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Social security systems faced with multiple challenges: Portugal's response to the polycrisis (2020–2025)

Jorge Caleiras
CoLABOR – Collaborative Laboratory for Labor, Employment and Social Protection, Lisbon, Portugal
CIES-Iscte – Centre for Research and Studies in Sociology, Lisbon, Portugal

Maria Clara Oliveira
CIES-Iscte, Centre for Research and Studies in Sociology, Lisbon, Portugal Faculty of Economics of the University of Coimbra, Coimbra, Portugal

Abstract
Social security systems face old and new challenges, which are often entangled. Swift reforms are therefore required, to strengthen systems and ensure their fairness and ability to respond to multiple eventualities. Taking a broad institutional and multidisciplinary perspective, this article discusses the Portuguese social security system, in the context of the pandemic and inflation crises which hit the country while it was still recovering from the debt crisis and the adverse effects of implementing a structural adjustment programme. We will argue that the previous trajectory of employment and social security policies helps explain the fragility of the system, which was accentuated by the pandemic and the inflationary shock. In addition, we point to the emergence of a new trend in recent years of resorting to ad hoc and temporary measures, to the detriment of consolidating and expanding existing programmes and rights. The article contributes to the international literature by offering insights that may be applicable to other national situations and comparable institutional contexts.

Keywords
Social security, polycrisis, pandemic, inflation, Portugal

Corresponding author:
Jorge Caleiras, CoLABOR – Collaborative Laboratory for Labor, Employment and Social Protection, Lisbon, Portugal; CIES-Iscte – Centre for Research and Studies in Sociology, Lisbon, Portugal.
Email: jorge.caleiras@colabor.pt

Introduction

When discussing social security systems, there is frequent talk of the challenges they face and their need to adapt, so that they can continue to fulfil the function of protecting citizens from risk. However, the list of potential threats continues to expand unrelentingly. Since the end of the Golden Age of the welfare state, numerous problems have been identified, such as demographic change and funding concerns (Häusermann, 2010; Hemerijck, 2013; Palier, 2010; Taylor-Gooby, 2004). Over the last few years, changing political, economic, social and environmental dynamics have brought new issues to the debate, which not only compound the existing problems, but also become entwined with them and deepen their impact. This scenario is often referred to as a 'polycrisis' (Lawrence et al., 2022), an intriguing global concept that must be addressed through integrated and multidisciplinary analyses.

Thus, COVID-19, the socio-economic impacts of climate change, migration (i.e. economic migration, refugee flows) and inflationary crises, among other things, have exerted additional pressure on already strained social security systems, at a time also marked by significant political changes at a global level (i.e. the rise of the extreme right and of new right-wing movements). There is an intensified debate about cutting social spending, motivated not only by ideological choices, but also by changes to resource allocation (particularly in a context of increased defence spending). Against this backdrop, it is important to understand how these concerns affect social security systems, and the measures adopted to ensure an adequate response.

Building on Esping-Andersen's (1990) typology of welfare states, Ferrera (1996) suggested that there exists a fourth type of welfare state, now known as the Southern European model, which groups together Italy, Greece, Spain and Portugal. Since then, several authors have examined the characteristics common to these countries (i.e. Andreotti et al., 2001; Bonoli, 1997; Glatzer and Moreira, 2022). From a broader institutional comparative perspective (Campbell, 2004; Coccia, 2018), the Portuguese case – although following a distinct historical trajectory – exhibits structural features that align with those of other countries in the same cluster. This includes enduring inequalities in access to social protection, an emphasis on formal labour market participation, and challenges generated by integrating precarious and informal workers into the system. Furthermore, the institutional configuration of the Portuguese system reveals contextual affinities with other institutional settings, notably through its dependence on family networks and non-State actors, as well as its corporatist structures and financing (Branco, 2022; Caleiras and Carmo, 2024b; Moreira and Hick, 2021).

In this sense, Portugal is an interesting case study in that it illustrates the growing challenges of responding to traditional concerns while at the same time trying to mitigate the accumulated effects of new crises – i.e. the prolonged effects of the financial and debt crisis; climate change resulting in coastal erosion and forest fires; population ageing; migration flows; the pandemic; and the rapid rise in inflation (Martins and Ferreira, 2023).

This study adopts an integrated approach, drawing contributions from sociology, political science, and social policy analysis. On this basis, it investigates the impacts of these evolutions on the Portuguese social security system, and describes the changes that have taken place to ensure that 'everyone has the right to social security', as set out in Article 63 of the Constitution. Our analysis focusses on the period spanning from 2020 to 2025, which encompasses the pandemic and the inflationary crisis, and has also been characterised by an increase in the number of foreigners living in the country, who contribute to and benefit from the social security system, and more frequent environmental disasters, due to deteriorating climatic conditions.

The article shows that although the legal framework is, at first glance, comprehensive and generous, there is a substantial gap between that constitutional provision and its implementation, which has become even more noticeable in the context of the pandemic and the inflationary wave (Martins and Ferreira, 2023). Welfare institutions often evolve incrementally. This is due to path dependency, which means that past decisions constrain present options. This process helps explain why some decisions and reforms come up against institutional resistance, while others are more easily accepted (Häusermann, 2010; Palier, 2010; Pierson, 2001, 2011; Taylor-Gooby, 2004). It also enables us to better understand how the contextual elements of the architecture of the Portuguese system – and other similar institutional systems – influence these dynamics. Its historical development helps to explain structural inequalities and gaps in coverage. For example, the Portuguese system is built around formal employment (Pereirinha and Pereira, 2023), which systematically excludes informal workers, the self-employed and many women (OBEGEF, 2019; Carmo et al., 2023). Moreover, the historical neglect of certain social groups perpetuates exclusion, even when formal protection seems generous on paper (Branco, 2022; Caleiras and Carmo, 2024b).

Two factors explain the vulnerability of the Portuguese system to the most recent crises. The first is the retrenchment of the social security system during the austerity period (2010–2014), and its negative effects felt since then, and which have not been fully reversed. The second is the adoption of a strategy to respond both to the pandemic and to rising inflation, based on the introduction of temporary and ad hoc measures, essential to ensure rapid action, but with design and implementation problems which, in the absence of other actions, reduce the levels of social protection (Caleiras and Carmo, 2024a).

The article is based on an extensive literature review, as well as on an analysis of official documents and data. It starts by briefly presenting the characteristics of the Portuguese social security system, and discusses the recent trajectory of employment and social security policies, paying particular attention to the processes that took place between the intervention of the Troika (2011–2014),[1] the outbreak of the pandemic (2020) and the inflationary shock (2022), which diminished the system's ability to provide social protection. This is followed by an analysis of how the pandemic and the rise in inflation have accentuated some of the challenges already affecting the system. The third section discusses the measures adopted to respond to the emerging needs. We argue that the retrenchment process during austerity was only partially reversed by the 'Contraption' government[2] (2015–2019), and placed Portugal in a delicate position to respond to the pandemic and high inflation. Indeed, the measures adopted to mitigate the effects of these crises only served to exacerbate the situation. The final section summarises the main ideas presented in the article and discusses future steps towards the development of an effective social security system that provides high levels of protection for all and can respond to multiple risks. While the article explores the specific case of Portugal, its conclusions might feed discussion about the other countries in Southern Europe, as well as informing the wider debate, given that these problems cut across the different welfare systems.

1. In May 2011, a Memorandum of Understanding was signed between the Portuguese government, the International Monetary Fund, the European Commission and the European Central Bank – the international lenders known as the 'Troika' – in exchange for a €78b loan. The structural adjustment programme determined the country's political decisions in the following years.
2. The 'Contraption' government refers to a governing coalition that was seen as fragile and complex. The Socialists did not win the general elections, but managed to form a government thanks to bilateral agreements with leftist parties – the Left Bloc, the Portuguese Communist Party and the Ecologist Party.

The social security system in Portugal: Panorama and recent evolution

The Portuguese social protection system emerged late compared to other European countries and is an example of the so-called 'Southern European model' (Ferrera, 1996): it provides some universal services, such as the National Health Service and generous benefits for some groups of the population (insiders), while leaving the rest of the population relatively unprotected (outsiders). In Southern European countries, non-State actors also provide important social services, and in Portugal, religious – mostly Catholic – institutions play a major role. Throughout the 20th century, a number of measures were put in place aimed at certain sections of the population – civil servants – but it was only after the Carnation Revolution (1974), which put an end to one of the longest-lasting autocratic regimes in Europe, that social protection was extended to the rest of the population. Thus, immediately after re-democratisation, old-age pensions became generalised, and measures to combat poverty and ensure protection in the event of unemployment were consolidated. The 1976 Constitution cemented this new social protection paradigm by establishing the fundamental principles of the welfare state, enshrining social rights such as the right to education, health, housing and social security.

Over the last five decades, countless changes have been made to the Portuguese welfare state. They can be divided into three major periods: the democratic impulse (1974–1985), the European impulse (1985–2010), and the responses to successive crises since 2010 (Branco, 2022; Caleiras and Carmo, 2022; Caleiras and Carmo, 2024b). The first phase was essentially regulatory and protectionist and was marked by the creation of various programmes and the inclusion of an increasing number of beneficiaries. However, with the outbreak of the 1983–1984 crisis, deregulatory pressures began to surface. In 1986, Portugal became a member of the European Economic Community (EEC), which led to the institutionalisation of social consultation and to major changes in the policy agenda, marking the beginning of a second phase.

During this period, proposals for regulation were guided by the idea that social policies should be connected to active labour market strategies. However, this neoliberal offensive promoting regulation conflicted with alternative approaches already present in Portugal, advocating the retreat of the welfare state and the consequent weakening of social protection as a way of guaranteeing flexibility and fluidity in the labour market. This tension re-emerged in response to the Great Recession (2008) and the Euro Crisis (2010–2014). This last phase corresponded to a sequence of multiple crises of varying natures, and saw a strong devaluation of the labour market and the adoption of a structural adjustment programme in return for obtaining funding from international creditors, leading to the 'retrenchment' of social policies (Caleiras and Carmo, 2022).

With the end of structural adjustment, a political-ideological realignment took place, made possible by an unprecedented governing coalition in Portugal, which brought together left-wing and centre-left forces with parliamentary representation – known as the Contraption. A moment of 'détente' therefore followed, and a process of restoring social policies and incomes began. Still, the reversal of the 'retrenchment' carried out in the previous years was only partially achieved: some decisions were not revised and a return to the previous level of protection proved to be extremely difficult. For example, social benefits were set at such low values that they were not adequate to meet needs (Caleiras and Carmo, 2024b; Cantante et al., 2024). Moreover, the recovery that did take place was interrupted by the outbreak of a new crisis associated first with the pandemic and then with the rapid rise in inflation (Martins and Ferreira, 2023). Thus, following the response to the Great Recession and the Euro Crisis, Portugal went through a process that Pierson (2001) labelled as 'permanent austerity'. The aftermath of the financial and debt crises was marked by the dilemma of retreat or recalibration, associated with the growing clash between support for maintaining the welfare state and pressure for austerity. This situation has been referred to as a 'freezing' of the welfare state, with an effort to contain its expansion and a series of offensives to force its retreat (Caleiras and Carmo, 2022, 2024a, 2024b).

The dynamics described above have, over time, affected the Portuguese social security system, which is structured around three distinct pillars, each based on different principles and funding mechanisms. First, the citizen's social protection system (non-contributory) is designed to guarantee basic social rights, targeting individuals in situations of social and economic vulnerability through tax-funded programmes (i.e. the Social Insertion Income/RSI). Second, the contributory system provides income-replacement benefits (i.e. unemployment benefits, pensions), and is financed through social contributions from workers and employers, with financial autonomy ensured by dedicated funds. Third, the complementary system includes voluntary and supplementary schemes – both individual and collective – which are still under partial regulation (Law 4/2007).

The system is structured around a Financial Social Security Reserve Fund (*Fundo de Estabilização Financeira da Segurança Social*), which is essential to maintain the balance when faced with a dominant issue, such as the intergenerational balance. It is a cushion to ensure that the planned pension expenses are covered for a minimum period of two years (Ordinance 1273/2004). The Fund has been growing and is expected to reach 14.1% of GDP or 207.4% of annual pension expenditure in 2025 (IGF, 2025; OE, 2025).

Recognising this institutional architecture and the structural and financial differences between the pillars is essential to understand the differentiated impact of public policies. First, the post-1974 extension of social protection occurred in many cases without prior contributions. This naturally created financial balance problems within the system, and increased pressure on the State budget to guarantee the necessary resources for the contributory system. Second, the expansion of the non-contributory system relies on funding from the State budget, whereas the contributory system is supported by its own designated funds from the outset. Finally, labour market policies and fiscal policies affect the contributory and non-contributory systems in distinct ways, depending on whether they influence formal employment relations or target vulnerable groups.

In the early 2010s, the system suffered huge setbacks, such as the freezing and cutting of salaries and pensions and tougher conditions on access to social support. The 'Contraption' government sought to reverse the retrenchment of the system by restoring income levels, updating the value of social benefits, unfreezing and increasing the minimum wage, and fighting job insecurity. In 2019, the Socialists, until then at the head of the 'Contraption' government, won the general elections and achieved a relative majority. Their political programme included consolidating efforts to continue the recovery process and promoting the country's socio-economic development, in a context of political stability. It was against this backdrop that the warning signs of a pandemic, followed by an inflationary shock, emerged.

A social security system weakened by the responses to previous crises

In early 2020, the first cases of COVID-19 were reported globally, and the WHO declared it a pandemic in March. Portugal confirmed its first cases in February and responded by strengthening its health system and implementing restrictive measures. A state of emergency was declared in March, leading to a lockdown and the suspension of non-essential activities. This was followed by a phased reopening under strict safety measures. In 2021, new variants prompted the reintroduction of restrictions and there was no full return to normality until mid-2023.

As a result of the restrictive measures, thousands of workers had to stop working immediately or simply lost their jobs. Between early 2020 and mid-2021, around 173,000 jobs disappeared, mainly affecting workers on precarious, part-time and/or short-term contracts (Almeida, 2021). Many workers had no access to social protection in the event of unemployment, due to their insufficient social security contributions, and to the brittleness of their employment relationships – i.e. those completing a probationary period, self-employed workers and informal workers (Caldas et al., 2020; Caleiras and Carmo, 2020; Tavares et al., 2022).

Various factors explain the widespread lack of protection. The first factor is the prevalence of precarious forms of employment with no or little access to unemployment benefits, due to insufficient social security contributions. At the end of 2019, around 20% of workers were on non-permanent or temporary contracts (Mamede et al., 2020), a situation even more frequent among young people. Even though these workers have access to the social security system, their level of protection is low and comes with negative consequences; as a result, children and young adults below the age of 25 are disproportionately represented among those in poverty (EAPN, 2020).

In 2020, more than 650,000 workers were self-employed (Datalabor, n.d.; Pordata, n.d.). These workers were severely hit by the lockdown and thousands of them lost their jobs during the first phase of the containment strategy (March-May 2020), earning them the label of 'immediate unemployed' (Caleiras and Carmo, 2020: 5). They were trapped in a social protection vacuum, as some were completely excluded from any sort of support, while others received very low levels of benefits. In explicit recognition of this lack of protection, the government created new temporary measures targeting this group.

The volume of informal work was an additional blockage, as these workers were not covered by any sort of social security scheme. In Portugal, informal work accounted for 12.1% of total employment and was most frequent in the following areas: domestic services, cleaning, child and elderly care, gardening, surveillance and driving (ILO, 2018). Informal workers were one of the most affected groups, as they were quickly laid off at the time of the pandemic (Caleiras and Carmo, 2020).

Additionally, unemployment benefits had lost part of their ability to protect because of the structural changes that had been introduced. In 2010, the national minimum wage stopped being used as a reference for calculating benefits, and in 2012, benefits were cut and their duration reduced, particularly for workers with shorter contributory careers. Furthermore, access to unemployment benefit was made more difficult by the application of a restrictive means test (Decree-Law 72/2010). The 'Contraption' government reversed some of these changes: the 10% decrease in unemployment benefit after the initial six months was abandoned and the mandatory 'fortnightly appearances' at Job Centres were stopped. However, the lower level of benefits during a shorter period and the use of a means test to determine eligibility prevailed (Antunes, 2024; Caleiras and Carmo, 2022; Pedroso, 2024). Moreover, periods of unprotected unemployment may have a negative effect on future pensions, which had already been frozen and reduced (Caleiras and Carmo, 2022; Murteira, 2024).

Moreover, inflation began to rise from 2021 onwards, and accelerated in 2022, peaking between July and October. Whilst the rising inflation was felt globally, it hit European countries the hardest, as can be explained by a combination of factors. Food prices rose, as the result of a series of problematic harvests, constraints on production and distribution associated with COVID-19 containment measures, and the impact of the armed conflict involving Ukraine and Russia, two key producers of cereals and fertilisers. Energy prices also escalated suddenly, as a direct consequence of the conflict and the sanctions imposed on Russia, as well as interruption and reformulation of production and distribution chains, as a result of the measures adopted to control the pandemic and of a growing preference for protectionism. In addition, the income protection measures taken during the pandemic and the limits imposed on economic and social activity enabled families to greatly increase their savings, leading to an upsurge in demand, especially once the most critical moment had passed, with instant repercussions on prices. Inflation can be felt by all families, but it particularly affects those on limited incomes. For the most vulnerable – that is, beneficiaries of social assistance and/or those who had experienced a deterioration in their economic situation during the financial crisis and/or the pandemic – coping with the rapid increase in the cost of living became even harder (Martins and Ferreira, 2023).

Despite the cumulative effects of crises, austerity measures and fiscal restraint, some factors have contributed positively to the sustainability of the system, such as the growing importance of immigrant workers and their significant contributions to the system.

In the context of a demographic crisis, marked by low birth rates and an ageing workforce, several studies underline the growing importance of immigrant workers in sustaining Portugal's social security system (MTSSS, 2024, 2025; Oliveira, 2023). In 2019, before the pandemic, immigrants contributed €995.5m to the social security system, while receiving only €111.1m in social benefits. In 2020, immigrants contributed over €1075b while receiving only €273m. This pattern continued in 2021 and 2022, when they contributed €1861b and received €257m. More recently, by 2024, immigrant contributions reached €3.6b, accounting for 12.4% of total social security revenues – five times the amount received in benefits (MTSSS, 2025). This indicates that immigrants are more often contributors to the social security system than recipients of social benefits, countering the widespread misconception that immigrants drain social security resources or are dependent on welfare. On the contrary, not only do immigrants not burden the system, but they actively contribute to its consistency and financial sustainability. They are also essential to offset the effects of population ageing (MTSSS, 2024, 2025).

In response to the multiple crises, the government adopted numerous measures to protect families, some of which involved the social security system.

Social security confronted with the pandemic and the inflationary shock

To tackle the adverse socio-economic situation associated with the pandemic, the Portuguese government put in place an emergency strategy involving various policy sectors. Social security was a key tool in the response to the pandemic and was altered in several ways to increase the protection provided to the public, ranging from the creation of new benefits, to changed rules and the granting of automatic extensions.

The Extraordinary Income Support for Workers (AERT) was a temporary benefit introduced in the 2021 State Budget. It targeted workers who had lost income due to the pandemic, were unable to access other benefits, such as unemployment benefit, and whose earnings were below the poverty line. It therefore covered numerous categories, such as domestic service workers, trainees, self-employed workers, informal workers, members of statutory bodies, among others, reaching around 74,000 people and corresponding to an expenditure of €93m. In addition, new rules were defined to facilitate access to existing benefits. This use of alternative selection criteria was temporary, yet it expanded as the pandemic continued. In the case of unemployment benefit, the requirements concerning previous contributions were reduced and the formula for calculating the reference remuneration was adjusted (Decree-Law 95/2020).

An extraordinary and automatic extension of unemployment benefits was also allowed, resulting in a progressive increase in the coverage rate, which reached 61.5% of the unemployed in 2020, a figure that had not been seen since the Great Recession in 2009 (Datalabor, n.d.). Self-employed workers had only restricted access to social protection: only a few hundred were eligible for severance pay out of half a million individuals. When COVID-19 hit, more than 200,000 requests for extraordinary support were made by self-employed workers, leading to the implementation of a programme granting temporary support.

However, this measure faced numerous challenges: social security services found it difficult to respond in a timely manner to the torrent of claims; beneficiaries were very critical of the service provided, especially because of the considerable delay in payments (Caleiras et al., 2022); the amounts transferred were too low; and due to the design of the measure, many self-employed workers ended up being excluded (Manso et al., 2021). Non-contributory minimum income programmes, such as the RSI and CSI (senior citizens' pension supplement) were also extended automatically (Ordinance 94-A/2020), i.e. periodic evaluations were briefly suspended. In the case of the RSI, the beneficiary selection was streamlined, and the requirement to sign an integration contract was temporarily waived.

Whilst the social security system responded rapidly to the pandemic, it still fell short of what was needed. Moreover, this 'critical juncture' (Capoccia and Kelemen, 2007) could have been used to introduce changes that would have strengthened the system, but instead only a temporary strategy was adopted. Before the pandemic, a significant proportion of the unemployed had no protection, a situation that persisted after the AERT came into force. In the aftermath of the crisis, unemployment benefit coverage fell steadily, to 53.4% at the end of 2022 and 57.1% in the following year, reaching just over half of the unemployed population (Datalabor, n.d.). Furthermore, since the benefits granted to the unemployed are extremely low and below the poverty line, this category is very vulnerable – almost 60% of the unemployed are at risk of poverty or social exclusion (ONLP, 2024).

The RSI, in turn, has continued to follow the policy drift path instituted since 2010, as the amounts transferred are well below the poverty threshold, and numerous strict requirements must be met. Despite being the key measure in the fight against poverty in Portugal, the RSI has never covered more than 4% of the population (Cantante, 2023), not even during the pandemic: there were 202,366 beneficiaries in April 2020, 209,533 in December, and only 174,557 in February 2025, a downward trend that reveals continued erosion of the Portuguese minimum income protection scheme (Manso et al., 2025; Segurança Social, 2025).

The limited expansion of the RSI during the pandemic was because some of the population did not perceive it as an option, while others – i.e. informal workers – did not fulfil the eligibility criteria. Additionally, the ad hoc measures put in place reached a wide portion of the population, namely those who would have been eligible for RSI. Furthermore, some of the heightened debate that took place during the pandemic quickly lost steam, such as the issue of protection for informal workers. Throughout the crisis, the need to connect informal workers to the social security system was a hot topic.

Yet, the strategy adopted proved to be ineffective in terms of its structure, methods and amounts. If these three elements are not well balanced and calibrated, the system ceases to be attractive. Moreover, formalisation is often perceived by informal workers as an obstacle to integration into the employment system. Greater flexibility, the idea of increased freedom of choice, and the possibility of immediately receiving a higher income (as a result of not paying taxes and social contributions) are often highlighted as positive outcomes of informality, to the detriment of the stability and security associated with formal integration into the labour market. Such perceptions have been increasingly present, particularly on social media and among younger people. Thus, what is needed is an in-depth revision of the labour market and the social security system, and of how the benefits of being part of these are presented.

The sharp rise in the cost of living following the COVID-19 crisis, accelerated by the Russian invasion of Ukraine, had strong implications for social policy in the advanced economies, highlighting their struggle to respond to global shocks (Béland et al., 2024a, 2024b). Just as the pandemic intensified socioeconomic vulnerabilities, inflation has eroded purchasing power and accentuated inequalities. In 2022, the prices of food and non-alcoholic beverage rose by 13% in Portugal (Pordata, n.d.), which was severely felt by those already experiencing hardship. In addition to increasing the minimum wage, easing the tax burden[3] and paying an extra half-pension supplement to pensioners,[4] the government's strategy in response to high inflation was similar to that adopted during the pandemic, resorting to one-off cash transfers targeting not only the poorest but also larger parts of society. This is in line with the options chosen by other governments, and in several advanced economies, temporary cash transfers seem to be one of the preferred instruments to respond to inflationary shocks (Béland et al., 2024a, 2024b).

Thus, in April 2022, the government transferred €60 to every household receiving minimum social benefits. An additional transfer of the same amount was made in August, reaching around one million families and totalling €128m. In September, as part of the Families First Programme, the total cost of which was €2.4b, further measures were taken, including a new and more comprehensive one-off cash transfer, which also included the middle class. It consisted of €125 for each taxpayer with a gross monthly income of up to €2700, in addition to €50 for each dependent child, regardless of the family's income (Decree-Law 57-C/2022). In December, the Council of Ministers approved an extra transfer of €240 to around 1.4 million families receiving minimum benefits, at a cost of €249m. In 2023, support for the most vulnerable households continued, with a monthly payment of €30, topped up with a supplement of €15 per child or adolescent receiving family allowances (Decree-Law 21-A/2023).

To sum up, the package of exceptional measures to support household incomes and mitigate the effects of inflation and rising energy costs consisted mainly of cash transfers. At the same time, no major changes have been made to the RSI, apart from updating the amount in 2022 and again in 2023. This increase, however, is still insufficient to ensure that the benefit fulfils its function (Manso et al., 2025). Furthermore, there has been increasing hostility to the measure from some sectors of society, which, in addition to the stigma of being a welfare recipient, contributes negatively to its image.

Concluding remarks: Lessons from the (poly)crises and the way forward

Unlike the Great Recession and the Euro Crisis, the pandemic and inflation crises provoked immediate responses. As in other European countries hit hard by the financial and debt crises, such as

3. Measures included reducing the VAT on electricity, fuel and gas, a 2% cap on house rents, and a freeze on public transport fares.
4. One-off transfer. Besides this, pensions were updated at the beginning of the year and there was also an extraordinary increase after the approval of the State Budget.

Greece, Spain, and others, the late 2000s and 2010s were characterised by a strengthening of approaches advocating a weakened version of social security, resulting in a set of changes that made access to protection more difficult – the introduction of additional conditions and strengthening of control mechanisms, cut benefits and, in some cases, their duration.

In Portugal, alongside the retrenchment of social security, there was an increase in precarious forms of employment and in the prevalence of low salaries. This pushed workers into poverty, a situation that has been exacerbated since 2021 by rising prices – especially for food, housing and energy – and the consequent loss of purchasing power, associated with a devaluation of wages and social benefits. Precarious work can exist in many forms – fixed-term contracts, temporary agency work, workers on probation, etc. (Soeiro, 2015) – and is related to contractual instability and insecurity, as well as low-skilled professions and low remuneration (Kretsos, 2010; Standing, 2011). It has also been propelled by the lack of monitoring of working conditions and the increasing difficulties faced by trade unions (Costa et al., 2014; Estanque, 2014). Thus, reconfigurations of the Portuguese labour market and social security system have led to a weakening of the position of workers with regard to labour and social protection.

Between the end of structural adjustment (2014) and the pandemic, important steps were taken to tackle precarious working conditions and to reinforce social protection, which had been weakened during the period of radical austerity. In fact, this period saw the reversal of some of the measures put in place during the crisis, particularly in the contributory pillar. Afonso and Bulfone (2019) attribute this to the fact that pensioners constitute an important part of the Socialists' voter base, while Oliveira and Caleiras (2026, expected) note that beneficiaries of measures such as the RSI are unlikely to be able to articulate their demands. However, the partial reversal was not enough to bring the system back to its pre-crisis configuration. Indeed, transfer values remained inadequate (Manso et al., 2025) and a broader set of criteria, which beneficiaries were required to fulfil, made access to protection more difficult and are still in place. The health and inflation crises have highlighted the system's many weaknesses, and the response to additional needs has been conditioned by the retrenchment and the limited reversal that took place afterwards.

Thus, the pandemic made it impossible to ignore the existence of countless professional categories with no or very limited social protection. Similarly to several other countries, Portugal has witnessed over time a significant increase in social spending and a rapid expansion of the social security system to include previously excluded people, as well as a relaxation of the eligibility rules and an extension of various programmes. This situation has been referred to as 'emergency Keynesianism' (Ban, 2020). However, instead of taking advantage of this 'window of opportunity' (Kingdon, 1984) to introduce fundamental changes to the system, a series of ad hoc and temporary measures were rapidly adopted and then immediately discontinued once the crisis was over. The result was a return to the previous situation, characterised by strong variation in protection and with a large share of the population facing serious barriers to access the system or with no access at all. Moreover, some of the issues highlighted by the state of emergency, such as informal and/or precarious work, have been forgotten.

The inflationary shock that followed affected the general population, but was particularly felt by the most vulnerable sectors of society, such as the elderly, precarious and low-paid workers, and beneficiaries of social assistance (Martins and Ferreira, 2023). In addition to raising the minimum wage and implementing macroeconomic measures to control the rapid rise in prices, such as support for energy and the temporary price fixing of essential products that make up the food basket, social security once again played an important role in protecting households. In this context, pensions were raised to reflect the upsurge in inflation, and the government resorted to one-off cash transfers to compensate families for their losses. These transfers were mostly aimed at vulnerable individuals only, but occasionally encompassed the middle class too. The use of temporary ad hoc transfers appears to be the favoured option for responding to crises, to the detriment of other alternatives that would imply deeper revisions to the system. Emergency cash transfers were also frequently used in other advanced economies (Béland et al., 2024b).

The pandemic and inflation shock were critical events that fed off each other and added to the traditional problems affecting social security systems. They are also closely linked to various challenging aspects that have emerged lately in Portugal and elsewhere. In recent years, there has been an increasingly clear need to provide increased support to young families and to find solutions for problems related to housing and the ageing population. It is also essential to reform the pillar that guarantees the right to minimum income through multiple non-contributory benefits, to ensure that these provide adequate levels of protection. The role of care must be strengthened, not just its monetary or financial aspects, but also its human and emotional dimension. This involves not only increasing material resources, but, in addition, creating an environment that fosters the integral development of families. It is also essential to foster actions that promote gender equality and enable the reconciliation of work with family and other responsibilities, notably by boosting parental leave, nursing services, and psychosocial support for vulnerable families.

Furthermore, climate change and the green transition are having major socio-economic impacts and are contributing to a broadening of the risks to which the population is exposed and to the increasing intensity of weather events. Costella et al. (2023) claim that social protection can play a key role in reducing vulnerability to climate change, limiting the impact of climate disasters, offsetting the effects of other measures to respond to change, and transforming perceptions and behaviours. Due to its location, Portugal is highly exposed to climate change. Forecasts warn of rapid erosion of its vast coastline and a significant rise in temperature, leading to the expansion of areas prone to desertification and an increase in forest fires. Despite this situation and the growing attention paid to the issue in academia and in other fora, this debate has been completely absent from the Portuguese public and political agenda. The exception was a programme targeting families who lost their income as a result of the fires that spread across the centre and north of the country in September 2024, which could be used to pay for temporary accommodation and purchase essential personal items, as well as tools and products required for carrying out professional work (Segurança Social, 2024).

In addition, over the last two decades Portugal has seen a significant change in the number of migrants entering and leaving the country. These migrants have had varied origins and destinations, as well as socio-economic profiles. Despite the negative portrayal promoted by some fringes of society, the latest statistics point to the importance of contributions by foreign workers to the social security system. Further research is needed to explore the effects of these multiple changes in the social security system. Refugees and asylum seekers' access to social security is a hot topic in other parts of Europe, but has received far less attention in Portugal, possibly due to the small share of individuals in this situation. To help the Ukrainian refugees who entered the country in 2022 following the outbreak of the conflict, a programme was set up for a period of one year, facilitating access to social security schemes such as the family allowance and RSI (Segurança Social, 2022).

This study on Portugal shows that the crises that marked the first 15 years of this century weakened the social security system, and that the following efforts to reverse the situation were insufficient to raise the level of protection to previous levels. At the same time, dynamics in the labour market and in sectors such as housing, among others, have increased the risks and, consequently, put further pressure on the system. The last few years have seen manifold crises that have created a negative spiral, often referred to as a 'polycrisis', in which the public are exposed to multiplying and worsening risks. Against this backdrop, the strengthening of social security systems has become a matter of the utmost urgency; it is now essential to review the assumptions on which these systems are based, to adapt them to this new reality. In Portugal, however, over the last few years, not only have most social security measures been transitory and not part a framework of rights, following a model that seems to be gaining increasing support in several countries (Béland et al., 2024b), but they have also been informed by an isolated understanding of the crisis, rather than aiming to respond to problems in a broader way. This has also been the case in other contexts, such as Canada (Dinan et al., 2024).

Rather than a quick fix, today's challenges require a comprehensive approach, and a radical revision of the way the social security system is conceived and works. The necessary process of reforming the Portuguese social security system entails taking risks, particularly the risk of potentially unbalancing its architecture, which has been consolidated over the last five decades. There is also a need to halt the pressure to level down, which would result in weaker social protection for all, when the way forward should be to expand and strengthen the system.

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ORCID iDs

Jorge Caleiras https://orcid.org/0000-0002-0697-0513
Maria Clara Oliveira https://orcid.org/0000-0003-3045-6300

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