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# **The left and right hands of the Portuguese state: welfare retrenchment of public employment**

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## **ABSTRACT**

This article focuses on welfare retrenchment in Portugal, by analysing the evolution of public sector employment until 2013. A multidimensional analysis of the structure of public employment in the Portuguese state was developed, theoretically guided by the “hands of the state” model proposed by Bourdieu, that divides the main functions of contemporary states between its left hand (more redistributive) and the right hand (more rational economic-oriented). Bourdieu’s approach is especially useful in addressing the transformations of the Portuguese public employment, that happened between the years of 1979 and 2013, characterised by specific economic, social and political changes. In 2013, a year in which the adjustment measures agreed by the Portuguese government, the European Central Bank, the European Commission and the International Monetary Fund during the global crisis were especially intense, we can observe the tendency of de-qualification of public employment and the shrinking of the left hand of the Portuguese state. Public policy orientations in the areas of education and science were particularly troubling, considering the structural backwardness that the country faces in these fields, in the context of the European Union.

## **KEYWORDS**

Hands of the state; welfare retrenchment; public employment; Portuguese state; austerity; European integration.

## **INTRODUCTION**

Recent analyses (Alvaredo *et al.*, 2018; Ocampo and Stiglitz, 2018; Karagianis and King, 2019; OECD, 2019) are still quite unanimous in identifying trends in various European countries that point to a retrenchment of the state in a range of sectors— a process that forms part of the broader goal of achieving a sustained reduction in deficits and controlling public debt (Vis *et al.*, 2011; Bieling, 2012; Clark and Newman, 2012; Atkinson *et al.*, 2013; Blyth, 2013; Pénet, 2018).

In the Portuguese case, this orientation has been particularly intense since the first decade of the XXI century, given very strong exogenous and endogenous pressures to implement neoliberal policies, which, in the recent past, were promoted by the “Troika”<sup>1</sup> (Botelho *et al.*, 2015). These policies worsen an already complex framework of threats (Jæger and Kvist, 2003; Hay and Wincott, 2012; Brady and Lee, 2014; Crouch, 2015; Geiselberger, 2017) to social conquests linked to social welfare, protection and solidarity that had been institutionalised in the still young Portuguese welfare state (Silva, 2003; Carmo and Nunes, 2013; Zartaloudis, 2014; Alves, 2015).

This article focuses on the retrenchment of the state in Portugal, by analysing the evolution of public sector employment especially through their European integration period until the crisis and austerity period. The analysis is supported by the theoretical development proposed by Bourdieu (Bourdieu, 1989, 1998a and 2012) when he problematizes about the existence of a “right hand” (related with security, regulation or control state-function) and a “left hand” (related with social welfare functions) of the state in contemporary societies. This perspective, still underappreciated in the literature (Chopra, 2003; Egan and Tabar, 2016), provides an analytical perspective useful to describe welfare state transformations through time in the European Union institutional social space (Cohen, 2011; Arnholtz and Hammerslev, 2013; Arnholtz, 2018; Kauppi, 2003 and 2018).

Operationalising the hands of the state theory, we present empirical data on the human resources of the Portuguese public administration from the late 1970s until 2013.<sup>2</sup> First, a diachronic analysis of the flows of public servants since the 1970s was conducted, using census-

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<sup>1</sup> Troika is the name given to the team composed of the International Monetary Fund (IMF), the European Central Bank (ECB) and the European Commission, responsible for monitoring the “Economic Adjustment Programme” that was implemented in Portugal as a condition for the grant of financial assistance requested by the Portuguese government on 7 April 2011. This team intervened financially in the Portuguese State between 2011 and 2014.

<sup>2</sup> The primary sources of the structural indicators on which our analysis focuses are census-informed public-sector employment data produced by the Directorate-General for Administration and Public Employment (DGAEP), and in the case of the Portuguese retired public servants, information from Caixa Geral de Aposentações (CGA, the Public-Sector Retirement Fund).

informed databases; and then, socioprofessional and qualification profiles of the universe of Portuguese public servants who retired in 2013 are characterised – a year in which the adjustment measures agreed by the Portuguese government, the European Central Bank, the European Commission and the International Monetary Fund during the global crisis were especially intense. Civil service systems are important components in welfare state characterization (e.g. Ahonen *et al.*, 2006). The evolution of public sector employment and the characterization of exit flows of public administration due to retirement are accounted to a proper understanding of contemporary trends.

In the following, we begin by identifying the main contributions Bourdieu's theory has made to an understanding of the transformations that states are currently going through, and regarding the specificities of the Portuguese case. In the methodological section, we describe the main choices we made in relation to carrying out a quantitative, multivariate and multidimensional analysis of employment in the public sector, and of the people who have retired from it. We then look at the transformations the Portuguese state has been undergoing, in the light of the variation in public sector employment in this country; after which we characterise the public servants who retired from a variety of public sector roles in 2013 – these exit flows shape the process of the welfare retrenchment in the aftermath of the economic crisis by occurring in a period with no new contracts (extended until 2017). Finally, we conclude about the empirical validity that Bourdieu's theory of the hands of the state has to offer to understand current dynamics of contemporary states, namely in the European field of power.

## **WELFARE RETRENCHMENT: BOURDIEU'S THEORY TO UNDERSTAND CONTEMPORARY STATES**

Since the Second World War, different phases in welfare state development can be identified in the European context (Pierson, 2001; Pierson, 2007; Nullmeier and Kaufman, 2010; Bonoli and Natali, 2012; Leibfried *et al.*, 2015). They include times of expansion, moderation and retrenchment (Pierson, 1994; Starke, 2006; Levy, 2010), and have meant gradual, but far-ranging changes in the organisational structures of the state, its functions, size and the number of public servants (Brady and Lee, 2014; Kuhlmann and Wollmann, 2014; O'Flynn *et al.*, 2014; OECD, 2019).

Welfare state transformations can currently be seen in the delimitation of the functions the state tends to take responsibility for, the various types of capacity for intervention, governments' goals and choices, and the instruments that are mobilised in response to the

societal challenges they face. In the search for a way to reduce their weight in the economy, public services are being subjected to new procurement and management strategies (Scharpf, 1999; Saint-Martin, 2004), even though expressed differently across countries (Ahonen *et al.*, 2006; Hammerschmid *et al.*, 2016).

According to Bourdieu (1998a, 2001 and 2008<sup>3</sup>), the neoliberal conservative revolution tends to bring about a deep structural transformation that is implied in a transition from policies which have sought to act on distribution structures themselves, to policies which only attempt to correct some of the effects of an unequal distribution of resources. Notwithstanding the different institutional, cultural and organisational traditions of the various countries and their varying levels of economic and social development, a reduction in public sector employment represents one of the faces of the culmination of the welfare retrenchment processes wherever they occur (Clayton and Pontusson, 1998; Suleiman, 2003; Demmke and Moilanen, 2012).

Mobilising Pierre Bourdieu's theory of the state (Bourdieu, 1989, 1993, 1998a, 1998b, 2000, 2001, 2008 and 2012; Bourdieu *et al.*, 1994; Bourdieu *et al.*, 2008) is especially useful to an understanding of the transformations that contemporary states are experiencing (Peillon, 1998; Arnholtz, 2012; Lenoir, 2012; Wagner, 2012; Arnholtz and Hammerslev, 2013; Schinkel, 2015; Loyal and Quilley, 2017). Bourdieu offers a research model to study the states that can be transposed into any national field of power. In his model, Bourdieu particularly emphasises the genesis of the modern state and the configuration it gradually adopted. It is thus essential to develop a *historicity of the state* that reconstructs the conditions linked to its emergence and reveals the fields of power in societies (Bourdieu, 1989, 2000 and 2012; Bourdieu *et al.*, 1994).

The left and right hands of the state represent the main functions of contemporary states (Bourdieu, 1998a and 2001). In Bourdieu's view, the right hand of the state is characterised by: the concentration of physical force and its affirmation beyond the state's borders; the imperatives imposed by the need to defend the state's territory; the maintenance of internal order; the creation of an efficient taxation system; the competition between states; and the monitoring of the domestic market.

The left hand is defined by: state redistribution mechanisms; the exercise of the so-called "social welfare" functions; the affirmation of universal educability; its unifying action in

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<sup>3</sup> In Bourdieu's book "Political Interventions. Social Science and Political Action" (2008), the author expresses its scientific commitment as a public intellectual. This book, published after his death, includes a set of texts that have been published throughout his career, since the beginning of his writings until the most recent ones.

cultural matters, as a fundamental element in the construction of a nation state; and the duty to provide citizens with the cultural means and resources that enable them to actively exercise their civic rights (Bourdieu, 1998a and 2001).

Obsessed with the question of financial balances and budget restrictions, and embodied in the leading personalities at ministries of finance, public and private-sector banks and other ministerial offices, the right hand opposes with what Bourdieu calls “social workers” and the “left hand of the state” – the whole range of so-called spending ministries that are the trademark within the state itself of the social conquests of the past (Bourdieu, 1998a and 2000).

Most studies concerning welfare retrenchment however have been focusing mostly in expenditure and public employment trends as whole (and respective explanatory factors), playing less attention to eventual quantitative and qualitative changes in the process – predicted by Bourdieu theory. This paper addresses that gap, taking the consideration of the Portuguese case, one of the European countries most heavily hit by last economic crisis (Botelho *et al.*, 2015; Carmo *et al.*, 2019).

## **THE EUROPEAN INTEGRATION OF THE PORTUGUESE WELFARE STATE**

According to the classic typology of Esping-Andersen (1990), the Portuguese welfare regime could be considered as an underdeveloped version of the Conservative or Corporatist regime, characterised by the provision of median level of decommodification by social insurance schemes and labour entitlements. Portugal, and other southern European countries, however, depart from this model, having some authors arguing for a fourth “world” of welfare - the southern welfare regime (e.g. Ferrera, 1996 and 2005; Matsaganis *et al.*, 2003). Social protection in these regimes is ensured by a fragmented system composed by multiple income schemes, universal health care access and a high reliance on family and charity entities in the provision of welfare services (Ferrera, 1996; Arts and Gelissen, 2002). The welfare state in the southern region of Europe was developed counter-cyclically in relation to the most industrialised countries (Ferrera, 2005; Marí-Klose and Moreno-Fuentes, 2013). Gallie and Paugam (2000) identified four unemployment regimes (sub-protective, liberal, employment-centred and universal), that dialogue with the Esping-Andersen typology. In these unemployment regimes the Portuguese case is a sub-protective system, together with others Southern European countries, namely Italy, Spain and Greece.

According to Carolo and Pereirinha (2010), until the beginning of XXI century (1938 - 2003), welfare development in Portugal may be described in three main phases. In the first, the basis of national social security system was set with the creation of the social providence network in 1935 and the implementation of the coverage of classic social risks related with labour entitlements (replacement of income in case of old age, invalidity and survival), occurring during the dictatorship regime (Estado Novo). The second phase is triggered by the Revolution of April 25 (1974) and the democratic restoration that lead to the enlargement of citizenship, social and political rights, and the implementation of some of universal policies (e.g. national health care) funded by public social expenditure and fiscal solidarity schemes. Finally, the third phase, which started with the entry of Portugal in the European Economic Community (1986), the initiation of the process of “Europeanization of the Portuguese welfare state” (Carolo and Pereirinha, 2010).

Until the years 2000s, supported by EU structural funds, and under right-wing and left-wing governments, public spending grew significantly every year. This welfare extension period, however, occurs already under the directions of the Maastricht inflation criterion, and the concerns of fiscal and debt control related to the European Monetary Union, that had influenced the political programs of the beginning of the XXI century.

In Portugal, clear welfare retrenchment trends started in 2002, under economic recession period and a right-wing coalition government (2002-04), that approved a severely restrictive budgetary policy to control public spending and public debt. These measures resulted in the freezing of pay rises, and the restriction of new contracts to the public sector, among other implications. The cuts and reforms in the Portuguese welfare state continued in the following political cycle (2005–09), conducted by central-left wing government, again to control debt and meet EU deficit control constraints. Fees for the use of welfare services are raised, and labour relationships with civil workers in key welfare services are dramatically shaped in this period (Stoleroff, 2007; Zartaloudis, 2014).

Retrenchment policies are intensified again in the following years in great extent due to the exposure of the Portuguese economy to the international crisis of 2007/2008. Sequential packages of austerity measures were implemented resulting in extensive cuts in welfare services to control national sovereign debt under great market pressure. The policies were not enough to avoid the request of external financial help, and a new cycle of welfare retrenchment policies under Troika control was implemented resulting, again, in the detracting of the state in public administration, social security, social protection, education and health sectors (Matsaganis and Leventi, 2014; Madureira, 2015; Rodrigues, 2016).

## METHODOLOGY

We used a two-phase methodological strategy to study public-sector employment in the Portuguese state. Phase one analyses the evolution of public sector employment in Portugal since the 1970s, and along European integration, crisis and austerity. Phase two captures the exit flows of public servants due to retirement in 2013, the climax period of the presence of the Troika in Portugal. For the analysis of public-sector employment both phases develop quantitative methodologies.

In phase one, it was necessary to segment public servants by ministry and associate them with the strategic intervention functions that form part of each of the “hands of the state” model. This operationalisation was based on 2005-2013 Directorate-General for Administration and Public Employment (DGAEP) census data for public servants by subsector and ministry or regional secretariat [Directorate-General for Administration and Public Employment (DGAEP), 2005, 2013].

The left hand was represented by classifications in the health, education and science, and economics, employment and social security areas. For the right hand, we considered the functions linked to justice, finance, foreign affairs, and administration, security and defence.

Over the years, and materialising different ideological/political views associated with cycles of governance, some ministries underwent name changes and changes in the overall structure of government. Some of these alterations conditioned our decisions on how to classify different state functions in order to operationalise the two-hands model. Examples include the Ministries of the Economy and Labour. Given the different changes over the years, this association led us to create the ‘economics, employment and social security area’ classification, which was designed to produce an area in which the number of staff would be comparable.

Phase two of the analysis sought to understand the exit flows due to retirement, capturing the workers whose professional careers predominantly began in the 1980s and ’90s, precisely the period when the Portuguese public administration started to grow. We therefore analysed the records for retirements in 2013, based on texts published in *Diário da República* (the Official Journal). The richness of our data allows to account for key socioeconomic resources that translate different positions of power within the state, predicted by Bourdieu theorization. We constructed a database with a population of 16,133 staff based in mainland Portugal, including gender, ministry of origin, professional category, region, and gross pension income.

Subjects were recoded to group ministries of origin by state functions, which we defined beforehand. Occupational categories were recoded using criteria that were standardised in



accordance with the applicable qualification profile and organisational resources, following the international standards of ILO classifications.

A multivariate statistical analysis, using multiple correspondence analysis (MCA) and non-hierarchical cluster analysis techniques were conducted to find a typology for public administration retirees. The MCA made it possible to reduce a range of variables to a small number of composite dimensions. These variables were then graphically analysed in a two-dimensional space that define the topology of the public administration retirees.

To be able to distribute the retirees into types or groups in accordance with the profiles derived from their characteristics and represented in the MCA graph, we applied a grouping method – the non-hierarchical cluster analysis (K-means) – using the quantitative dimensions generated by the MCA as segmentation variables, and the number of profiles suggested by an analysis of the MCA graph. The segments were then analysed according to their characteristics, and this enabled us to see the transformations undergone by the public employment structure in 2013 in terms of the “hands of the state” model.

## **FINDINGS**

### **THE HANDS OF THE STATE UNTIL THE TROIKA**

The transformations of the Portuguese state that can be observed by looking at the variations in public sector employment until 2013 highlight the more recent and more pronounced trend towards a retrenchment of the state in Portugal. In 2013, according to OECD (2015), public sector employment as a percentage of total employment was 16.4%, one of the lowest compared with other European countries<sup>4</sup>. In Portugal, much of the state intervention in society is assured by the private and third sectors. In 2013, the Social Economy accounted for 5.2% of total employment and 6% of paid employment<sup>5</sup>. Within the scope of the Social Economy Satellite Account, 61.268 entities were identified in 2013, distributed across a diverse set of activities.

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<sup>4</sup> The country with the highest public sector employment as a percentage of total employment was Denmark with 34.9%, and the lowest was Turkey with 12.9%. The latest data available, from 2017, confirms this international position of Portugal in terms of employment structure (OECD, 2019).

<sup>5</sup> Comparing this data with the newest available (2016), wages and total employment in the Social Economy increased by 8.8% and 8.5% respectively, showing greater dynamism than the total economy (7.3% and 5.8% respectively).

The transformations of the public sector employment have been quite significantly conditioned by economic and political cycles (Klitgaard and Elmelund-Præstekær, 2014), clearly interlinked with the European integration process that Portugal began in the late 1970's. At the beginning of our reference period, in 1979, which is five years after the Carnation Revolution,<sup>6</sup> the Portuguese state was still a relatively small employer (see Figure 1). The real increase in this respect happened between 1991 and 1996 (with a growth rate of 22%), within a political framework of government by a centre-right majority and sustained at the time by a substantial inflow of European Community funds intended for investment in the country's modernisation.

During this period of the greatest expansion in the number of people working for the state, which was related with the development and implementation of social welfare policies associated with the installation of the new democratic regime, at the international level there appeared an influential set of neoliberal policy recommendations (OECD, 1994).

Gradually, the framework of the “new public management” (Blyth, 2013) created the political opportunities for structural changes in public employment, by the growing use of outsourcing and temporary contracts, that led to a reduction in the public payroll, and that have segmented the provision of public services into several contractual positions<sup>7</sup>. These processes are closely interlinked with the trend of retrenchment of permanent public employment in the Portuguese state.

The year 2005 was marked by the fact that it was the year in which the number of jobs in state departments and services reached its peak (747.88 thousand). It was also the turning point, after which measures taken to attenuate the costs borne by the state purse in relation to current and retired public servants resulted in a downward trend. According to the Public Employment report:

The modernization of the Public Administration (in Portugal) is assumed by the government as an essential piece of the strategy of growth of the country. It aims to achieve an Administration that better serves citizens and companies. In this context, it has been focusing particularly on the: Structural Reorganization of State

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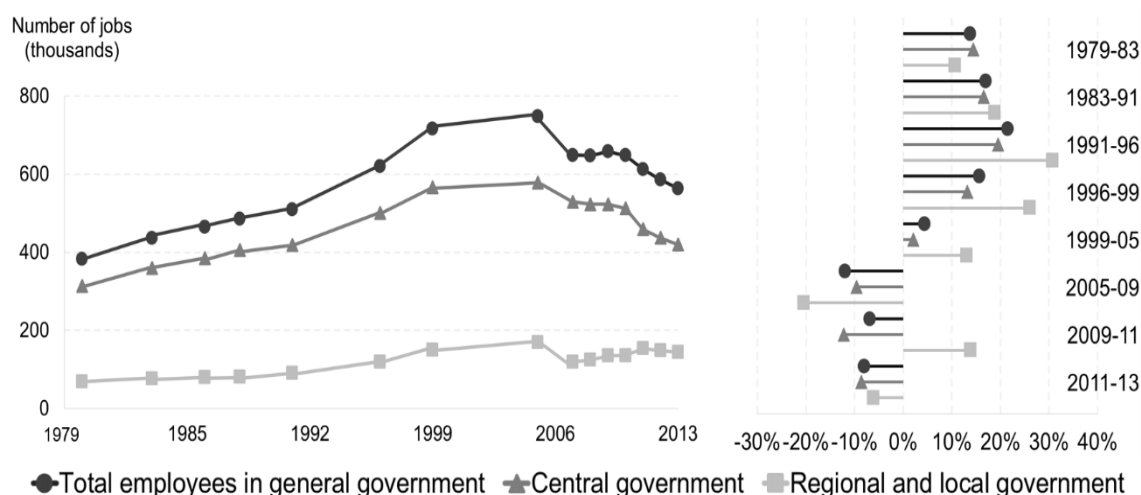
<sup>6</sup> The Carnation Revolution also referred to as the 25th of April was initially a military coup in Lisbon, Portugal, on 25 April 1974, which overthrew the nationalist and fascist regime of the Estado Novo.

<sup>7</sup> All the data presented in this article only refers to permanent contracts.

Central Administration; Reform of the Civil Service Regime; Modernization and Administrative Simplification; Modernization of Public Management, as well as the Development of e-Administration.

(Eurostat, 2010, p.177)

The measures derived by this orientation were implemented between 2005 and 2009, in a new context in which government was in the hands of a Socialist Party with an absolute parliamentary majority. The number of state jobs fell very significantly (at a global rate of about 12%, and 20% in the case of the sub-national administrations).



Source: Directorate-General for Administration and Public Employment (DGAEP) (census databases)

Figure 1: Public employment in Portugal (1979-2013)

In the second cycle of Socialist Party governance, which began in 2009, the downwards trend continued (-7%) and extended into the period of governance that was overseen by the Troika (-8% in 2011-2013). By the end of 2013, the Portuguese state had just over half a million staff (564 thousand).

Table 1 presents the proportion of jobs allocated to different state functions between 2005 and 2013.<sup>8</sup> The left hand represented about two thirds of the total number of staff, with the

<sup>8</sup> A break in the series in 2011 influenced the calculation of the number of staff and thus meant that the comparative diachronic analysis had to consider two distinct periods: 2005-2010, and 2011-2013.

education and science area possessing the greatest relative weight. Among the right-hand functions, administration, security and defence had the largest number of people, with about a fifth of the total.

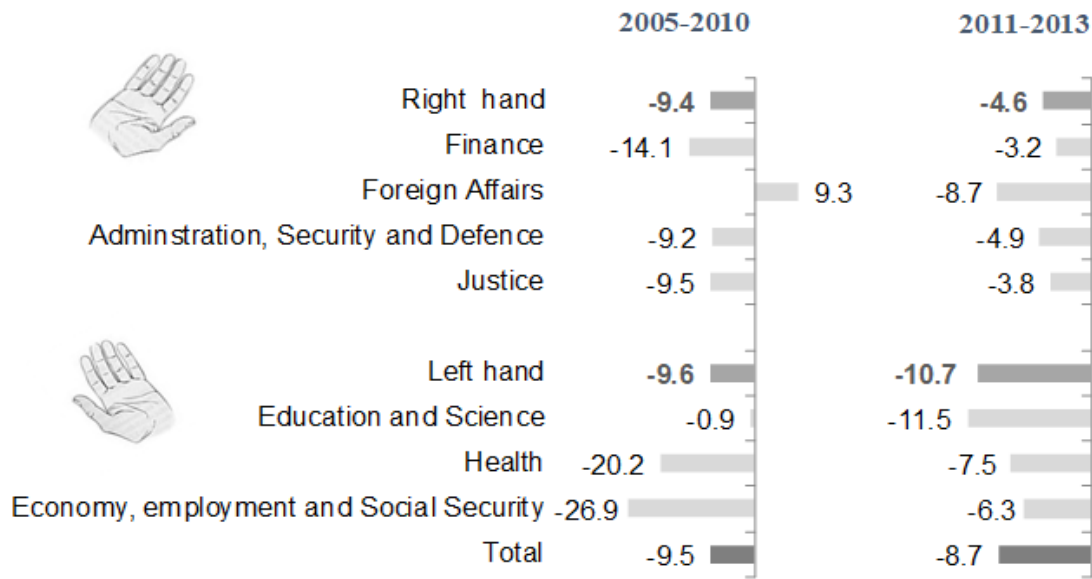
Hands of the state		2005	2007	2008	2009	2010	2011 <sup>⊥</sup>	2012	2013
Unit: Jobs (percentages)	Right hand	28.8	28.7	28.5	28.3	28.8	32.2	33.2	33.7
	Finance	2.9	2.9	2.9	2.8	2.7	3.1	3.2	3.3
	Foreign Affairs (FA)	0.5	0.6	0.6	0.6	0.7	0.8	0.9	0.8
	Administration, Security and Defence (ASD)	19.4	19.3	19.1	19.1	19.5	21.2	21.8	22.1
	Justice	5.9	5.9	5.9	5.8	5.9	7.1	7.3	7.5
	Left hand	71.2	71.3	71.5	71.7	71.2	67.8	66.8	66.3
	Education and Science (ES)	42.4	44.5	45.5	46.4	46.5	55.4	54.5	53.7
	Health	20.0	19.0	18.5	18.0	17.6	7.5	7.5	7.6
	Economics, Employment and Social Security (EESS)	8.8	7.8	7.5	7.2	7.1	4.8	4.8	4.9
	Total jobs (thousands)	566.3	529.3	523.1	522.9	512.4	430.5	409.3	393.0

<sup>⊥</sup> - New statistical classification

*Source:* In-house calculations by the Directorate-General for Administration and Public Employment (DGAEP), (census databases).

*Table 1: State function reconfiguration processes (2005-2013)*

In our two periods of reference – 2005-2010 and 2011-2013 – there is a visible reduction in the overall number of public servants (Figure 2). In the first of these time arcs, the ministry of foreign affairs was the only state function that presented countercyclical data. Except for this area, the reduction is clearly distributed quite evenly between the two hands (-9% for the right hand and -10% for the left).



Source: In-house calculations by the Directorate-General for Administration and Public Employment (DGAEP), (census databases).

*Figure 2: The hands of Portuguese state: public employment growth rate (%) by period (2005-2010, 2011-2013) and functional area*

A more detailed analysis shows that for the right hand, the greatest fall was in the functions associated with the finance area (-14%); while for the left hand, there was a major decrease in functions linked to economics, employment and social security (-27%), and health (-20%). During this period, the fact that education and science remained relatively stable attenuated the overall reduction in the functions attributed to the left hand of the state.

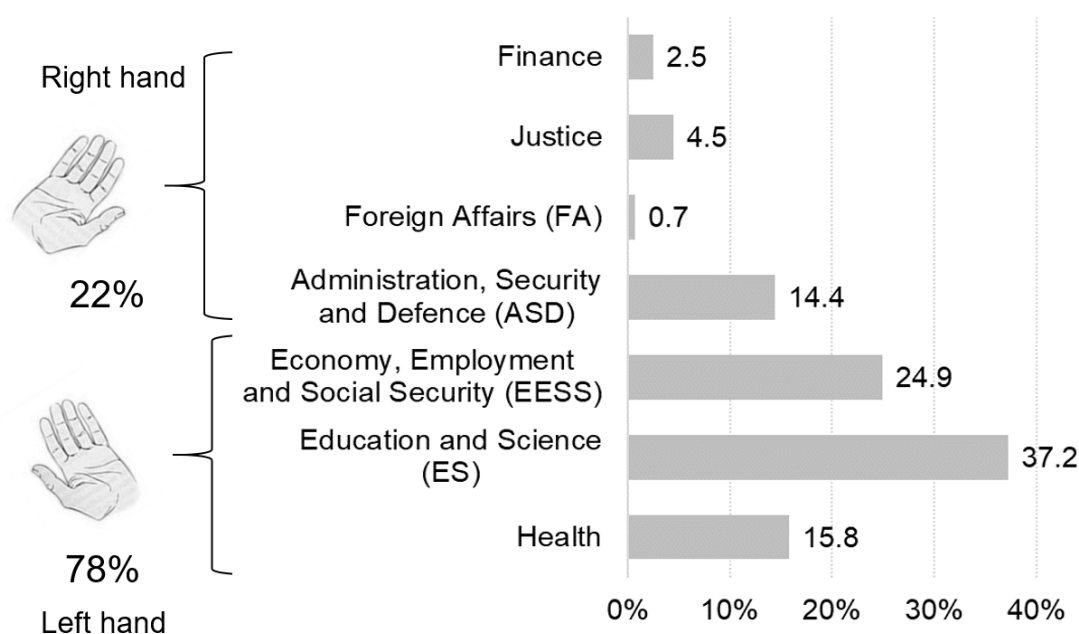
In the period in which governance was overseen by the Troika (European Commission, 2011) and which began in 2011, the most evident aspect is the relative strengthening of the right hand. Although it also tended to diminish, the fact is that it did so to a lesser extent (-5%, compared to -11% for the left hand), thereby increasing its overall weight in the functional structure of the state.

In the transition between the first (2005-2010) and second (beginning in 2011 – a general election year) periods, financial engineering transferred the management of a large part of the assets allocated to the health sector to Public Business Sector Entities (EPEs), thereby reducing the direct costs incurred by the central administration in relation to the staff in question. Another major factor is that for the first time there was a substantial reduction in resources in the

education and science area (the area where they decreased the most during that phase: -12%). There are thus clear tendencies towards both a reduction in and a restructuring of the public employment in the Portuguese state between 2011-2013. These changes were only possible as a result of the exceptional political conditions which were experienced during this historic context in Portugal and which made it possible to see the political decisions in question as conditions imposed from outside (the Troika's Memorandum of Understanding), even though they were ideologically coherent with the governing right-wing coalition's political agenda.

## THE HANDS OF THE STATE DURING AUSTERITY

Considering the characteristics of retirees of 2013, Figure 3 shows that it was above all the left-hand functions that tended to lose public sector assets due to retirement. In 2013, 78% of all new Caixa Geral de Aposentações (CGA) retirees came from departments and services attributed to the left hand, compared to 22% from the right hand. Education and science were the state functions in which the number of human resources fell the most.



(N=16,133)

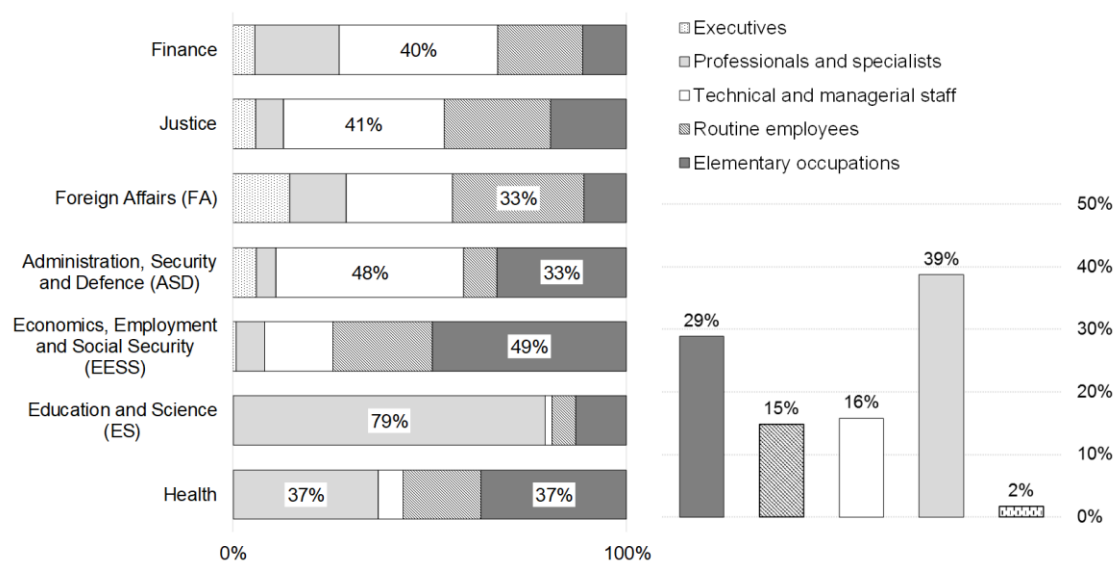
Source: Caixa Geral de Aposentações (CGA) (census database), (2013).

Figure 3: The hands of the state: Public-servant retirees by functional areas (%)

Figure 4 allows us to understand which occupational categories were losing the most people in terms of public employment of the Portuguese state. We can see that the largest outflow in

2013 involved staff with better qualifications – i.e. intellectual and scientific professionals (professionals and specialist) (39% of all new retirees).

It is worth complementing this analysis by also looking at outflows from occupational categories by functional area. Where the left hand of the Portuguese state was concerned, 79% of new retirees in the education and science area were positioned in the intellectual and scientific professional's category. In the health area, 37% of departures were also from the category linked to specialists in intellectual and scientific professions.

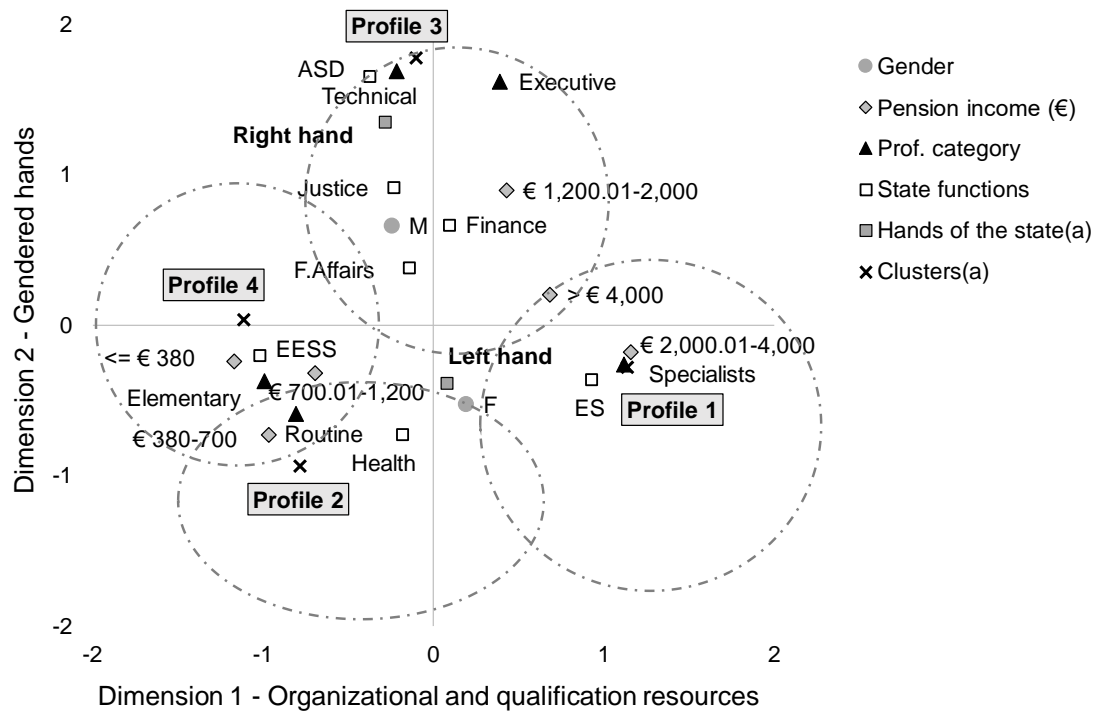


(N=16,133)

Source: Caixa Geral de Aposentações (CGA) (census database), (2013).

Figure 4: Public-servant retirees by occupational categories and state function

A multivariate data analysis method was applied – Multiple Correspondence Analysis (MCA), to find out more about the structure of the new public servant retirees (Figure 5). The topology clearly reveals a demarcation between the left and right hands of the state. Dimension 1 of the MCA regards the organizational and qualification resources of the public servant retirees. Dimension 2 reveals how the hands of the Portuguese state are gendered.



(a) Supplementary variable

Source: Caixa Geral de Aposentações (CGA) (census database), (2013).

Figure 5: Typology of retired Portuguese public servants (N=16,133)

The internal configuration of the left hand of the state, comprising the education and science, health, and economics, employment and social security functions, included public administration retirees who belonged to the professionals and specialist's category, received pension incomes of more than €2,000/month, and were female. On the other side, we have retired staff whose functions were linked to health, economics, employment and social security, who belonged to the routine employees, and elementary occupations occupational categories, received the lowest state pensions (up to €1,200/month), and were also female.

The right hand of the Portuguese state, made up of the finance, justice, administration, security and defence, and foreign affairs functions was associated with the executives, and technical and managerial staff occupational categories, the male gender, and pension incomes in both the €1,201.01 to €2,000/month and the over €4,000/month bands.

The cluster analysis, which used the two dimensions generated by the MCA as segmentation variables, confirmed the existence of four typical profiles for public servants who had retired from the Portuguese state. Profiles 1 and 2, which were associated with the left hand of the state and respectively represented 38% and 24% of the total universe of public administration retirees. Profile 3, whose members clearly came from the right hand of the state, represented



18% of retirees and Profile 4, which was the least qualified, received the lowest pension incomes, and made up 20% of all state retirees in 2013 (Table 2).

The majority of Profile 1 retirees were women, intellectual and scientific professionals (professionals and specialists), received the highest pensions – between €2,000 and €4,000/month – and had belonged to the health, and education and science functions.

Almost all the Profile 2 public administration retirees were also women, in this case from operational (elementary occupations) and the technical and administrative assistant (routine employees) categories, most commonly with pensions up to €700/month, and from the health, and economics, employment and social security areas.

Variables	Profile 1 (37.7%; 6,082)	Profile 2 (24.1%; 3,891)	Profile 3 (18.2%; 2,936)	Profile 4 (20.0%; 3,224)
Gender	68.6% Female	90.3% Female	80.2% Male	77.0% Male
Professional category	99.1% Professionals and specialists	59.3% Elementary occupations 39.4% Routine employees	8.4% Executives 73.0% Technical and managerial staff	62.3% Elementary occupations 25.5% Routine employees
State functions	78.7% Education and Science 14.8% Health	35.9% Health 33.5% Economics, Employment and Social Security	56.3% Administration, Security and Defence 14.2% Justice 6.4% Finance 1.3% Foreign Affairs	62.6% Economics, Employment and Social Security 20.3% Administration, Security and Defence 7.6% Justice
Pension income (€)	38.4% ≤ €380 €1,200.01-2,000 51.4% €2,000.01-4,000 3.5% > €4,000	9.5% ≤ €380 49.8% €380.01-700 40.7% €700.01-1,200	73.6% ≤ €380 €1,200.01-2,000 18.7% €2,000.01-4,000 2.1% > €4,000	13.9% ≤ €380 31.0% €380.01-700 51.3% €700.01-1,200

Source: Caixa Geral de Aposentações (CGA) (census database), (2013).

Table 2: Cluster profiles of public-servant retirees (N=16,133)

The third profile we were able to identify pictures a group made up of a majority of men, most of whose pensions were in the €1,200.01-2,000/month range, who had been technicians

and mid-level managers (technical and managerial staff), or senior managers (executives), and had performed administration, security and defence, justice, finance, and foreign affairs functions.

Finally, the majority of Profile 4 retirees were men, had belonged to the technical and administrative assistant (routine employees), and operational (elementary occupations) categories, had worked in the economics, employment and social security, administration, security and defence, and justice functional areas, and received monthly pensions of less than €1,200.

## CONCLUSION

This article has sought to offer an understanding of the dynamics of the retrenchment of the state in Portugal, gauging its impacts from variations in public sector employment, especially during the period covered by the adjustment measures, decided by the Portuguese government, the European Central Bank, the European Commission and the International Monetary Fund – an austerity period (Mauritti et al., 2020) when there were clear trends towards a reconfiguration of the Portuguese state through the reduction of the size of public employment.

It is important to distinguish state decisions in public employment and state intervention in society, but the components of the welfare state in Portugal, which underpin welfare protection and social solidarity in this country, have been the target of pressures seeking to reduce them in ways that have done nothing to improve the difficulties being experienced by the various welfare states in Southern Europe (e.g. Matsaganis, 2011).

The topological space of Portugal's public administration retirees clearly revealed a demarcation between the right and left hands of the Portuguese state. Determining and characterising those retirees' socioprofessional and qualification profiles enabled us to see a tendency towards a de-qualification of their functions, in that the largest outflow of human resources from the administration involved staff with higher levels of qualifications and organisational resources. With public administration recruitment frozen in the Portuguese State in 2013 until 2017, the largest flow of retirees were professionals and specialists from education and health sectors, what can be seen as an important threat to the quality provision of this welfare services. Alongside this de-qualification we also observed a transversal inequality reflected in human-resource management models that tend to relate female segment of the country's public servant to the left hand of the state, associated to less power, hierarchical authority and status. In addition to the differences in income in every professional category, the

occupants of the most senior careers tend to be men working for the right-hand functions of the state, more protected from state retrenchment trends.

Bourdieu's "hands of the state" theoretical model revealed the heuristic potential it can contribute to an interpretation of state's retrenchment processes, namely in terms of the delimitation of the state's functions and the capacity of governments to intervene in relation to public sector employment. We operationalised the theory with a multidimensional analysis supported by census-informed databases. We collected empirical data on the human resources of the Portuguese public administration, between 1979 and 2013. Bourdieu's perspective of the hands of the state allows analyse key qualitative and quantitative transformations of contemporary states, uncovering important trends of welfare retrenchment, European integration and austerity otherwise invisible, especially after the global crisis that has erupted in 2008. The approach offers analytical and methodological possibilities for the model's replication in studies of other states.

In Portugal, especially during the Troika period, we were able to observe the implementation of policies aimed at restructuring the state through the reduction of human resources allocated to the public sector, with greater damage to the left hand. The analysis of public policy orientations in the areas of education and science were particularly troubling, considering the structural backwardness that the country faces in these fields, in the context of the European Union.

During the Troika period, the state in general has shrunk the investment, subjugated to the political imperative of financial austerity and structural reforms, taking the reduction of public debt as its first priority. The analysis carried out has confirmed the nuclear premise that, depending on the solutions recommended for the allocation of resources and the implementation of policies, the real economic limit is not so much the absolute scarcity of resources but the priorities for their redistribution.

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