

Governing for the Next Election or for the Next Generation?

Key Messages

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Policy makers face many obstacles when trying to introduce long-term policies, among which are people's general resistance to change and the politicians' aversion to the risk. Notwithstanding the unfavourable environment to the introduction of this type of measures, the study identified successful cases in the last decades - some of which were extremely innovative and made the country an international reference.

Factors that influenced the successful implementation of long-term measures:

1

The **search for consensus with stakeholders**, meaning the willingness of government to involve the opposition, relevant stakeholders and make commitments is the **most important requirement**. It is even more important that the **electoral mandate**.

Successful cases: Decriminalisation of consumption and possession of drugs for personal use; Extended parental leave; Water Resources Tax (TRH); Change in the criteria for dismissal due of the dissolution of the work post.

Unsuccessful cases (there was no consensus): Single employment contract.

2

Scientific production and communicating the benefits of the measure was found to be important to the **drafting of the laws, the justification of their adoption and thus their legitimization**.

Successful cases: Water Resources Tax (TRH); Decriminalisation of consumption and possession of drugs for personal use.

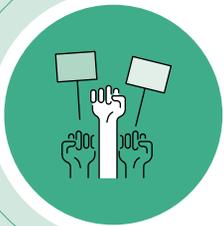
Unsuccessful cases (lack of evidence or communication of the benefits): Tax on inheritances; Mapping of Natural and Semi-Natural Habitats.



3

The **existence of European constraints** and other **external influences** (ex.: crisis) proved to be a favourable factor to long-term reforms.

Successful cases: Water Resources Tax (TRH); Extended parental leave, in 2009; New criteria for dismissal.

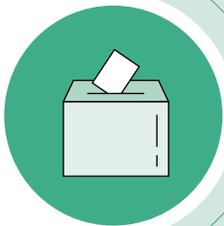


4

Social pressure coming from public opinion, organised civil society (NGOs, social partners, social movements) and the media, were also found to be effective to implement long-term reforms.

Successful cases: Decriminalisation of consumption and possession of drugs.

Unsuccessful cases (little social pressure): Mapping of natural habitats.



5

The **electoral mandate** was not found to be one of the most relevant facts, as there are many long-term policies that were part of **electoral programs** and **were not implemented**.

Unsuccessful cases (even if there was electoral mandate): Tax on inheritances; Single employment contract.

Recommendations

1. The **most important** requirement is **involving stakeholders**.
2. It is important to **invest in the production of knowledge and scientific evidence** about the measure and **effectively communicating** the gains it will bring and the losses that will come from non-implementation.
3. If the measure is not salient for the population, it might be useful to use **external constraints to get around sectorial vested interests**. But be aware of the risk of reversals in the post-crisis phase.

STUDY FRAMEWORK

In the view of most of the Portuguese politicians we interviewed in recent months, Portuguese society is intergenerationally unfair (Moury 2018). Although everyone interviewed mentioned both socioeconomic and policies that should be changed to foster intergenerational justice, the common perception is that there are few political rewards for trying to resolve these problems.

The researchers have long drawn attention to the obstacles policy makers face when trying to introduce long-term and general interest policies. People's general resistance to change is the first hurdle, associated with the fact that citizens generally neglect the future, which means they prefer to receive immediate rather than delayed gratification. This situation is further aggravated by the fact that the costs of long-term reforms are assured, visible and concentrated, while the promised benefits are diffuse and less visible.

This raises the following key questions: in which circumstances are policy makers able or willing to impose costs today to invest in the solution to future social problems? Which factors play a decisive role in the enforcement or non-enforcement of long-term reforms?

To answer these questions, we identified the conditions which led to the approval of policies for future generations in Portugal. More precisely, we analysed ten measures (successful and unsuccessful) in five different areas of public policy – environment, social security, labour market, health, fertility and family.

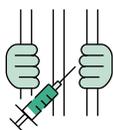
Notwithstanding, our study showed that measures with long-term effects have been adopted in Portugal in the last decades – some of which were extremely innovative and made the country an international reference.

FACTORS THAT INFLUENCED THE SUCCESSFUL IMPLEMENTATION OF LONG-TERM MEASURES

1.

The **search for consensus with stakeholders**, meaning the willingness of government to involve the opposition, relevant stakeholders and make commitments is the **most important requirement**. It is even more important that the **electoral mandate**.

Successful cases:



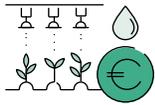
- **Decriminalisation of consumption and possession of drugs for personal use**

Possession for personal use started to be distinguished from drug trafficking based on the definition of a maximum amount for possession. Users started to be referred to the Commissions for the Dissuasion of Drug Addiction (Comissões para a Dissuasão da Toxicodependência - CDT) to evaluate the consumption and level of dependence on the drugs. Addicts can be referred for treatment and all others are subject to administrative sanctions. This gave rise to a new paradigm in the policy for drugs in which the criminalisation of drug addicts was replaced by an approach guided by a public health rationale. The subject was discussed in parliamentary committees and there was an effort at concertation that allowed the opposition to be involved in the process of drawing up the final draft, harmonising the initial draft laws and reducing the chances of conflict. The measure was approved with only two votes against from PSD (the party was divided) and CDS-PP. The subject has also involved scientists and the associative movement, as well as Jorge Sampaio, at that time President of the Republic, and well positioned political figures of the right wing, namely António Pires de Lima, at that time President of the Bar Association.



- **Extended parental leave**

The measure established that if parents opted to share parental leave, they would benefit from a bonus of 30 days paid leave. For the approval of this measure contributed the fact that there was a consensus both from the parties and from stakeholders. In fact, the parties were already in consensus on the need to reconcile work and family life (PS, PSD, BE, PCP); and the fact that the Government ensured that the measure did not imply a direct cost for either the employers or the workers, being fully guaranteed by Social Security, made the measure consensual with the social partners.



- **Water Resources Tax (TRH)**

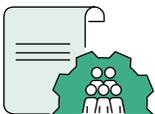
This tax was aimed at intensive users of water resources, such as agricultural and industrial producers that have a major environmental impact. The TRH paid by the user depends on the purpose of the water usage, and the revenue gathered goes to the Environmental Fund and the Portuguese Environment Association (Associação Portuguesa do Ambiente). The Government negotiated the conditions of the measure with the agricultural sector – the largest user of water in Portugal – so as to control the opposition and to create a consensus so the measure could be approved.



- **Change in the criteria for dismissal due to the dissolution of the work post (initial consensus)**

From 1976, whenever a company had to resort to this solution, seniority (first in, last out) was the criteria guiding the decision of which person would be dismissed in situations where there were various work posts with the same job description. This wording determined that a set of hierarchically organised criteria would be used as the basis for dismissal, with performance being the most important. The initial consensus between PSD, CDS-PP, PS and the social partners was important, but was lost when the PSD/CDS-PP Government had to make alterations to the law after it was blocked by the Constitutional Court. The reformulation did not have the support of the other parties and the Government advanced unilaterally with its implementation. In this respect, the Government's persistence and leadership were vital to the approval of the long-term measure.

Unsuccessful cases:



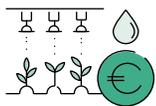
- **Single employment contract**

This proposal was considered by PSD and PS, in order to correct the segmentation of the Portuguese labour market, in which workers with permanent contracts coexist with workers on fixed term contracts. The single employment contract would substitute the fixed term and open-ended contracts by merging the characteristics of the two. The strong resistance from employers – as it was an obstacle to the flexibility of companies' human resources management enabled by the segmentation -, and unions in one hand – that saw the single contract as yet another way of limiting employment rights-, and divergences within the PSD/CDS-PP Government in 2011 and the PS Government in 2015 on the other, meant that no attempt was made to reach consensus so that the measure could move forward.

2.

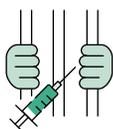
Scientific production and communicating the benefits of the measure was found to be important to the **drafting of the laws, the justification of their adoption and thus their legitimation.**

Successful cases:



- **Water Resources Tax (TRH)**

When the introduction of the TRH was politically assessed, engineers and academics from the area were part of the first working party deliberating on the “new policy” for water. The draft Water Law foreseeing the introduction of the TRH received a favourable opinion from the National Water Council (CNA), also composed of engineers and experts in the field of water resources.



- **Decriminalisation of consumption and possession of drugs for personal use**

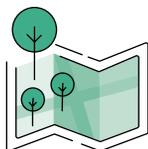
Monitoring and evaluation mechanisms, such as the annual reports of the Service for Intervention in Addictive Behaviours and Dependencies (Serviço de Intervenção nos Comportamentos Aditivos e nas Dependências - SICAD), which made data available that constantly legitimised the reform, communicated its benefits, and highlighted the risks of being without such a reform.

Unsuccessful cases:



- **Tax on inheritances**

Known as the “inheritance tax”, it was proposed with the aim of diversifying Social Security’s sources of funding and promoting greater fiscal justice, reducing the inequalities in wealth that are perpetuated across generations. The initial format and potential revenue from the measure resulted from the application of formats already in use in other countries and not from a sound study of the complex Portuguese situation that had difficulties in respect to the compatibility with other fiscal strategies and with the dual taxation agreements currently in force between Portugal and other countries. Without certainty, the discussion on the measure ended up being played out in the media and the Government always tended to play a reactive rather than active role in this debate.



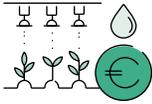
- **Mapping of Natural and Semi-Natural Habitats**

Following a community directive that created a Europe-wide ecological network – Natura 2000 –, member states should identify the habitats in their territory that would be part of this network and inform the European Commission. The habitats were then to be mapped and studied and management plans for their protection drawn up. The unwillingness to make the investment necessary to comply with the Directive – the mapping, management plans and maintenance of Natura 2000, was one of the factors that contributed to the non-implementation of the directive, as well as the fact that the Government made no attempt to effectively communicate the benefits of the measure to the landowners and local authorities. This was aggravated by the fact that there was no strong pressure group to defend the measure, which allowed successive governments to delay its implementation.

3.

The **existence of European constraints** and other **external influences** (ex.: crisis) proved to be a favourable factor to long term reforms.

Successful cases:



- **Water Resources Tax (TRH)**

The Water Framework Directive (that made the reform of the water legislative framework mandatory) was used by the PS Government as an argument to enable the creation of the TRH in Portugal and to reduce opposition from sectors such as agriculture, helping justify the implementation of the tax in a general context of a “new policy” for water management.



- **Extended parental leave, in 2009**

The resurgence of “Keynesian” policies in the European Union whereby Member States were encouraged to spend on social policies allowed the Government to propose a policy it wanted but which, in other political and economic circumstances, would have been difficult to adopt.



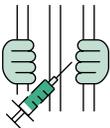
- **New criteria for dismissal**

The high unemployment triggered by the crisis enabled the Government to frame the measures as solutions to stimulate job creation, especially amongst young people for whom the unemployment rate was particularly high at the time. In addition, Portugal was under external intervention and this was one of the measures contained in the MoU signed with the Troika.

4.

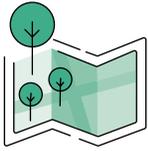
Social pressure coming from public opinion, organised civil society (NGOs, social partners, social movements) and the media, were also found to be effective to implement long term reforms.

Successful cases:



- **Decriminalisation of consumption and possession of drugs**

The fact that well positioned figures in political circles and the professional groups to which they belonged (doctors, lawyers, etc.) took a public position and that these voices were from across the political spectrum, made it possible to solidify consensus and involve civil society in the debate. In addition, the implementation process of the new drugs policy involved civil society in that the NGOs and relevant social actors in the new bodies took part in the monitoring of the policies implemented and this engendered actors that supported the measure in the long-term.



Unsuccessful cases:

- **Mapping of natural habitats**

The pros and cons of Natura 2000 were not well known, and this gave the authorities and the owners of land within the Natura 2000 network little incentive to implement it. As a result, the environmental NGOs, the (small) pro-environment parties, and the European Commission (EC) have been the only actors pressuring for the implementation of the Directive.

5.

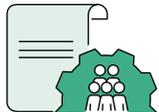
The **electoral mandate** was not found to be one of the most relevant facts, as there are many long-term policies that were part of **electoral programs** and **were not implemented**.

Unsuccessful cases:



- **Tax on inheritances**

The first reference made to the inheritance tax was in a PS electoral program for the 2015 legislatives. The measure wasn't taken forward because the Government concluded that it was impracticable. In 2019, the Left Bloc brought the tax back into its electoral program, but although PS Government did negotiate measures with the parties to its left to allow the passage of the State Budget for 2020, the inheritance tax was not considered.



- **Single employment contract**

This measure was proposed by PSD in 2011 in its electoral and government programme. However, the single contract was not implemented during the PSD Government. In 2015, PS even included the measure in preliminary drafts of its electoral programme but omitted it from the final version.

CONCLUSION

The combination of the search for consensus with the salience of the problem for the population (resulting in social pressure) or, in alternative, the existence of external constraints, seems to be sufficient to guarantee the adoption of resistant long-term policies. Whenever one of these conditions was satisfied, the reform was approved and survived.

RECOMMENDATIONS

1.

The most important requirement is involving stakeholders. Be willing to make concessions, for example, by enabling the reform to be phased in rather than taking immediate effect, is more important than being included in the electoral program.

2.

Use European constraints to get around sectorial vested interests. But be aware of the risk of reversals in the post-crisis phase. If the measure is not salient to the population, **it might be useful to use European constraints to get around sectorial vested interests.** But be aware of the risk of reversals in the post-crisis phase. It is therefore important to consider mechanisms that can “lock the policy in”, seeking consensus with the stakeholders and the opposition.

3.

Invest in the **production of knowledge and scientific evidence** about the measure and **effectively communicating** the gains it will bring and the losses that will come from non-implementation.

