



[Looking for a success in the euro crisis adjustment programs: the case of Portugal](#)

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Ricardo Reis

Centre For Macroeconomics, Columbia University and London School of Economics and Political Science

Portugal's adjustment program in 2010-14 under the troika was extensive and aimed at addressing its large debt and anemic growth, so it may serve as a blueprint for reforms in the Eurozone. This paper argues that, conditional on a diagnosis of the underlying problems of the Portuguese economy, the adjustment program failed to deliver in definitely addressing the problems in public finances, but succeeded in leaving promising signs of reform in the structure of the economy. In particular, on the negative side, public debt is still high, primary surpluses improved modestly, and public spending barely fell as the problem of ever-rising pension payments remained unsolved. On the positive side, unemployment fell sharply, exports and the current account balance rose, capital and labor reallocated to more productive and tradable sectors, and the country is growing faster than the EU for the first time in 15 years.