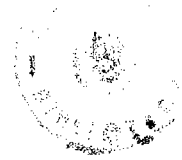


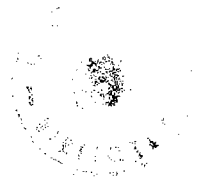
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NATIONALIZATIONS AND DE-NATIONALIZATIONS IN PORTUGAL (19th AND 20th CENTURIES): A HISTORICAL ASSESSMENT

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1. Introduction¹

In the first centuries of its existence, the Portuguese State, like most European States, was basically a patrimonial State, i.e. a State whose revenue consisted mainly of income from property (especially landed property) and from enterprise (especially overseas trade from the 15th century onwards and State factories of a mercantilist nature, particularly in the textile and glass sectors, from the end of the 17th century onwards).

However, similarly in keeping with the general European trend, the Portuguese State was, over time, becoming an increasingly fiscal State, i.e. a State whose revenue derived mainly from taxes. At the end of the 18th century, this evolution involved the abolition of the State monopolies in overseas trade. At the beginning of the 19th century, many State factories of a mercantilist nature were closed for economic reasons, in view of the unfavourable short-term situation generated by the wars against France (especially 1807-1814), by the loss of exclusivity in relation to Brazilian trade (1808) and by Great Britain's imposition of a free-trade treaty (1810). Finally, in the second third of the 19th century, after the definitive establishment of a political regime based on a constitutional monarchy, there began a process involving the systematic sale of the Crown's assets, as well as the assets that had been expropriated from the military religious orders, monasteries and convents upon their abolition. At the same time, some of the State factories of a mercantilist nature that were still in existence were either closed or sold to private citizens. Thereafter, fiscal revenue always represented the major element in the structure of Portuguese State revenue².

This did not prevent the Portuguese State from becoming the owner of an enterprise sector in the course of the 19th and 20th centuries. The history of this State enterprise sector can be divided

1 Revised version of paper presented at session 40 of the XIII International Economic History Congress on "Nationalizations and denationalizations in the XIXth-XXth centuries: expectations, processes and balances" = pre-conference: Trois Rivières, 2001 = Congress: Buenos Aires, 2002.

2 See Mata, 2001, Table 9.3.

into four main periods. The first period, lasting up to the First World War, was characterised by the reduced size and unsystematic nature of the formation of what, in the terminology of the period, was known by the name of autonomous services¹. The second period, from the First World War to the end of the 1920s, was characterised by a cycle of rapid growth in these autonomous services, followed by an equally rapid decline. The third period, from the late 1920s to the early 1970s, was characterised by the formation of some mixed enterprises, autonomous services and public enterprises, without any new systematic effort having been made to expand the public sector of production. The fourth period, beginning after the revolution of 25 April 1974, was characterised by a second cycle of rapid growth in public enterprises, brought about by a systematic process of nationalizations between 1974 and 1976, followed by a reprivatization process, which began at the end of the 1980s and is now reaching its conclusion at the beginning of the 21st century.

Sections 2 to 5 of this paper review the evolution of the Portuguese State enterprise sector during these four periods. Section 6 presents some concluding remarks.

2. The State enterprise sector up to the First World War

Although, up to the First World War, the Portuguese State never abandoned the ideal of non-intervention in enterprises and short-term economic affairs², either during the period of the constitutional monarchy (definitively established in 1834) or during the first few years of the First Republic (proclaimed in 1910), various circumstances led to the formation of a small sector of autonomous services. These circumstances were threefold: the need to take care of enterprises that were experiencing difficulties, but were nonetheless considered to be vital for the national economy; the intention of adopting new forms of management and possibly new functions for potentially lucrative public services; and the attempt to directly administer fiscal monopolies.

The need to take care of enterprises in difficulties led to the formation of the *Caminhos-de-Ferro do Estado* [State Railways]. More precisely, the *Caminhos-de-Ferro do Estado* came about as a result of the vicissitudes of the enterprises that had sought to build the rail connection on the left bank of the River Tagus leading to the Alentejo and the Algarve in the south of the country. A first company financed by Portuguese capital, the *Companhia Nacional dos Caminhos-de-Ferro do Sul do Tejo* [South Tagus National Railways Company], was wound up after completion of the lines from Barreiro to Pinhal Novo, and from there to Vendas Novas and Setúbal, between 1854 and 1861 (70 kilometres for 324 thousand pounds, of which 124 thousand pounds were State

1 Meaning public services with financial and patrimonial autonomy.

2 This did not mean the absence of a long term development economic policy. On the matter see Mata, 1998.

subsidies). The State bought the lines (for 224 thousand pounds) and handed them to a company financed by British capital, the South-East of Portugal Railways Company, which enjoyed no more success and was wound up after building the line from Vendas Novas to Évora and Beja between 1864 and 1866 (150 kilometres for 2 million and 41 thousand pounds, of which 441 thousand pounds were State subsidies). The State again bought the lines (for 528 thousand pounds) and completed the rail network in the south of Portugal, including the lines to Lagos and the River Guadiana, the branch lines around Évora and the Moura branch line, by the 1920s (255 kilometres for 1 million 415 thousand pounds).

Curiously, it was to the north of the River Douro that the activity of the *Caminhos-de-Ferro do Estado* was extended with the building of the Minho line (from Porto to Monção, 149 kilometres for 1 million 653 thousand pounds), the Douro line (from Porto to Barca de Alva, 204 kilometres for 2 million 236 thousand pounds) and some complementary branch lines, also by the 1920s. The much higher cost per kilometre of these northern lines in comparison with those built in the south of the country is largely explained by the much hillier nature of the terrain.

By way of contrast, the centre of the country was served by private lines, amongst which the most important were those of the *Companhia dos Caminhos-de-Ferro Portugueses* [Portuguese Railways Company] and the *Companhia do Caminho-de-Ferro da Beira Alta* [Beira Alta Railways Company].

All in all, on the eve of the outbreak of the First World War, the lines exploited by the *Caminhos-de-Ferro do Estado* covered a total distance of 1024 kilometres, or, in other words, just over one third of a network that, all together, totalled 2898 kilometres in length. Roughly 2 million tons of goods per year were carried along these lines, i.e. roughly one quarter of the total amount of roughly 8 million tons of goods transported on Portuguese railways as a whole. Roughly 5 million passengers were carried on these lines each year, i.e. less than one sixth of the total of roughly 33 million passengers per year transported on Portuguese railways as a whole. These figures serve to explain the main reason for the existence of the *Caminhos-de-Ferro do Estado*: they were designed to serve the regions that had less traffic, either because of smaller populations (the south) or because of lower levels of development (the north), i.e. regions that were less attractive to private enterprise for this very reason¹.

The aim of adopting new forms of management and possibly new roles for the public services led to the formation of the *Caixa Geral de Depósitos* [State Savings Bank]. In practice, it was a matter of extending the public deposit services, which received compulsory deposits (such as legal deposits, guarantees, etc.) from public services and private citizens, to include the receipt of

¹ For more information on the Portuguese railways in general up to the outbreak of the First World War, see Vieira, 1983 and Alegria, 1990.

voluntary deposits, and further enabling these services to carry out banking practices in general. The law of 10 April 1876 created the *Caixa Geral de Depósitos* for the purposes of receiving compulsory deposits and voluntary deposits using the apparatus of the public treasury established throughout the country and down to the level of municipalities. The law of 26 April 1880 created the *Caixa Económica Portuguesa* [Portuguese Savings Bank] for the purposes of setting up a savings bank administered by the State through the *Caixa Geral de Depósitos*. The two institutions were merged by the law of 1 July 1885.

It cannot be said that these State banking firms rapidly took on an important role in the Portuguese banking system. However, on the eve of the First World War, they already had a share of roughly one tenth of existing deposits and were beginning to challenge the position of the main private banks¹.

The attempt to directly administer a fiscal monopoly led to the ephemeral formation of the *Administração dos Tabacos* [Tobacco Administration]. In fact, the production and sale of tobacco products was undoubtedly the main monopoly legally held by the Portuguese State in the 19th century, due to the revenue that it provided. It was operated under the system of a concession made to one single private enterprise or various private enterprises for most of the century, but, between 1888 and 1891, an attempt was made to administer it directly through a public enterprise. Two reasons can be advanced to explain why the experience proved to be so ephemeral. First of all, the establishment of the direct administration of the tobacco monopoly was supported in 1887 by the governing party, the *Partido Progressista* [Progressist Party]², although it was rejected by the opposition party, the *Partido Regenerador* [Regenerator Party]. For this reason, it was relatively natural that this latter party should try to abolish this direct administration when it returned to power (in 1890, as a result of the diplomatic incident with Great Britain over South African territories, which became known as the British ultimatum). Secondly, the administration (led by Oliveira Martins – see footnote 6) defended a strategy of increasing profitability in the long term (although this would be relatively limited in the short term), which was not compatible with the State's financial restraints. Thus, in 1891, the concession for the tobacco business was once again given to a single private company, the *Companhia dos Tabacos de Portugal* [Portuguese Tobacco Company], for a period of thirty-five years, in exchange for a loan that would be used in an attempt to prevent the suspension of the monetary regime based on the gold standard and to forestall the State's bankruptcy, both of

¹ For more information on the history of the *Caixa Geral de Depósitos* in general, see Pereira, 1989 and Lains, 2002.

² It is possible to detect here the influence of the left wing of the *Partido Progressista*, which had notably socialist tendencies and whose members included two well-known economists, Joaquim Oliveira Martins and José Frederico Laranjo, both of whom defended an increase of the State's intervention in the economy, even though they themselves were personal rivals (see Martins, 1957 and Laranjo, 1996). The rest of the Portuguese intellectual world at that time was quite openly opposed to State intervention in the economy. See, as an example of all such intellectuals, the case of the republican José Rodrigues de Freitas (in particular, Freitas, 1996).

which were a threat to the country's financial stability. In fact, the attempt failed: the loan was issued in March 1891, but the abandonment of the monetary regime based on the gold standard nonetheless took place in May of the same year and the same Oliveira Martins, who was now the Minister of Finance, had to declare the partial suspension of the payment of the costs of servicing the external public debt roughly one year later¹.

The years before the First World War saw an increase in the number of autonomous services, on the one hand through the granting to several services of an identical status to that enjoyed by the *Caminhos-de-Ferro do Estado* and the *Caixa Geral de Depósitos*, with a view to exploiting the possibilities of increasing public revenue, on the other hand through the formation of a banking service designed to provide support for agriculture.

The non-autonomous services that were granted the status of autonomous services were the *Serviços Florestais e Aqüícolas* [Forestry and Aquaculture Services], the *Administração-Geral do Porto de Lisboa* [Lisbon Port Authority] and the *Administração-Geral dos Correios e Telégrafos* [General Administration of Postal and Telegraph Services] by Law 3 of 9 September 1908, and the *Administração dos Portos do Douro e Leixões* [Douro and Leixões Port Authority] by the Law of 23 April 1913.

There are no published studies or statistics available that make it possible to assess the proportion of the forest supervised at the time by the *Serviços Florestais e Aqüícolas* in the total extent of the Portuguese forested area. The *Serviços Florestais e Aqüícolas* ended up returning to their earlier situation of being a non-autonomous service in the late 1920s, without there being anything remarkable to note in their respect.

The port of Lisbon has always been the main Portuguese port since mediaeval times. According to the statistics of trade and navigation (DGE, 1913), in 1913, 3441 ships entered the port (more than 30% of the total of 10638 ships that entered Portuguese ports), corresponding to 10557 gross register tons (more than 40% of the 24658 gross register tons that corresponded to the ships entering Portuguese ports). The port of Oporto, on the Douro River, followed Lisbon at some distance in terms of importance, until it was replaced as the main port of Northern Portugal by the sea port of Leixões, in the late 19th century. The *Administração-Geral do Porto de Lisboa* and the *Administração dos Portos do Douro e Leixões* remained as autonomous services until they became public enterprises during the last quarter of the 20th century.

The *Administração-Geral dos Correios e Telégrafos* had a monopoly of the activities that gave the service its name and was also responsible for operating the telephone services throughout the country, except for the regions of Lisbon and Porto, where the right to operate the respective services had been given in the 1880s as a concession to a company financed by British capital,

¹ For more information on the evolution of the tobacco sector in the Portuguese economy in general, see Santos, 1974.

Anglo-Portuguese Telephones. Its relative importance as a telephone company was minimal. In 1928, the first year for which there are statistics available, the *Administração-Geral dos Correios e Telégrafos* only supplied roughly 7 thousand telephones, i.e. less than a quarter of the 30 thousand telephones existing in Portugal¹. The *Administração-Geral dos Correios e Telégrafos* remained as an autonomous service until the changes that were made to the sector in the 1960s (see Section 4 below).

The banking service created by Law 215 of 30 June 1914 to play the role of an investment bank for agriculture, using funds obtained by the State from the Bank of Portugal under favourable conditions, was the *Caixa Geral de Crédito Agrícola* [Agriculture Credit Bank]. Its evolution will be examined below.

3. The State enterprise sector between the First World War and the end of the 1920s

The experience of so-called war socialism, i.e. the planning by the State of a significant part of the economy in order to make the war effort more efficient, meant that the First World War marked a turning point in the general acceptance of a profound level of State intervention in the economy and the formation of an apparatus that was capable of carrying out such intervention. In Portugal, just as in most of Europe, this led to a significant broadening of the scope of the State enterprise sector.

This broadening of the State enterprise sector resulted in the creation of new autonomous services, which, in turn, took place under two types of circumstances: the exploitation of resources that had fallen into the hands of the State under exceptional circumstances, and State intervention in the areas of health, social security and agriculture.

At the same time, however, there was a significant fall in the profitability of autonomous services. This decrease in profitability resulted from the crisis that accompanied the war and the postwar period, and from the economic policy pursued at that time. In fact, inflation greatly disturbed the management of enterprises, perhaps even because at that time it was a completely new phenomenon. On the other hand, the policy pursued at that time of restraining the prices of autonomous services as an anti-inflationary measure was obviously not something that favoured their profitability and also ended up not being particularly helpful in combating inflation, in so far as it forced the State to subsidise autonomous services and thereby contributed to the negative balances on the public accounts and to the expansion of the money supply²

1 See Valério, 2001, Table 5IB.2.

2 For more information on these processes, see Valério, 1994.

During the course of the First World War, the *Transportes Marítimos do Estado* [State Maritime Transports] were set up to operate those ships belonging to Germany and her allies that had been impounded in February 1916 and had not been hired out to Great Britain¹. This enterprise is traditionally highlighted as a classic case of bad management. Its incapacity to transport the President of the Republic to Brazil in 1922 within the time envisaged (so that he therefore arrived too late to take part in the commemorations of the first centenary of the latter country's independence) greatly contributed to this image of bad management, which led to the decision to close down the service, as did in fact happen in 1925. Unfortunately, no study has been made of the short history of this company, nor are there any statistical data published that might help us to form a more precise idea of what really happened to it.

The attempt to improve the efficiency of the State's intervention in the area of health and social assistance led to the transformation into autonomous services of the *Hospitais Cívicos de Lisboa* [Lisbon Civil Hospitals] by Decree with the force of Law 4563 of 12 July 1918, *Casa Pia de Lisboa* (an educational charitable institution) by Decree with the force of Law 5603 of 10 May 1919) and the *Santa Casa da Misericórdia de Lisboa* (a charitable institution of social welfare) by Decree with the force of Law 5621 of 10 May 1919.

Moreover, there was an attempt to establish the bases for a genuine social security system, by the creation of the *Instituto de Seguros Sociais Obrigatórios e Previdência Geral* [Institute of Compulsory Social Insurance and General Welfare] by Decree with the force of Law 5640 of 10 May 1919². The nature of the *Instituto de Seguros Sociais Obrigatórios e Previdência Geral* made it practically impossible to ensure any specific profitability. In fact, the very nature of social insurance will always make it difficult to produce higher premiums than the payments to be made, for the latter payments represent the real aim of the whole process. On the other hand, the legal definition of social insurance as being compulsory was, in actual fact, far from corresponding to a situation of effective compulsion. As a result, the *Instituto de Seguros Sociais Obrigatórios e Previdência Geral* enjoyed an unremarkable existence until 1933, when it was integrated into the new corporative organization that will be referred to later. Once again, unfortunately, there is no specific study available about its history.

The activity of the Agriculture Credit Bank, created immediately before the First World War, as mentioned above, was complemented by two other services, the *Fundo de Fomento Agrícola*

1 It should be remembered that Portugal's refusal to provide a guarantee that it would not make the impounded ships available to Germany's enemies was the reason invoked by the latter country for declaring war on Portugal on 9 March 1916. The Treaty of Versailles, signed in 1919, granted Portugal ownership of the impounded ships, by way of war indemnity. Of course, after the end of the war, the ships hired out to Great Britain were added to those that had stayed in Portugal.

2 It should be noted that these measures of May 1919 were taken by Augusto Dias da Silva, the first minister from the *Partido Socialista* [Socialist Party] that participated in a Portuguese government (and the only one until the revolution of 25 April 1974).

[Agricultural Development Fund] and the *Bolsa Agrícola* [Agricultural Exchange], created after the First World War, in 1920 (Decree 6961 of 23 September) and 1925 (Decree 10805 of 28 May), respectively. Once again, these were services whose effective importance seems to have been minimal, largely because of the financial problems of the State, and so far they have not been the subject of any specific study.

It was, however, a fact related with the State enterprise sector that helped to set in motion the establishment of a new political regime, the military dictatorship of 1926 to 1933, followed by an authoritarian republic normally referred to as the *Estado Novo* [New State], a regime that was to adopt a new policy towards autonomous services. In April 1926, the period for the concession of the tobacco monopoly granted to the *Companhia dos Tabacos de Portugal* came to an end, as was explained above. As a consequence of this fact, this fiscal monopoly reverted to the State, with a situation thus being created in which only the State could produce and sell tobacco and only the *Companhia dos Tabacos de Portugal* had the apparatus that was necessary to carry out this activity. This contradiction was solved by the government through the temporary re-establishment of the direct administration of the tobacco business, with the State making use of the company's organizational apparatus. This measure gave rise to protests, technically based upon the fact that the State could not appropriate the company's assets, even though the latter was no longer able to carry out any activity with them. As is obvious, however, what proved to be more important than all these technical details was the revolution of 28 May 1926, which the owners of the *Companhia dos Tabacos de Portugal* were then accused of encouraging and financing.

Whatever may have been the origins of the revolution of May 1926, the military dictatorship that came after it adopted a new policy of reducing the size of the State enterprise sector. The first sectors affected were the tobacco sector and the railways sector. In relation to the former sector, a system was established based on concessions to private enterprises (Decree 13351 of 28 March 1927), which allowed the *Companhia dos Tabacos de Portugal* to begin its activity once more, although no longer under monopoly conditions¹. As far as the latter sector was concerned, the lines belonging to the *Caminhos-de-Ferro do Estado* were leased to the country's main private company, the Portuguese Railways Company (with the contract being signed on 11 March 1927), which ended up enjoying practically a complete monopoly of the sector, absorbing the other existing small and medium-sized private enterprises over the ensuing years until the mid-1940s². In 1929, the *Serviços Florestais e Aqüícolas* returned to the status of non-autonomous services and the agricultural support services – the *Bolsa Agrícola*, the *Caixa Geral de Crédito Agrícola* and the

1 In practice, a duopoly situation was established, which was to remain in force until the wave of nationalizations that swept the country in 1975.

2 Only the *Sociedade Estoril* [Estoril Society], which operated a small line of 30 kilometres in the Lisbon suburbs, remained immune to this situation.

Fundo de Fomento Agrícola – ceased to exist as a result of their merger with the *Caixa Geral de Depósitos*, when this latter organization was reformed through Decree-Laws 16665 to 16669 of 27 March 1929. In 1933, the *Instituto de Seguros Sociais Obrigatórios e Previdência Geral* was integrated into the economy's new corporative organization, which became the framework of the Portuguese social security system. The *Caixa Geral de Depósitos*, the *Administração-Geral do Porto de Lisboa*, the *Administração dos Portos do Douro e Leixões* and the *Administração-Geral dos Correios e Telégrafos* were therefore left as the only autonomous services in existence.

4. The State enterprise sector during the *Estado Novo*

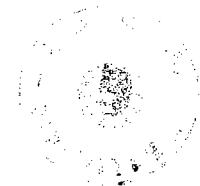
In keeping with this evolution towards a reduction in the scope of the State enterprise sector, and for the first time in Portuguese constitutional history, the new 1933 Constitution included provisions that tended to restrict the existence of this sector. Thus, Article 33, which was included in Section VIII of Part I under the heading "On the social and economic order", established that: "The State may only take responsibility, whether or not on an exclusive basis, for economic activities of essential collective interest and intervene in the management of private economic activities, whenever it is necessary to finance them or in order to obtain social benefits that are higher than those that would be obtained without its intervention". It should be noted that this did not mean that the State had abandoned its role of intervention in economic life, for Article 31 of the same section established that "The State has the right and duty to coordinate, regulate and oversee economic and social life [...]".

These constitutional limits placed on the creation of new public enterprises were essentially respected throughout most of the existence of the *Estado Novo*, including the Second World War and post-war periods, during which first the State intervention in the economy later the development of the State enterprise sector and planning were conspicuous throughout most Western Europe¹.

There were, however, quite a large number of circumstances in which it seemed necessary for the State to participate in the creation of new private initiatives, through the formation of 'mixed enterprises'. This fundamentally involved providing State support for the introduction of new activities into the country and possibly guaranteeing that the State would enjoy some indirect control over these activities, during the period of definitive take-off of Portuguese modern economic growth².

1 An interesting exception was the formation in 1942 of the *Pousadas de Portugal* [Inns of Portugal].

2 Such support was also shaped through an infrastructural programme (1935-1950) and from 1953 on, through the implementation of medium term plans of increasing complexity and scope, inspired by the French experience, but involving no similar mechanisms of social consensus.



The State's participation in mixed enterprises was to be found in various sectors, most notably:

a) The energy sector, especially through its share in the capital of hydroelectric companies, such as the *Sociedade Hidro-Eléctrica do Cávado* [Cávado Hydroelectric Company] and the *Sociedade Hidro-Eléctrica do Zêzere* [Zêzere Hydroelectric Company], and oil companies such as the SACOR – *Sociedade Anónima Concessionária da Exploração de Petróleos em Portugal* [Joint-Stock Company with the License for Oil Exploration in Portugal]. This process began before the Second World War and continued into the postwar period¹.

b) The transport sector, especially air transport, through its share in the capital of the Portuguese airline TAP – *Transportes Aéreos Portugueses* [Portuguese Air Transport], which began in the 1940s, and public transport in Lisbon, through its share in the capital of the Lisbon underground railway company *Metropolitano de Lisboa* [Lisbon Underground], which began in the 1950s².

c) The iron and steel sector, through its share in the capital of *Siderurgia Nacional* [National Steel Works], which also began in the 1950s³.

d) The media sector, through its share in the capital of the television company RTP – *Rádio-Televisão Portuguesa* [Portuguese Radio-Television], once again beginning in the 1950s⁴.

At the same time, there were some cases in which public services were transformed into autonomous services or created as autonomous services: the *Emissora Nacional de Radiodifusão* [National Radio Broadcasting Service] by Decree-Law 30752 of 14 September 1940); the airports – Decree-Law 32323 of 15 October 1942 in the case of Lisbon, Decree-Law 36619 of 24 November 1947 for the others. These services include services that were similar to others that were already autonomous services (as was the case with the airports, which remained in a similar situation to that of the ports) and services that were similar to mixed enterprises (as was the case with the *Emissora Nacional de Radiodifusão*, which was given a status that was not reproduced later in the case of television).

From the end of the 1960s onwards, there began to appear cases in which autonomous and non-autonomous public services were transformed into public enterprises, a situation in which they were formally more independent of the traditional public administration. The public services that were transformed into public enterprises were: the CTT – *Correios, Telégrafos e Telefones* [Postal, Telegraph and Telephone Services], based on the *Administração-Geral dos Correios e Telégrafos*, which was previously an autonomous service (Decree-Law 49368 of 10 October 1969); the IN –

1 Ferreira, Figueira, 2001 is an important study of the electrification process in Mainland Portugal.

2 There is no published history of TAP, although the *Metropolitano de Lisboa* was studied in Rollo, 2000.

3 There is also no published history of *Siderurgia Nacional*.

4 Once again, there is no published history of RTP.

Imprensa Nacional [National Stationery Office], based on the non-autonomous service with the same name (Decree-Law 49476 of 30 December 1969); the CGD – *Caixa Geral de Depósitos* [State Savings Bank], based on the autonomous service with the same name (Decree-Law 659/70 of 30 December 1970); the CM – *Casa da Moeda* [Mint], based on the non-autonomous service with the same name (Decree-Law 225/72 of 29 June 1972)¹; and the AGA – *Administração-Geral do Alcool* [General Administration for Alcohol], based on the non-autonomous service with the same name (Decree-Law 7/74 of 12 January 1974). A public enterprise was also created without being based on previously-existing public services, with the aim of performing a new economic role. This was the EPPi – *Empresa Pública de Parques Industriais* [Public Enterprise for the Management of Industrial Estates], created by Decree-Law 133/73 of 7 March 1973, within the context of the industrial development policy.

Somewhat more complex situations were presented by the cases of the BFN – *Banco de Fomento Nacional* [National Development Bank], TLP – *Telefones de Lisboa e Porto* [Lisbon and Porto Telephone Services], CP – *Companhia dos Caminhos-de-Ferro Portugueses* [Portuguese Railway Company] and *Carris* – *Companhia Carris de Ferro de Lisboa* [Lisbon Iron Rail Company]. The BFN was created by Decree-Law 41957 of 13 November 1958, based on the *Fundo de Fomento Nacional* [National Development Fund], created in 1949 for the management of the resources provided through the Marshall aid programme. Formally, it was a mixed enterprise, although it was financed by exclusively public capital. In practice, it represented the first attempt to set up a real investment bank in Portugal, making use in particular of the resources originating from Marshall aid². The TLP was created by Decree-Law 48007 of 26 October 1967 to take over the management of the telephone network that until then had been contracted to Anglo-Portuguese Telephones. This was formally a mixed enterprise, although its situation soon became similar to that of the National Development Bank. The CP and the *Carris* were private transport companies, respectively for rail transport and for Lisbon surface public transport, which the State found itself forced to support through subsidies. Because of this fact, they remained in a situation that was not unlike that of the mixed enterprises.

In brief terms, it can be said that, on the eve of the Revolution of 25 April 1974, the Portuguese State already had a fairly significant public enterprise sector, which, according to Vilar et alii, 1998, corresponded to roughly 8% of gross added value, 12% of employment and 15% of gross fixed capital formation in the Portuguese economy. In particular, this public enterprise sector included:

1 On the same occasion, the *Casa da Moeda* was merged with the *Imprensa Nacional* to form the public enterprise known as IN-CM – *Imprensa Nacional-Casa da Moeda* [National Stationery Office-Mint].

2 Until then, only the *Caixa Geral de Depósitos* had conducted business of the type corresponding to an investment bank, although this had not been a major part of its operations.

a) Two banks (the *Caixa Geral de Depósitos* and the *Banco de Fomento Nacional*), which held an important share of the commercial banking sector and practically enjoyed an exclusive position in relation to investment banking.

b) All the sectors of postal services, telecommunications and television.

c) Important holdings in the iron and steel sector and the sector of energy production and distribution.

d) A decisive role in the transport sector, namely in rail transport, air transport and urban transport, particularly in Lisbon.

An equally significant step was taken towards the development of a new atmosphere, one that was clearly different from the one that had marked the military dictatorship and the early beginnings of the *Estado Novo* in relation to the State enterprise sector, through the creation of the *Inspecção-Geral das Participações do Estado* [Inspectorate-General of State Holdings] in 1972.

5. The State enterprise sector after the Revolution of 25 April 1974

5.1. The nationalization process

The Programme of the Armed Forces Movement, which took power on 25 April 1974, overthrowing the regime of the *Estado Novo*, envisaged the pursuit of an anti-monopolist policy (in this context monopolies were understood as being the large private enterprises). One of the measures envisaged as part of the anti-monopolist policy was the nationalization of the issuing banks (both the metropolitan – *Banco de Portugal* [Bank of Portugal] – and overseas – *Banco de Angola* [Bank of Angola] and *Banco Nacional Ultramarino* [National Overseas Bank] – banks). This nationalization was effectively brought about by Decree-Law 450/74 of 13 September 1974 for the *Banco de Angola*, Decree-Law 451/74 of 13 September 1974 for the *Banco Nacional Ultramarino* and Decree-Law 452/74 of 13 September 1974 for the *Banco de Portugal*.

No other measure of this kind was envisaged in the Programme of the Armed Forces Movement or in the programmes of the 1st, 2nd and 3rd provisional governments, which were in power between May 1974 and March 1975, but it may be considered significant that, when the period of the concession for the water supply to Lisbon (which had been given to the CAL – *Companhia das Águas de Lisboa* [Lisbon Water Company]) expired in October 1974, the solution adopted was to form a public enterprise, the EPAL – *Empresa Pública das Águas de Lisboa* [Lisbon Water Public Enterprise], to continue its activity (Decree-Law 553-A/74 of 30 October 1974).

It was, however, the climate created as a result of the failed coup d'état of 11 March 1975 that was to radically alter the situation. The Council of the Revolution, which replaced the Junta of National Salvation and the Council of State that had been formed after the revolution of 25 April 1974, embarked upon a process of nationalising the basic sectors of the economy, a process which

was later continued by the 4th, 5th and 6th provisional governments, which were in power between March 1975 and June 1976. Such a course of action was justified by the need to pursue an anti-monopolist policy and to place the economy at the service of the working classes, in a political atmosphere of left radicalization.

The first measures taken by the Council of the Revolution were restricted to the financial sector, through two laws: Decree-Law 132-A/75 of 14 March 1975, which nationalised all the credit institutions with their head offices in Mainland Portugal and the Adjacent Islands, except for the foreign banks, the savings banks¹ and the agricultural credit cooperatives; and Decree-Law 135-A/75 of 15 March 1975, which nationalised all the insurance companies with their head offices in Mainland Portugal and the Adjacent Islands, except for the agencies of foreign insurance companies authorised to carry out insurance activity in Portugal, the holdings of foreign insurance companies in the capital of Portuguese companies and the mutual insurance societies.

Roughly a month later, Decree-Law 203-C/75 of 15 April 1975 approved the general bases for the programmes of emergency economic measures, which included the *Programa Nacional de Emprego* [National Employment Programme], the *Programa de Preços dos Bens Alimentares* [Foodstuff Prices Programme], the *Programa da Reforma Agrária* [Agrarian Reform Programme], the *Programa para o Controle dos Sectores Industriais Básicos* [Programme for the Control of the Basic Industrial Sectors] and the *Programa dos Transportes e Comunicações* [Transport and Communications Programme]. It was under the framework established for these last two programmes that roughly thirty decrees were published between April 1975 and July 1976, which directly nationalised more than one hundred and fifty companies. Besides the banking and insurance sectors already mentioned, the following sectors were directly nationalised: oil (Decree-Law 205-A/75 of 16 April 1975), railway transport (Decree-Law 205-B/75 of 16 April 1975), maritime transport (Decree-Law 205-C/75 and 206-D/75 of 16 April 1975), air transport (Decree-Law 205-E/75 of 16 April 1975), iron and steel (Decree-Law 205-F/75 of 16 April 1975), production, transport and distribution of electricity and gas (Decree-Law 205-G/75 of 16 April 1975), cement (Decree-Law 221-A/75 of 9 May 1975), cellulose (Decree-Law 221-B/75 of 9 May 1975), tobacco (Decree-Law 228-A/75 of 13 May 1975), Lisbon urban transport (Decree-Law 280-A/75 of 5 June 1975 and Decree-Law 434/75 of 14 August 1975), road transport (Decree-Law 280-B/75 and Decree-Law 280-C/75 of 5 June 1975), the chemical industry (Decree-Law 453/75 of 21 August 1975, Decree-Law 457/75 of 22 August 1975 and Decree-Law 532/75 of 25 September 1975), shipbuilding and ship repair (Decree-Law 478/75 of 1 September 1975), the media (Decree-Law 674-C/75 of 2 December 1975 for radio, Decree-Law 674-D/75 of 2 December 1975 for television and Decree-

¹ The most important savings bank, the *Caixa Económica de Lisboa* [Lisbon Savings Bank], was to have its management team replaced some days later by an administrative board appointed by the government under the terms of Decree-Law 156-A/75 of 25 March 1975.

Law 674-E/75 of 2 December 1975 for newspapers), port activity (Decree-Law 701-C/75 and Decree-Law 701-E/75 of 17 December 1975) and Tagus river transport (Decree-Law 701-D/75 of 17 December 1975). The same happened with part of the mining (Decree-Law 434/75 of 14 August 1975) and fishing (Decree-Law 572/76 of 20 July 1976) sectors. Some small companies and those companies and parts of capital that were owned by foreign interests were excepted. In fact, this latter situation gave rise to a discrimination between Portuguese private interests and foreign private interests, with the former group being clearly prejudiced in relation to the latter group. The holding firms of the main Portuguese private economic groups and the two existing investment funds – the FIDES – *Fundo de Investimento para o Desenvolvimento Económico e Social* [Investment Fund for Economic and Social Development] and the FIA – *Fundo de Investimento Atlântico* [Atlantic Investment Fund] – were also nationalised. Indirectly, these nationalizations gave rise to the total or partial nationalization of many other companies which those companies that were directly nationalised either owned or had significant shareholdings in¹. Such a nationalisation process was parallel to the implementation of medium term plans as major regulation device. However, political instability reduced drastically the scope and efficiency of such economic mechanism.

It should also be mentioned that, within the context of the process of agrarian reform, whose basic framework was established by Decree-Law 406-A/75 of 29 July 1975 and Decree-Law 407-A/75 of 30 July 1975, large areas of land in the south of Portugal were expropriated, whilst Decree-Law 628/75 of 13 November was also published, which nationalised the *Companhia das Lezírias do Tejo e Sado* [Tagus and Sado River Meadowland Company].

These nationalizations and expropriations carried out within the context of the agrarian reform were undertaken in exchange for indemnities paid in the form of public debt securities created specially for this purpose. The decrees ordering the nationalization of the issuing banks created specific loans to indemnify the respective shareholders (with a distinction being made between registered shares and bearer shares). The respective issues were made in 1975 and are summarised in the following table.

¹ Furthermore, there was also a process of State intervention in several hundred private enterprises, based on Decree-Law 660/74 of 25 November 1974, Decree-Law 222-B/75 of 12 May 1975, Decree-Law 597/75 of 28 October 1975 and Decree-Law 631/75 of 14 November 1975.

Issue	Decree-Law regulating the issue	amount of issue
<i>B. de Portugal</i> – registered shares	D-L 729-I/75 of 22 December 1975	PTE 341 263 428
<i>B. de Portugal</i> – 2nd bearer shares	D-L 729-I/75 of 22 December 1975	PTE 161 625 600
<i>BNU</i> – registered shares	D-L 729-J/75 of 22 December 1975	PTE 1 265 293 460
<i>BNU</i> – bearer shares	D-L 729-J/75 of 22 December 1975	PTE 1 281 846 784
<i>Banco de Angola</i> – registered shares	D-L 729-K/75 of 22 December 1975	PTE 417 365 130
<i>Banco de Angola</i> – bearer shares	D-L 729-K/75 of 22 December 1975	PTE 501 875 550

To sum up, the nationalization of the *Banco de Portugal* gave rise to securities amounting to roughly 0.5 million contos (equivalent at that time to roughly 20 thousand US dollars), the nationalization of the *Banco Nacional Ultramarino* gave rise to securities amounting to roughly 2.5 million contos (equivalent at that time to roughly 100 thousand US dollars), and the nationalization of the *Banco de Angola* gave rise to securities amounting to roughly 1 million contos (equivalent at that time to roughly 40 thousand US dollars).

Decree 539/76 of 9 July 1976, which nationalised the FIDES and FIA investment funds also created public debt securities in exchange for the respective units of participation (involving an issue of 10 million contos, equivalent at that time to roughly 260 thousand US dollars). The issue of these securities was regulated by Law 36/80 of 31 July 1980 and by Decree-Law 468/80 of 14 October 1980.

The indemnities for the other nationalizations and expropriations were paid with securities created by Law 80/77 of 26 October 1977 (involving an issue of 100 million contos, equivalent at that time to roughly 2.6 million US dollars) and by Law 28/80 of 28 July 1980 (involving an issue of an additional 100 million contos, equivalent at that time to roughly 2 million US dollars). The issue was regulated by Decree-Law 213/79 of 14 July 1979. As was to be expected, the establishment of the indemnities that were to be paid in each concrete case gave rise to protests and lawsuits that dragged on for many years, sometimes only being resolved with the later reprivatization of the same enterprises, through agreements made in order to facilitate their partial recovery by the previous owners.

The 214 million contos of additional public debt that corresponded to these issues represented an amount that was roughly the same size as the remaining public debt in existence at that time (roughly 250 million contos). It can therefore be said that the process of paying indemnities for nationalizations almost doubled the effective public debt, rising it from roughly half the gross domestic product to a level roughly equal to the gross domestic product.

5.2. The new State enterprise sector

Vilar *et alii*, 1998 assess the size of the State enterprise sector created as a result of the nationalizations carried out between 1974 and 1976 as amounting to roughly 23% of gross added value, 19% of employment and 43% of the gross fixed capital formation of the Portuguese economy. It can, therefore, be said that the size of the State enterprise sector in relation to the Portuguese economy had roughly tripled as a result of the process of nationalizations¹.

Just as important as its size, or perhaps even more so, was the fact that the enterprise sector created as a result of the nationalizations carried out between 1974 and 1976 followed a specific aim for the control of the economy by the State. This purpose was clearly stated in the original version of the Political Constitution of the Portuguese Republic prepared by the Constituent Assembly elected on 25 April 1975, which came into force on 25 April 1976.

In Article 83, included in Section 1 of Part 2 under the heading "General Principles" of "Economic Organization", the new Constitution established the irreversibility of the direct nationalizations carried out between 1974 and 1976 and included provisions limiting the privatization of the indirectly nationalised enterprises. In fact, in paragraph 1 of this article, it was stated that "All nationalizations carried out after 25 April 1974 are irreversible conquests of the working classes" and, in paragraph 2, it was stated that "The indirectly nationalised small and medium-sized enterprises from outside the basic sectors of the economy may exceptionally be integrated into the private sector, provided that the workers do not opt for a self-management or cooperative regime".

The general principles for the organization of the new State enterprise sector were established by Decree-Law 260/76 of 8 April 1976, which established the legal regime governing public enterprises, and by Decree-Law 496/76 of 26 June 1976, which created the IPE – *Instituto das Participações do Estado* [State Holdings Institute], which had the status of a public enterprise. The legal regime governing public enterprises was later altered by Decree-Law 25/79 of 19 February and Decree-Law 29/84 of 20 January 1984.

Between the mid-1970s and the mid-1980s, restructuring processes were introduced at several public enterprises, whilst some new ones were also created, generally in keeping with a strategy for the reorganization of the basic sectors of the economy that were either totally or mostly owned by the State. Unfortunately, because of the restricted scope of this paper, it is not possible for us to analyse this process here.

¹ A detailed account of the enterprises that belonged to the State enterprise sector after the nationalization process may be found in Martins, Rosa, 1979.

It is, however, important to stress that the new State enterprise sector was soon confronted with serious economic and financial difficulties, which were expressed in particular in a low level of profitability. This fact mainly resulted from the less favourable short-term situation being experienced by the world economy in general and the Portuguese economy in particular, as a result of the oil shocks and the period of stagflation that followed on from these. It did, however, also partly result from the problems of management, both at the level of the enterprises themselves and at the level of the guidelines and demands being placed upon these for political reasons by the ministries responsible for overseeing their management.

Whatever the case, these serious economic and financial difficulties and this low level of profitability of public enterprises helped to create the political and social climate that would provide the framework for the dismantling of the State enterprise sector from the mid-1980s onwards, in line with the rising influence of neo-liberal ideologies at the world level. This process will be analysed later on.

One of the first signs of this process was the transformation of the State Holdings Institute into a joint-stock company, IPE – *Investimentos e Participações do Estado S.A.* [State Investments and Holdings], through Decree-Law 330/82 of 18 August 1982.

5.3. The laws establishing the limits of the public and private sectors

Law 46/77 of 8 July 1977 sought to stabilise the limits of the public and private sectors, guaranteeing the freedom of private enterprise within the frameworks of both the Constitution and the law (in particular, within the context of the specific legislation about foreign investment), but at the same time banning it from the following sectors: banking (except for savings banks, agricultural credit cooperatives and parabanking companies), insurance (except for mutual insurance societies), electricity and gas production and distribution, the distribution of water for public consumption, sanitation, postal services, telegraph services, telephones, air transport, rail transport, urban public transport (except in light passenger vehicles, i.e. taxis), ports, airports and arms industries, oil refining, basic petrochemical industries, iron and steel, fertilisers and cements (and also allowing the government to ban private enterprise from the tobacco and match industries, if it so wished). In the mining sector, public ownership of mines was established together with the possibility of the temporary concession of the right to their exploitation. In all the sectors that were closed to private enterprise, the possibility was allowed for the temporary private management of public enterprises.

At the beginning of the 1980s, however, the political climate in relation to the State enterprise sector began to change in the world in general and in Portugal in particular. This resulted in two new laws establishing the limits of the public and private sectors, each of them being successively more open to private enterprise.

Decree-Law 406/83 of 19 November 1983 (based on Law 11/83 of 16 August 1983) altered the limits established in 1977, opening up several sectors to private enterprise (banking, insurance and the fertiliser and cement industries) and allowing for the formation of mixed enterprises with a majority of public capital in a number of industries (arms, oil-refining, basic petrochemicals and iron and steel).

Decree-Law 449/88 of 10 December 1988 once again increased the number of sectors open to private enterprise, including amongst these electricity and gas production and distribution, internal air transport and the industries of oil-refining, basic petrochemicals and iron and steel.

Finally, Law 88-A/97 of 25 July 1997 restricted sectors from which private enterprise was banned to the distribution of water for public consumption, sanitation, postal services, railway transport and ports (although opening up the possibility of the concession of such activities to private enterprise under public regulation). Moreover, it established a special restrictive regime for the arms industry.

5.4. The reprivatization process

At the end of the 1980s and thereafter, the agenda ceased to be simply a question of limiting the number of sectors reserved exclusively for public enterprise and began to be a question of actually reprivatising the nationalised enterprises (and the land that had been expropriated within the context of the agrarian reform). Portugal's accession to the European Communities in 1986 was certainly not unrelated to this turnaround, although there was a transitional period for the adoption of the so-called *acquis communautaire* [Community patrimony] originally envisaged to last until 1995 (the end of this period was later brought forward to 1993).

Law 71/88 of 24 May 1988 allowed for the sale, through a public tender, stock exchange transaction or private deal, of public sector holdings not corresponding to nationalizations carried out after 25 April 1974, although it restricted this process to a public tender or a public offer for sale in the case of majority shareholdings in companies with a net shareholder's equity of more than 500 thousand contos.

Law 84/88 of 20 July 1988 permitted the transformation of public enterprises or other nationalised companies into joint-stock companies financed with public capital or with a majority public shareholding in the capital, always with the safeguard of the constitutional ban on the reprivatization of capital nationalised after 25 April 1974. This also allowed for the sale of shares from these joint-stock companies, with the revenue arising therefrom being used to correct financial imbalances in the State enterprise sector, to make an early amortization of public debt or to cover the servicing of the debt arising from nationalizations and expropriations.

The constitutional revision brought about by the Constitutional Law 1/89 of 8 July 1989 introduced profound changes to the former Article 83 (now Article 85) of the Constitution, providing for "The reprivatization of the ownership or the right to exploit means of production and other assets nationalised after 25 April 1974", "under the terms of a framework law approved by an absolute majority of the members of parliament".

This framework law was Law 11/90 of 5 April 1990, which replaced Law 84/88 as the law establishing the framework for reprivatizations. According to this law, public enterprises could be transformed into joint-stock companies after a prior independent valuation had been carried out and could be privatised through the sale of shares or capital increases effected by means of a public request for tenders, a public offer for sale, a public subscription, a restricted request for tenders or a direct sale. Whatever the case, it remained permanently established that part of the capital to be privatised would be reserved for emigrants, small subscribers and workers of the company itself. The possibility was also established that restrictions could be placed on the purchase of shares by foreigners. A framework was therefore established whereby enterprises could be handed to Portuguese or foreign financial groups, in combination with a scheme of popular capitalism. The previous restrictions were maintained regarding the uses that could be made of the revenue obtained through reprivatizations.

By 1997, more than 150 operations had been undertaken for the sale of more than 120 enterprises. These operations included most of the enterprises nationalised in the mid-1970s, or resulting from the restructuring of these enterprises, and some previously existing public enterprises. The sectors of maritime and road transport, beer, tobacco, cellulose and paper pulp, cement, oil refining, the chemical industry, iron and steel, shipbuilding and repairing and telecommunications were completely reprivatized. The sectors of banking, insurance, the production, transport and distribution of electricity and gas, and the media were partially privatised. An overview of what was left of the State enterprise sector at the end of the 20th century will be presented below.

By the same year, the revenue from reprivatizations had reached more than 2,700 million contos (1 conto \approx 5 euros). The main revenue came from the privatization of the banking sector (roughly 800 million contos), the telecommunications sector (roughly 650 million contos) and the electrical energy sector (roughly 400 million contos).

It is interesting to note that only roughly 1,000 million contos of this revenue was directly collected by the State. A larger amount (roughly 1,200 million contos) was collected by Partest, a holding company created precisely in order to carry out reprivatizations in a systematic manner. The advantage that it was hoped would be gained with this scheme was to be able to register the revenue of the reprivatizations (the profits of Partest) as public revenue in general, so that it would therefore not have to be used for the purposes set out in the laws establishing the framework for reprivatizations and could therefore be included in the accounts in order to meet the nominal

convergence criteria for participation in the European monetary union (more commonly referred to as the Maastricht criteria).

If we compare the value of the revenue from reprivatizations (2,700 million contos) with the value of the indemnities paid at the time of the nationalizations, corrected to allow for price variations ($214 \times 7 \approx 1,500$ million contos), there is apparently a positive balance of 1,200 million contos. Vilar *et alii*, 1998, however, make a clearly negative assessment of the process by also taking into account a financial investment in public enterprises by the State of roughly 4,500 million contos, as well as roughly 600 million contos of dividends paid to the State by the public enterprises¹.

5.5. The State enterprise sector at the end of the 20th century

In short, it can be said that, at the end of the 20th century, the Portuguese State had a fairly significant public enterprise sector, although, strictly speaking, it was less important than the one in existence on the eve of the revolution of 25 April 1974. According to Vilar *et alii*, 1998, this sector once again corresponded to roughly 8% of gross added value, although this time to only roughly 3% of employment. In particular, this public enterprise sector included:

a) A bank group led by the *Caixa Geral de Depósitos*, including the *Banco Nacional Ultramarino*, the former issuing bank for most of the overseas territories, with a market share of roughly 25% in the banking sector.

b) Important holdings in the sectors of postal services and telecommunications and television. In this latter sector, the development of private channels reduced the audience share of the public television to roughly 20%.

c) A decisive role in the transport sector, namely in the area of rail transport, air transport² and urban transport, especially in Lisbon.

¹ For more information on the process of reprivatization in general, see GAFEEP, 1995 and DGEP, 1999.

² In the particular case of air transport, the efforts that were being made to find a strategic partner and a privileged buyer for TAP – Air Portugal came up against the exceptional difficulties experienced by Swissair, the buyer that had been contracted and the leader of the Qualiflyer group which TAP – Air Portugal sought to join.

6. Concluding remarks

Seen from a long-term international comparative perspective, the history of the Portuguese State enterprise sector reveals a great number of similarities with the Western European pattern. However, certain significant particularities and time lags are also apparent.

Up to the First World War, as in most European economies, the Portuguese State enterprise sector remained small, in keeping with the liberal economic blueprint that largely prevailed in the ideology and practice of governments. At the same time, the specific shape of the Portuguese public sector during this period reveals certain aspects highlighting the country's relative economic backwardness. The inability of many private firms in core sectors, such as railways, to discover efficient forms of management and financing is a case in point.

From the First World War to the end of the 1920s, a number of similarities can once again be noted with the overall European experience. The war economy caused the State to play an increasingly active economic role. The reliance on planning as a means of combating scarcity and inflation problems and the introduction of social security systems to counteract the social effects of post-war adjustments led to even more direct control in the sectors of transport, energy, agriculture and social security. However, in Portugal, as in most belligerent countries, when monetary and financial stability was re-established in the second half of the 1920s, attempts were made to return to a more liberal order. A new policy of reducing the size of the State enterprise sector was introduced in Portugal by the post-1926 military dictatorship.

The third period identified in this paper shows some important differences between Portuguese and Western European experiences especially after the Second World War. The authoritarian regime that ruled Portugal until the mid-1970s resisted all attempts to expand the State enterprise sector. However, at the same time, such expansion was being experienced even by capitalist economies, where a significant wave of nationalizations, the development of the welfare state and the so-called mixed economy restored high rates of growth. Nonetheless, indirect forms of control over the basic sectors, including planning, were introduced into Portugal as part of a process for encouraging industrialization, with the aim of fostering modern economic growth. Although these measures remained disguised in formal terms until the 1960s, significant amounts of public capital were injected into several important sectors, ranging from banking to transport and communications, as well as steel and energy.

Political vicissitudes in the mid-1970s led to a wave of nationalizations, which appeared to be rather tardy, taking place in a very sweeping and rapid fashion in comparison with other European countries. However, as far as the process of European integration is concerned, Portugal adhered to the European and world neo-liberal pattern from the early 1980s onwards, even if, until the late 1980s, this process took place at a slower pace than in most other Western European countries.

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