

Planning in the face of austerity: risk and opportunity in the Portuguese planning system

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Austerity has been one of the defining features of contemporary political economies in both sides of the North Atlantic. Enforced as the primary policy response to the succession of financial crises erupting in the protracted aftermath of the 2008 global recession, the reach and influence of what is now increasingly recognized to be a “dangerous idea” (Blyth 2013, see also Krugman 2012 or Mendoza 2014, amongst many others) has been and continues to be widespread. Few countries, however, have been hit harder than Portugal. Severely affected by the European sovereign debt crisis that began at the end of 2009, the center-left government then in power initiated measures to curb the budget deficit in mid-2010. While these initiatives did little to counter the rapid growth of public debt, in May 2011 an austerity-ridden adjustment program was signed with the EU and the IMF. But that was not enough. When in the following month the right came to power, the new prime-minister famously pledged to “go beyond” the requirements of the bailout agreement.

The consequences of these choices are widely (albeit certainly not unanimously) considered to have been devastating. In the words of economist Ricardo Paes Mamede, Portugal became “poorer and less optimistic about its own future” (Mamede 2015: 39). The first report of the Coimbra-based *Observatory on Crisis and Alternatives* is perhaps even more incisive in its characterization of the past decade. After analyzing multiple causes and dimensions of the Portuguese crisis, José Reis and his co-authors conclude that austerity is “a regressive form of political economy” (Reis et al 2014: 313). Like elsewhere in Europe, these and many other analysts point out (see also Ferreira 2013 or Peres 2014), the Portuguese economy did not behave as expected once austerity policies were put in place. Instead of revitalizing, it suffered

a tremendous slump. GDP per capita fell back to 2000 figures, salaries plunged and the unemployment rate went from less than eight percent in 2008 to almost eighteen in 2013 (more than forty percent amongst the young). But these were not the only devastating consequences. Alongside the economic recession, some of the most fundamental sustaining principles of the Welfare State crumbled beneath the inevitability of sweeping budget cuts (see, in particular, Hespanha et al 2014). In addition to the general impoverishment of the Portuguese population and the degradation of living conditions across the entire country, the steady weakening of social protections led to worsening income inequalities and deeper social injustices.

There is then a number of studies about the social and economic impacts of austerity policies in Portugal (in addition to the works cited above, see also Rodrigues and Adão e Silva 2015), but little is still known about their spatial effects. In fact, while analysts have focused on important dimensions of social justice such as labor relations (see, especially, Leite et al 2014) or the workings of the judicial system (see, for example, Ferreira and Pureza 2014), the challenges that have been posed to spatial justice remain unexplored. It is not just that the spatial dimensions of the Portuguese crisis, including its impacts on socio-spatial inequality, have been neglected. Like elsewhere in both North and South, the specific relationship between contemporary forms of austerity and land use planning is also yet to be fully examined.¹

This paper fulfills this dual gap. Deploying both qualitative and quantitative research methodologies, its objective is twofold. On the one hand it intends to consider the Portuguese characteristics of what Jamie Peck has called “austerity urbanism” (Peck 2012). Taking into consideration the institutional, geographical and cultural landscapes in which austerity policies have been implemented across Portugal, one of the primary goals of this paper is to identify the distinctive nature of their impacts on Portuguese cities. On the other hand it aims to reflect on both the ways in which spatial

¹ To be sure, this is not to say that the relationship between austerity and other areas of planning has not been studied. See, example, the Summer 2013 (Volume 6, Number 4) issue of the *Journal of Urban Regeneration and Renewal* dedicated to “austerity era regeneration” (editorial on Pugalis and Lee 2013) or *ephemera’s* recent issue (Volume 15, Number 1) on “*saving the city,*” which is particularly focused on collective organization and low-budget practices (editorial on Bialski et al 2015). On “austerity urbanism and the makeshift city” see also Tonkiss 2013. For historical comparison see Clavel et al 1980.

planning has been transformed by austeritarian modes of governing and the set of tools that can be used to address its challenges. Unpacking the specific topography of risks and opportunities contained within the Portuguese planning system, the paper will evaluate different approaches to spatial policy making and propose possible alternatives for planning in the face of austerity.

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