 327–72.

17 Soares (note 15), p. 72.

Left behind was the conservative, traditionally Atlanticist and, until then, dominant trend in strategic and diplomatic culture, which saw the Atlantic focus and the special relationship with the US and the Portuguese-speaking world as the Portugal's foreign policy priority. With the end of the Cold War, Portugal's international position became increasingly Euro-Atlantic, reflecting the Europeanization of Portugal's strategic orientation.

This was particularly so from 1995, with the European outlook being strengthened during the remainder of the decade. The country's participation in peace missions in the Balkans clearly reflected the change in Portuguese foreign policy. Portugal had fully assumed its European status both in foreign and defence policy, and for the first time since the First World War, Portuguese armed forces took part in military operations on the European continent.[18]

Clearly taking on an Europeanist tone, which had been the political line of the PS since 1976, the socialist government led by António Guterres, adopted the European monetary union project as its main goal in the European integration process.[19] The Lisbon government asssumed the goal of placing Portugal at the head of the integration process as the only way to keep a peripheral country at the heart of the EU's decision-making process.[20] This strategy involved the immediate Europeanization of Portuguese public policies in all fields, which was reflected in the swift adoption of legislative changes outlined in the EU treaties, particularly in the 1997 Amsterdam Treaty. In this sense, one could observe

18 N. S. Teixeira, "A democracia, a defesa e as missões internacionais das forças armadas', in N. S. Teixeira (ed.), *Os militares e a democracia*, (Lisbon: Colibri, 2006), pp. 71–89.

19 M. C. Lobo, "A atitude dos portugueses perante a UE: Perspectivas sociais e políticas", in S. Royo (note 11), pp. 150–51.

20 Gaspar (note 16).

the incorporation of the EU's political values at all the levels of Portuguese policy.

The zenith of this strategy was reached in 1998. Despite the atavistic financial indiscipline of southern European countries, Portugal met all the conditions and was accepted into the select club of European states admitted to the single European currency, the euro.

Portugal achieved this aim just as Portuguese diplomacy achieved one of its flagship successes of the democratic regime with the resolution of the East Timor issue.

Not even a UN Security Council condemnation could force Indonesia into ending its occupation of the former Portuguese territory, which it seized in 1975. During the 1990s, the diplomatic persistence of the Portuguese government kept East Timor on the international agenda. In this context, the sense of belonging to the EU was without doubt a decisive factor in this, as it gave Lisbon an increasing international role enabling the people of East Timor to exert their right to self-determination through a UN supervised political transition.[21]

Portugal entered its second presidency of the EU in the first half of 2000 with Europe as the priority of its national interests.. Unlike in 1992, during this presidency the Portuguese government transmitted the image of a country that was comfortably integrated into the European project, and able to mobilize its peers to ensure the development and improvement of the union.

In the European Council of March 2000, the Portuguese presidency obtained approval for the Lisbon Strategy, a declaration of principles that sought to place the EU as the world's leading economy within a decade. Through the promotion of social,

21 J. J. P. Gomes, "A internacionalização da questão de Timor", *Relações Internacionais* 25 (2010), pp. 67–89.

educational and environmental policies, the Lisbon Strategy sought to make the European economy more competitive and better prepared for the challenges of globalization.

Although bearing important fruit for the affirmation of Europe at the start of the 21st century, Lisbon's aims were not entirely achieved, partly because the implementation method allowed the move away from traditional communitarian integration formulae by introducing non-binding obligations.

In fact, in 2000 most European countries were far more interested in improving the EU institutions in order to prepare Brussels for the Eastern enlargement. The 2000 intergovernmental conference in Nice, which sought to solve the questions left over by the Amsterdam Treaty, was also the moment the larger member states began to the diplomatic pressure in order to have their political weight acknowledged and enhanced within the European decision-making process. This period culminate in a moment of Europeanist euphoria: the Nice intergovernmental summit gave Portugal a platform upon which it was able to fulfil a leadership role in respect of the medium and smaller European states, defending their interests from the demands of the larger states. This role was paramount during the negotiations over institutional reform, at a time that was without doubt one of the most active moments of Portugal's participation in the process of European integration.[22]

At the external level, the Portuguese presidency sought to strengthen the EU's international presence, benefiting from Portugal's historical relations with regional areas traditionally linked to its national interest.

Successes included the approval of the Common Strategy for the Mediterranean and the launch of the EU-India

22 Soares (note 15), p. 77.

strategy following the Lisbon Summit. The Portuguese presidency's two main goals in relation to Africa were also achieved: the EU-ACP Cotonu partnership agreement, which replaced the Lomé Convention,and the first EU-Africa Summit, which took place in Cairo.

Return to Pragmatism: A Decade of Divergence

The conclusions of the 2001 Nice Treaty, coupled with the eastern enlargement of the EU, signalled the beginning of the end of Portuguese enthusiasm for European integration.

At this point, internal and external factors contributed towards the Portuguese gaining a more realistic perception of their belonging to the European Union. In 2001, with the resignation of Prime Minister António Guterres and the call for early elections, Portugal returned to internal political instability. The total commitment to the EU presidency and its leadership of the medium and smaller member states during the negotiations over the Nice Treaty contributed to the socialist government neglecting domestic policy. The new political instability was accompanied by an economic and financial downturn that came about partially as a result of a fall in domestic consumption and the loss of national export competitiveness.[23]

Major political and strategic changes in the international arena took place in the aftermath of 9 September 2001, particularly the transatlantic crisis and divisions within Europe caused by the US-led intervention in Iraq in 2003. For Portugal, however, it was EU enlargement to countries of the former Soviet bloc that had the most impact on its perception of the integration process.

23 Soares (note 15), pp. 82–3.

At this time there were no alterations registered in either the course of these EU trends or in Durão Barroso's government's European policies between 2002 and 2005.

From a geopolitical perspective this enlargement contributed towards moving Europe's centre of gravity to the East, thereby accentuating Portugal's peripheral condition in the European context.

Economically, the new member states were more attractive to multinational corporations seeking to benefit from the lower wages and skilled labour available in central and eastern Europe. Portugal was unquestionably one of the countries most affected by the relocation of companies to the east. To this situation another element was added—competition for structural funds—and again, Portugal was left behind.[24]

At this point, it should be noted the financial constraints deriving from economic and monetary union and adhesion to the euro, as well as the ongoing economic issues affecting Portugal, were aggravated from 2008 by the global financial crisis.

During the first decade of the 21st century, Portugal's GDP diverged from the EU average and from those of its cohesion partners. In 1999 Portugal's GDP per capita was 68 per cent of EU GDP per capita: by 2008 it had fallen to 64 per cent.

Despite these various difficulties at this time Portugal did not go back to the scepticism that was characteristic of Cavaco Silva's early years in government. With the Socialist Party returning to power in 2005, and the European crisis and French and Dutch vetoes of the European constitution notwithstanding, Portugal's attitude was one of responsible realism. Portugal's 2007 EU presidency offered proof of the country's political maturity in the

24 Soares (note 15), p. 83.

European integration project. This was felt both at the EU's internal level and through its international presence.

Domestically, the priority of the governments led by José Sócrates was to ensure the conclusion of the political process for EU reform, which was achieved with the signing of the Lisbon Treaty on 13 December 2007.

Internationally, the priorities of Portugal's presidency focused on strengthening and diversifying the EU as a global actor. This was achieved through a series of successful international summits, including the EU-Russia summit, the second EU-Africa dummit and the first EU-Brazil summit, which resulted in the celebration of a new strategic partnership.

While these summits contributed towards strengthening the EU's international presence, they also favoured Portugal's national interest by extending the EU's strategic partnerships into areas of its traditional strategic interest: Africa and Brazil.[25]

Conclusion

Portuguese participation in the process of European integration had political, economic and social costs and benefits for the country.

From the global standpoint, Portugal's accession to the EEC was important both for the domestic consolidation of democracy and the external definition of a new model for international insertion. Although Portugal was already part of the international post-Second World War system, as member of the UN, NATO, OECD and EFTA, integration into the EEC closed the cycle of normalization of the country's presence in the international

25 L. Ferreira-Pereira, "Portugal e a presidência da União Europeia (1992–2007)", *Relações Internacionais* 20 (2008), pp. 131–43.

system, thus placing it in the select club of politically stable and economically developed Western democracies.

Economically and socially, a profound change occurred during the two decades of Portugal's European integration. The country's economy experienced accelerated modernization, which had a clear impact at the productive structure level, as well on external commerce and social cohesion. Portugal's accession to the EEC took place at precisely the moment Europe was seeking to strengthen and intensify its integration through the SEA.

Through the provision of European structural funds and the introduction of cohesion policies, Portugal's economy and society set out on a process of structural reformulation, with the goal of achieving macroeconomic stability and increased competitiveness, which became one of the key-consequences of accession. Yet despite its difficulties and limitations, Portuguese participation in the integration process was translated at the economic and social level. During the first decade it resulted in its convergence with its European partners, and its growing divergence since the end of that first decade.[26]

Politically there was a process of Europeanization of Portuguese institutions and public policies. The transposition of European legislation resulted in significant changes that shaped public institutions and policies to the practices of European institutions and their decision-making processes. During the course of this process, the costs in terms of sovereignty transfer within the various affected sectors seem to have been widely compensated by the economic benefits obtained, which was reflected in the

26 S. Royo, "O alargamento de 2004: Lições ibéricas para a Europa pós-comunista", in Royo (note 11).

Portuguese public's support for European integration and Portugal's participation in the European project.[27]

As far as Portugal's foreign policy is concerned the impact of European integration was tremendous, even determining the emergence of a new model for the country's international insertion. First, it changed the contradictory perception between Europe and the Atlantic to one of complementarity. For Portuguese foreign policy, the European Atlanticist outlook may bring added value in the Atlantic and in post-colonial relations. Second, while the Europe/Atlantic equation remained, priorities were inverted: traditionally Portugal had prioritised the Atlantic and the colonies while looking for European compensations; now Portugal's priority is Europe and the European Union, and to obtain added value at the international level it seeks to take advantage of its Atlanticist position and post-colonial relations.

27 Lobo (note 19), pp. 158–59.