

The Political System in Portugal: People's Demand versus Political Parties' Supply
- A Contribution to Institutional Analysis and Development -

by

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Introduction:

The world turmoil in 2008 launched Portugal into the deepest economic and political crisis since its democratic revolution in April of 1974. Certainly, many aspects of the socio-economic and political organization of the country intensified the situation. This study, however, focuses on the institutional aspects of the political system in Portugal that, arguably, may have played a special role throughout the decades in building up domestic conditions that helped shape a situation that has been affecting people's well being in an unprecedented way.

Naturally, people have aspirations on how their individual lives should, and should not, be affected by the socio-economic and political systems they live and operate in. In this sense, people can be viewed as the demand side of the institutional development equation. Consequently, in a democratic system like Portugal's, the political parties, elected officials and legislators can be viewed as the main components of the supply side of that equation.

This study is then divided in two parts. The first part aims to capture the perspective of the Portuguese Diaspora⁴, here viewed as a proxy for and component of the demand side, regarding selected institutions and features of the political system in Portugal. The second part aims to capture the perspective of the five parliamentary political parties, here viewed as the supply side of the institutional development equation.

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⁴ The sample also includes residents in Portugal with professional interests abroad (see Methodology section).

By conducting an institutional demand-supply analysis this study aims to contribute to a better understanding of the (mis) alignment of perceptions, priorities and expectations between the people and legislators. In doing so, this study will be able to achieve two goals. First, it will be able to offer specific ideas and proposals for a collective agenda of change, advancement and modernization of the political system in Portugal. Second, it will contribute to the development of dialogue and collaborative trust-building platforms between (i) citizens and elected officials and (ii) political parties among themselves. Moreover, in a time where the current government launched a public debate around the “reforma do Estado” (State reform)⁵ it is urgent to develop a strong political reconciliatory ethics to change the institutional factors most hindering the possibility of sustainable development, which are nowadays more visible than ever.

1. Methodology: Part 1 – The Demand Side

1.1 Sample and Diaspora

Since it is not practical to reach out to the entire population of Portuguese citizens, this study adopts a purposive sampling created around the Portuguese diaspora. Firstly, the diaspora is a subset of the population being studied. Secondly, Portugal has a very long and rich tradition by which much of its human capital develops abroad and contributes to regional development in the country. Due to the World Wide Web, social media, new ICTs and more efficient global transportation systems, the diaspora is increasingly becoming a powerful vehicle to look at and understand the problems blocking the country. Its internationalization and comparative socio-politico-institutional perspective from a distance constitute key sources for the emergence of new approaches and rupture with viced cycles that have been hindering Portugal’s possibility to embrace the global challenges imposed to development. For this reason the sample also includes residents in Portugal with professional interests abroad. Thirdly, due to its geographic distance, perspectives captured from the diaspora may be less biased by current popular moods against the political system driven by the very difficult life situation in Portugal, as well as by temporary conditions, such as the current crisis. Under this assumption, perspectives captured by the diaspora will reveal a less biased long-term vision for the political organization of the home country.

1.2 Sampling

The sampling design was built using several methods: social media through the authors’ personal contacts, snowball sampling through social media, Portuguese associations in the diaspora, and AICEP databases of Portuguese companies abroad. A total of 1073 Portuguese living in 59 different countries participated in the study. It is assumed that the composition of the sample follows approximately the same proportions that the diaspora in each country covered represents, of the total Portuguese diaspora population, in those countries. However, several variables, such as the media used to disseminate the survey and the differentiated relationships diaspora versus home country, can be potential sources of bias. This

⁵ Document available at <http://www.portugal.gov.pt/pt/os-ministerios/vice-primeiro-ministro/documentos-oficiais/20131030-vpm-reforma-estado.aspx>

methodological problem is overcome through the collection of large numbers of sample units (surveys).

1.3 The Method: Survey

The online survey was designed in the SurveyMonkey web platform and it was open between June 1 and August 15, 2013. The survey was structured in three parts. The first six questions served to determine the localization, nationality, longevity abroad and strength of ties abroad of the participant. Questions 7-31 covered the core of the survey and focused on themes such as power relations between the President and the Government, power relations between the Parliament and the Government, check and balances system of the Portuguese budget and public finances, power relations between the legislative and judicial bodies, accountability of the judicial system, the funding of the political parties, autonomy of the regulatory authorities, electoral system, size of the Parliament, referendum system, professional status of Parliamentarians. Questions 32-35 were dedicated to demographics such as gender, education level, age, and sector of professional activity.

The sources for the selection of the themes surveyed include blogs, media, documents from political parties, and scientific publications.

2. Preliminary Results: Descriptive Statistics

2.1 Demographics

Of the 1073 participants surveyed, 81.7% live outside of Portugal. Of the 196 living in Portugal, 50.5% have strong professional connections abroad and 49.5% did not continue the survey for not having relevant international experience. These 1073 participants are distributed across 60 different countries. The top 10 countries represented are: United States, UK, Brazil, Mozambique, Macau, Belgium, Germany, Ireland, Spain and Luxembourg (see Chart 1 for longevities abroad and Chart 2 for regions of residence).

Chart 1: Longevity Abroad

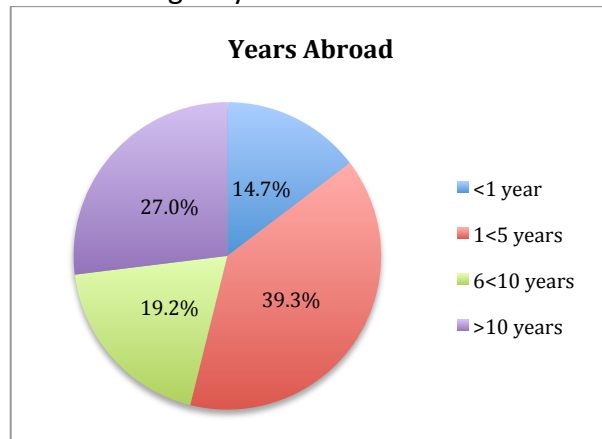
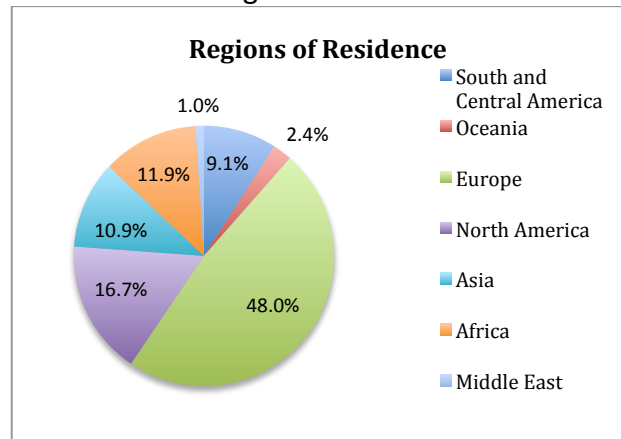


Chart 2: World Regions of Residence



Two in every three respondents are male (65.1%), 85.1% have a Bachelor’s degree or higher (see Chart 3), and 72.5% of all participants see themselves as part of the Portuguese diaspora. Chart 4 displays the distribution of the samples’ birthdates, placing them between 18 and 82 years of age.

Chart 3: Academic qualifications

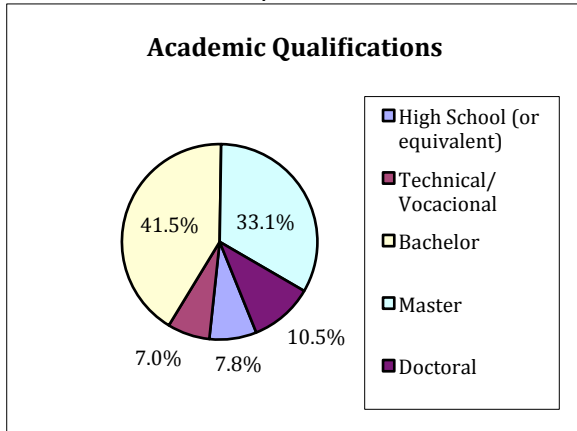
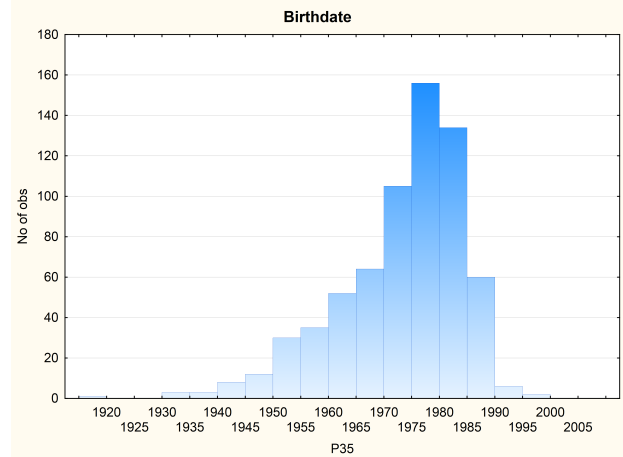


Chart 4: Year of Birth



2.2 Global Results: Institutional Dimensions, Demand and Priorities

This section looks at the 22 institutional dimensions surveyed and ranks them by decreasing order of consensus among the participants. The first group (consensus at 80% or higher) includes eight dimensions (see Table 1).

Table 1: Institutional Demand: Consensus At 80% or Higher

Q. #	Institutional Dimension	Consensus (%)
23	Do not allow Parliamentarians to accumulate jobs in private companies.	91.3
7	Since 1974, we haven’t been able to govern ourselves.	91.0
27	Change the current political parties’ financing system.	86.7
22	Reduce the number of Parliamentarians.	85.4
20	Increase the penalties for bad political decisions.	85.0
14	Grant Courts more powers to oversee and prosecute politicians.	81.7
25	Make nominations by Parliament, such as <i>Procurador-Geral da República</i> and Judges of the Supreme Court, more publicized to widely disseminate nominees’ profile, competencies, and beliefs.	80.6
18	Make mandatory the presentation of complete alternative annual budgets by all parties when discussing the Government’s proposal.	80.4

The second group (consensus between 60% and 80%) includes eight institutional dimensions (see Table 2).

Table 2: Institutional Demand: Consensus Between 60% and 80%

Q. #	Institutional Dimension	Consensus (%)
26	Design a system that allows ballots, in national and local elections, to include reference to certain public policies for direct vote by the people.	74.4
10	Grant Parliament more powers to oversee the Government.	72.0
15	Require the Justice System to present and discuss its performance report in and to the Parliament.	70.0
21	Design an electoral system based on direct votes in concrete candidates.	69.5
17	Limit the public deficit maximum in the Portuguese Constitution.	66.0
13	Strengthen the conditions favoring the formation of single-parties' absolute majorities.	63.2
16	Require the Government to present multi-annual budgets.	60.6
19	The current degree of independency of the regulatory authorities in Portugal is not adequate.	60.3

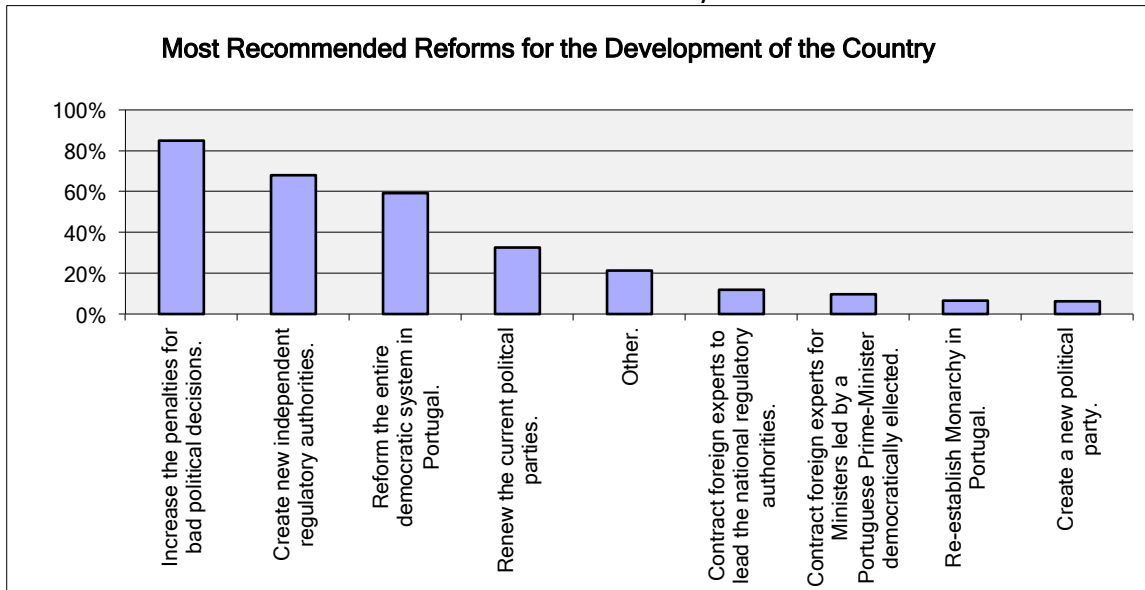
The third group (very little or no consensus) includes six institutional dimensions (see Table 3).

Table 3: Institutional Demand: Very Little Or No Consensus

Q. #	Institutional Dimension	Consensus (%)
30	In the period 1974-2013, the State promoted the development of the well being of the Portuguese.	59.9
29	Political parties should compete for public financing between themselves and with organizations from the civil society.	57.8
12	Not in favor of a Federal Europe, in which Portugal was governed by an European Government elected by all European citizens.	57.5
11	The well being of the Portuguese would not benefit if the power to approve and oversee the budget (national accounts) belonged to European bodies.	53.1
28	Do not agree with the alternative design by which a political voucher of X euros per year would be given to each voter to be spent in the funding of the selected party.	50.0
9	Keep the current feature of the Portuguese political system in which the President does not supervise the Government directly.	48.2

Question #20 asked participants to choose, from a list of 9 options, the top three reforms respondents believe would contribute the most for the development of the country. Penalization of bad political decisions (85%), independence of the regulatory authorities (68%) and reform of the state (59.1%) were the institutional reforms listed by more than 50% of the respondents (see Chart 5).

Chart 5: Most Recommended Reforms for the Country



Note1: Respondents were asked to choose the top three choices of a list of 9 options.

Note2: “Other” answers will have a specific methodical treatment in the section dedicated to the semantic analysis of open questions.

2.3 Trust Analysis

Civic cooperation and trust is what a country needs to advance its democratic society's political structure. Several authors, such as Almond and Verba (1963), with the idea of civic political culture; Coleman (1988), with the concept of social capital; Ostrom (1990), with the idea of collective action; Putnam (1992), with the concept of networks of civic engagement; Wright (2001), with the nonzero sum logic of human destiny; and Hardin (2005), with the role of reciprocity in solving social dilemmas, have been emphasizing the key role of trust and cooperation to promote development and advance democratic organization.

Table 4: Trust Scores for Socio-Political Groups/Entities

Rank	Group	Score
1	Family	83.1
2	Scientists	79.9
3	Social Entrepreneurs	53.5
4	Businessmen/women	48.7
5	Judges	46.7
6	Journalists	46.3
7	Priests	42.8
8	President	32.7
9	Ministers	27.9
10	Parliamentarians	24.8

Participants in this study were asked to grade their level of trust in 10 different types of social

groups (1: minimum, 10: maximum): scientists, parliamentarians, businessmen/women, social entrepreneurs, family, journalists, judges, ministers, priests and the President. The maximum possible score was indexed to 100 points and all groups' scores were calculated based on this index.

Table four suggests several comments. First, the rank seems divided into three sub-groups: high-trust (Family and Scientists), low-trust (Politicians) and mid-trust (all others). Second, this table shows how tremendous the trust divide between elected officials and those who elect them is. Third, the policy-making process, and politics in general, could hypothetically benefit from the trust placed in science if it was to become more data-driven. Fourth, the divide between trust in science and in the clergy suggests that people are relying less on mediating powers to achieve happiness and look for more atomistic entrepreneurial routes. After all, leaving the home country to look for a better life elsewhere requires a very strong sense of independency and self-reliance.

It is also interesting to point out the differences between the political and other major sources of influence – religion, press, the law and the economy - which have all a higher trust score.

2.4 Cluster Analysis

Cluster analysis is an exploratory methodology used to understand the complex nature of multivariate relationships. More specifically, this methodology uses certain metrics of distance and proximity to search the data for a structure of “natural” groupings (Johnson & Wichern, 2007).

Given the quantitative or, at least, the ordinal qualitative nature of all the variables used in this study, a two-step cluster analysis was applied in search of overall homogeneous groups of respondents. Firstly, a hierarchical clustering was used in order to provide an initial estimate for the number of homogeneous groups that could be found on the data as well as the relative distance between them (see Figure 1 for the resulting dendrogram). This first step resulted in the breaking down of the study-sample into five clusters. Secondly, a cluster analysis using k-means methodology included the five clusters that were found on the results for the first step. This methodology uses the Euclidean distance as its criteria to calculate how close or far apart two respondents of the survey are.

The vertical axis of the dendrogram refers to this distance measure between clusters, which is obtained by subtracting clusters' correlations from the unity value. The more clusters are correlated (i.e., the more similar their respondents' answers are), the closer to “1” the correlation value will be and closer to “0” their distance will be. Therefore, highly correlated clusters are nearer to the bottom of the dendrogram. The 20% threshold represents the level of differentiation between clusters adopted to determine the number of sufficiently distinct clusters: five (see Chart 6). That is, the 20% differentiation is the adopted threshold to identify sufficiently heterogeneous clusters for which identities of interest can be described.

Fig. 1: Dendrogram

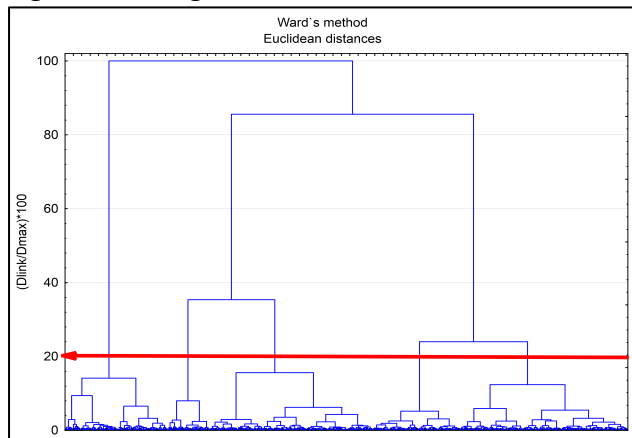
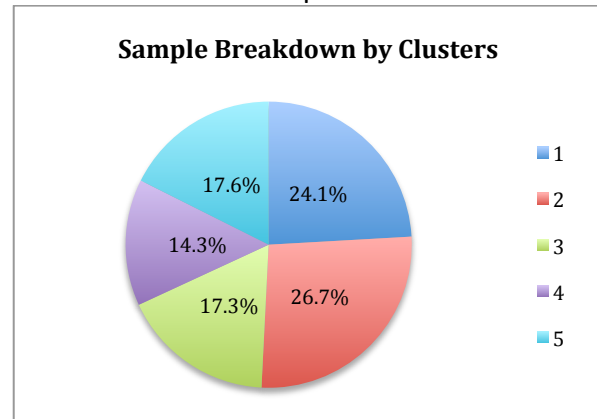


Chart 6: Clusters' Composition



Two of these clusters (3 and 5) can be viewed as Europeanists, whereas three (1, 2 and 4) can be labeled as nationalists. Some are stronger Europeanists (Cluster 3) than others (5). The stronger Europeanists are the youngest of all surveyed, hold a Master's degree, live in the UK, trust parliamentarians the least, prefer that European institutions control the Portuguese budget and public finances, prefer having foreign experts leading the country's politico-economic regulatory entities, and are in favor of a European federation where Portugal would be governed by a European central government. For these reasons, they are also in support of hiring foreign experts to lead the ministries under the leadership of an elected Prime Minister. In addition, the strong Europeanists are against the money voucher idea to fund political parties, but defend limits to their private funding. These respondents believe the judicial system should report and present its performance indicators in and to the Parliament.

The moderate Europeanists (Cluster 5) are the most optimistic of all surveyed with the democratic system in Portugal. That is perhaps the reason why they are the ones least convinced of the need to reorganize the political system in Portugal. Surprisingly, however, they systematically trust the least in all social groups. Moderate Europeanists believe less than the strong Europeanists that more powers should be granted to the Parliament to control the Government, that European institutions should control national public finances, and that there should exist a European federation where Portugal would be governed by a European government. They also believe that each government should have the autonomy to manage the public deficit and not be limited by constitutional ruling. Members of this cluster typically live in the U.S and Belgium, are educationally and age-wise an homogeneous group, are less predominantly female, are against the idea of parties having to compete with other civic organizations for public funding, are more favorable to keep the parties' funding system in general, and reveal less support for referendums. Similarly to the strong Europeanists, they are in support of hiring foreign experts to lead ministries under the leadership of an elected Prime Minister.

Some nationalists are more optimistic (Cluster 4) than others (Cluster 1). The more optimistic are older, live in Brazil, hold Ph.Ds, are predominantly women and support nominal circles for the electoral system. The optimistic nationalists believe the most that the system can improve by changing how current parties operate. But for this, they require more power for Courts to oversight the activity of politicians. These do not put as much emphasis on changing the evaluation process of the judicial system as other clusters do. They are, however, the strongest against either hiring foreign experts to lead the national politico-economic regulatory bodies or to lead governmental ministries. Not surprisingly, nationalists trust the most across different social groups, in particular across political institutions and actors. And because they are more optimistic with the current political system, they trust in the current power balance between the Government and the President and they favor least the possibility of parties having to compete for funding with other civic organizations. A mix of nationalism with optimism seems to be a recipe for a stronger sense of belonging to a diaspora community.

In general, the so-called nationalists are against both the transfer to European institutions of power to approve and oversee the budget and public finances, and a federal Europe where Portugal would be governed by a European government.

The pessimistic nationalists (Cluster 1) live in the UK, Ireland and Macau, and predominately hold a Bachelor of Science (*"Licenciatura"*). They distinguish themselves from the optimistic nationalists at two main levels. First, the pessimistic trust less across social groups, especially across political actors and institutions. And because of this, they support less absolute majorities, put less faith in the capacity of current political parties to renew themselves and strongly require a general reorganization of the political system in Portugal. Not surprisingly, this is the group with more monarchists. Because they distrust political actors and institutions considerably, they advocate for both more independent regulatory authorities and a different funding system for parties. More specifically, they support a system based on money-vouchers and competition between parties and other civic organizations for public funding. Additionally, they feel that the State has not been able to support and develop people's well-being and governments have successively failed to properly govern the country since 1974.

The pessimistic are similar to the Europeanists insofar that they distrust political actors and institutions. They are, however, closer to the nationalists insofar that they reject both the transfer of powers to European institutions and the consequent loss of national sovereignty.

Cluster 2 is the least differentiated of all five clusters analyzed. People in this cluster reveal a higher level of trust on the current political system. They tend to support more moderated changes of the system instead of radical options. And that is maybe why they (i) are the least coherent concerning the transfer of power to European institutions and (ii) do not demand the preparation of multi-year budgets by the Parliament. This is also the cluster that places higher levels of confidence in entrepreneurs.

3. Next Steps and Further Results

The next version of this study, scheduled for the end of January, will include non-parametric modeling to determine the degree of statistic correlation between variables. More specifically, the survey included six questions, organized into three types of dependent variables, for which correlations with the sentiment regarding all other institutional aspects analyzed will be explored:

- i) Reputation of institutions (level of trust in): President, Ministers and Parliamentarians (Q8).
- ii) Wellbeing and happiness of the Portuguese (Q11 and Q30).
- iii) Governability of the country (Q7).

The authors are also preparing two additional pieces of research. First, on the demand side, six of the survey questions (Q15, Q18, Q20, Q21, Q28 and Q31) offered the possibility for respondents to expand their ideas, suggestions and recommendations in an open format. Several statistical techniques for semantic analysis will be applied to structure the hundreds of contributions collected and better describe, rank and associate people's aspirations and demands. Second, on the supply side, all parliamentarians will be invited to comment on the results obtained with the analysis of the demand side. The aggregated results obtained from the supply side will be synthesized in a final chapter of this study.