



# **Observatory on national policies to combat social exclusion**

**PORTUGAL**

**Commission of the European Communities  
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ON NATIONAL POLICIES

TO COMBAT SOCIAL EXCLUSION

PORTUGAL

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## Foreword

This report is the consolidation of the reports produced in the last two years for the Observatory of Policies to Combat Social Exclusion. It is then to be considered as the result of putting together, in a consistent form, the content of the analyses already made on this Observatory. All informations and analyses presented here are therefore reported to the dates when the previous reports have been written, and no updating work was made after that. This is justified by the fact that a new (updated) report will be presented in April 1993, where the recent trends on social exclusion will be analysed.

The first report, presented in October 1990, was written under the coordination of Prof. Manuela Silva. It was a feasibility report on the analysis of social exclusion, and it was aimed at the investigation of the situations and processes of social exclusion, the analysis of policies, the cast of actors involved and their role in the combat of social exclusion.

The second report was written under my coordination and presented in January 1992. It follows the new guidelines specified by the Commission for the second annual report and updates, in many aspects, the content of the first report. It has been written aiming the assessment of the present situation of policies intended to combat social exclusion in Portugal. The changes in the general orientation on the second annual report consists basically on providing a much greater focus on the analysis of policies rather than on situations and processes of social exclusion.

Another report was written on social services, also under my coordination, and presented to the Commission in April 1992. Its objective was to analyse those services which have, as their main aim, to support family and local community networks which are under stress. A description was made of those social services that work in two areas\*, social action (integrated in the Social Security system) and the health care services (dependent on the Ministry of Health).

The content of the report is as follows. Chapter.....1 is of introductory character, and specifies the concepts used in the report, the general approach followed to analyse social exclusion , and the range of social rights and policies relevant in the Portuguese context. Chapter..... 2 is devoted to provide a general characterization of the main dimensions of social exclusion in Portugal, to situate this problem in the general context of the political debate, and to identify the cast of actors of social policy and their role in the combat of social exclusion. In Chapter 3, a description is made of some of the most relevant situations and processes of social exclusion, mainly focused on incomes and poverty, characteristics of the labour market» health and housing. Chapter..... 4 is addressed to the analysis of general policies of sectoral character and a general assessment of the extent of their action in order to combat social exclusion, in the following domains: education, employment and professional training, health, housing and social protection. Chapter..... 5 is also devoted to the description of general policies, but now with focus on those addressed to specific social groups. Chapter..... 6 analyses the action of social services (with the content described above ) in the combat of social exclusion, focused on social action and health services. Chapter..... 7 deals with specific policies, where a reference is made of projects to combat poverty. Finally, the chapter..... 8, is of conclusive character. After the analysis, made in the previous chapters, of situations and processes and the impact of social policies on social exclusion , a better identification can now be made of those social groups in risk of social exclusion and the factors determining it, and a prospective view of the problem. It is, to a large extent, based upon the responses to the questionnaires sent to the main social actors involved in the general policies, and reflecting their perception of the problem.

The content of all these reports very much rely on responses to questionnaires which have been sent to several organisations involved in the preparation of social policy relevant for the analysis of social exclusion, mainly government departments and official bodies. The research undertaken for these reports was possible due to the collaboration of these institutions, either through the response to such questionnaires, or direct contacts made. I am very grateful for their collaboration.

The following experts were responsible for the research and writing of some parts of this report: Prof. Manuela Arcanjo, Prof. Carlos Gouveia Pinto, Dr. Carlos Sangreman Proenga, Dr. Francisco Nunes and Di— Ligia Campos. I thank them all.

I take full responsibility for the work done for this report.

Josef A. Pereirinha

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## 1 \* Introduction

This report is mainly adressed to highlight the present features of the policies to combat social exclusion in Portugal, and the recent changes occurred with potential impact in such social phenomenon.

The methodological orientation of this report follows, in general, the guidelines received from the Comission, and should be stressed in advance.

The concept of social exclusion is far from being a clear one and, in the political debate, concepts as "marginalisation", "poverty", "social rejection", "disadvantage", "unprotection" appear, in different contexts, like synonymous. Social exclusion is seldom referred as a problem in the discussion of social problems and social policy in Portugal. The major difficulty in assessing policies adressed to combat social exclusion is, then, to identify those policies that are intended this purpose, even that this aim is not clearly stated in their design and implementation.

We start, in this report, from a concept of social exclusion which is identical to the non-realization of basic social rights formally guaranteed to the citizens by the fundamental law (the Constitution). In a sense, this looks a rather limited orientation, excluding from the assessment the expansion of social rights in other EEC countries and worldwide. However, the progress made in recent years in Portugal in the last Constitution (second revision, Constitutional Law 1/89, 8.07.89) in what social rights is concerned makes this reference for analysis an adequate basis for such assessment, considering the wide and progressive set of rights guaranteed to the citizens, although the actual exercise of such rights is still quite far from being done by a great part of the population. As far as possible, this report will also reflect the major debates and reivindications for progress in such rights that are identifiable in the Portuguese society-

The methodological framework which has been used in this report is the following:

We consider that certain social rights are recognized to the citizens and there are institutions and public policies of universal character which correspond to these rights in terms of

ensuring that all citizens have access to goods and services through which such rights are exercised.

We have not been exhaustive on analysing such rights, and a selection was made of those considered as more relevant in the context of the Portuguese society. Considering the Portuguese Constitution as a reference for such selection, the following social rights have been considered:

#### A. Education.

According to the Constitution, "all citizens have the right to education and culture" (art. 73) and "all citizens have the right to education with guarantee of equality of opportunities of access and with schooling success" which should "contribute to eliminate the economic, social and cultural inequalities and to contribute to the democratic participation of the citizens in a free society" (art. 74).

#### B. Employment

According to the Constitution (art. 58), "all citizens have the right to an employment" and the State has the responsibility of "ensuring this right through the economic and social policy, by the implementation of an employment policy, creating equality of opportunities in the choice of the occupation (...) and by the cultural \* technical and professional training of the workers".

#### C. Income

According to the Constitution (art. 59), "all workers, with no distinction on age, sex, race, citizenship, territorial origin, religion, ideological and political beliefs, have the right to a salary (...) according to the principle that to an equal job corresponds an equal salary, in order to ensure a living condition with dignity" and "have the right to have material assistance when are involuntarily unemployed" and, for that purpose, the State should "create and update a national minimum income (...)".

#### D. Health

According to the Constitution (art. 64), "all citizens have the right to the protection on health", what should be realized through "a universal and general national health service and,

taking into consideration the socioeconomic conditions of the citizens, tendentially free".

#### E. Housing

According to the Constitution (art. 65 ), "all citizens have the right to the lodging in a house with adequate size for them and their family, with conditions of hygiene and comfort which may preserve the personal and domestic privacy" and the State should ensure this right through a "housing policy ( ...)", "the support to local initiatives intended to solve habitational problems (»..)" and "to stimulate private construction and ( ... ) the access to private owned dwelling".

#### F. Social Protection

According to the Constitution (art. 63 ), "all citizens have the right to the social security", and the State should "organize, coordinate and subsidize a social security system, unified and decentralized, with the participation of the trade unions and other representative bodies of workers and representative associations of other beneficiaries". This system should "protect the citizens on hittness, elderliness, invalidity , widowhood and orphanhood and, as well, on unemployment and all other situations of lack or reductions of means of subsistence or ability to work".

#### G. Consumption

According to the Constitution (art. 60), "all citizens have the right to the quality of the goods and services purchased, to the information, protection of health, security and economic interests, and to the repair of damages".

To these fundamental rights correspond sectoral policies, of universal character adressed to them:

Social rights	Sectoral Policies
Education	Educational System and education policy
Employment	Employment policy Professional training
Housing	Housing policy
Income	Minimum income policy
Social Security	Social Security System and social security policy
Health	National Health System and health policy
Consumption	Policy of protection of consumers* rights

Social and economic circumstances in the society may prevent some groups of the population to have access to the exercise of such rights, and the working of the institutions may be adverse to the universal exercise of such rights, thus generating situations of social exclusion. Some are cumulative and potentially persistent over time, but some policies are designed and have been implemented intending to reduce them:

- in the context of the general system of the institutions and public policies of universal character ;
- in the context of specific policies adressed to groups of population marginalized by the whole system.

Concerning the first group, we may consider the following kinds of policies:

~ Adaptation of the working of the institutions, that is, policies adressed to eliminate barriers to the access to these rights involving some changes which reduce the existing discriminations within such institutions and policies.

- Creation of compensating mechanisms to the working of the institutions, that is, policies adressed to compensate for the existing discriminations, keeping the system unchanged.

- Compensation measures targeted to specific vulnerabilities, that is, policies adressed to the creation of mechanisms that, keeping the system unchanged, compensate for the existing constraints that prevent specific groups in the society from benefitting of the institutions and policies of universal character.

In this report we will try to consider this general framework to analyse policies as far as possible. However, our orientation will also be pedagogic in the sense that a general description will be made of the general policies and institutions in order to become easier the inter-country comparison of the systems potentially creating exclusions.

Other general policies, not sectoral in character, but instead with a categorical nature, will also be considered. These are policies with some autonomy and adressed to particular groups and/or problems or in the borderline between sectoral policies. Examples of such policies are: family policy, youth policy, elderly policy, etc. Within such areas, we may find either situations of exclusion or measures intended to combat existing exclusions resulting from the working of the social system.

A final remark is required concerning the territorial scope of the report - All the analysis is made with reference to Continental Portugal, thus excluding the Autonomous Regions of Azores and Madeira (atlantic islands).

## 2 - Social... exclusion... in Portugal... general... aspects

### 2.1. Social... exclusion... in the... political... debate

The political debate on social exclusion is very scarce and recent in Portugal, although the social phenomenon as such is serious and historically rooted in Portuguese society, if we consider the dominant model of economic development followed in Portugal in the last decades. Although the concept of social exclusion is almost never used in such debate,, we may not consider that the subject is absent, with different words and concepts used in it: concepts such as "poverty", "discrimination", "precarity", "marginalization" are oftenly used and, when analysed in the context of the speeches, look as very alike that one of social exclusion.

In order to understand how the question of "social exclusion" is dealt with in Portugal, an overview of its discussion is given, in as far as the political agenda is concerned, basing the analysis on the politicians' and Government \*s daily interventions in Parliament, as well as on other formal or informal discussions which take place in Portugal.

In the early 80s, poverty and social exclusion were not refered to by politicians. Large proportions of the Portuguese population were living in very distressful situations, below an estimated poverty line. Nevertheless, this fact was seldom noted and considered as a major problem in the country (as, in fact, it was!). It was a subject not included in the political agenda, even though it got worse. Public opinion did not discuss the issue either, although the reality was there to be seen.

The pioneer studies done on poverty in Portugal in the 80s by some researchers, namely those undertaken at the Centre of Christian Reflection ("Centro de Reflexao~ Crista\*") were an important starting point to shake the public opinion through the media who made the diffusion of shocking figures concerning the quantitative importance of the phenomenon,, But the research on poverty is still very restrict, and we hardly can find representative research studies at the University,,

The problem of poverty came into the political debate in the Parliament for the first time in Juin 1988 by a member of the Parliament of a small opposition party (PRD)- By pointing out the lack of attention to the problem by the government and in the

political debate and the scarcity of available data, he claims for a specific policy adressed to the poverty. The publishing of the above studies on poverty may be seen as an important contribution for the introduction of the problem in the debate at the Parliament.

With the publishing of these studies and research works, made by those more aware of the situation, the poverty problematic was gradually introduced in the political agenda, although not with the required emphasis. The word "poverty" and "social inequalities" and, to a lesser extent, the words "discrimination" and "exclusion" (social ), began to be gradually part of the vocabulary used.

In relation with some recent political debates in the Parliament where, in certain occasions, the subject is brought into discussion, there is a particular one (which took place in February 1991 ), in which "Poverty in Portugal" was the subject at issue.

In another discussion (April 1991), this one about the socio-economic growth in the country, the main opposition political parties enumerated several aspects which aimed at highlighting the different social conditions in which many people lived. For example, the PCP ( Portuguese Communist Party) stated that about 20% of the Portuguese population still lived in the "4th world" . That party spoke about the growing of slums, children's employment as a cheap labour force, housing shortage, youth unemployment, the difficult situation experienced by a large number of retired, as well as handicapped people, and the lack of a coherent governmental policy in so far as social security, housing, health and education is concerned. This, the communist proved, is a comprovative statement of the high poverty rates still persisting in Portugal.

At the same time, they showed that actual inequalities have increased, both at a social and regional levels, as well as at the sectorial level. Huge inequalities between social classes is also frequently stressed by this political party.

The PS (Socialist Party), on its turn, also criticizes the Government and the PSD (Social Democratic Party - the party in power ) as a whole, for not being able to cope with the problem of poverty in Portugal.

In line with what was already referred to by the previous parties, the socialists accuse the Government for the fact that the few programmes organised to combat poverty in the country had, on the one hand, electoralistic purposes and, on the other hand, were provided with a very small budget, compared with other projects put forward by the government, such as the "Cultural Centre of Belém" (just inaugurated, and where is placed the Portuguese presidency of EEC), which had huge amounts of money involved.

They go on purposing some important measures which are worth specifying. For example, as far as employment is concerned, the socialists defend the total elimination of the most shocking forms of precarious and "atypical" children employment. Similarly, this political group aims at promoting a "positive discrimination policy" for the most marginalized, as well as for those with no job, professional apprenticeship and social security access.

Similarly, the President mentioned, in the 1992 New Year speech, important and significant sectors of the Portuguese society which, both at a material and cultural sphere, as well as at a civic-participation level, are marginalized, and affected by social injustices.

The Government, on its token, seems to be quite aware of the fact that although there was a high economic growth in the country since the late 80s, poverty was not totally eradicated from the country; there are still cases of great poverty among certain segments of the population. At the same time, some programmes geared towards fighting poverty (both at a national and regional level) have been put forward since then, part of which financed by the European Community.

This, of course, might be one of the practical results of the Portuguese membership in the EEC (since it benefits from extrafinancial resources) but, by the same token, it shows the increasing preoccupation of the Government in tackling the poverty problem in the country. Few years ago, about 80 projects were organized in order to be put into practice in specific areas where there were the most striking problems of social disfunction or social exclusion. These projects were part of a broader National Programme to combat poverty in Portugal. The creation of Commissariats to coordinate such programs is a symptom of the importance of the problem and the attention given to it by the



government. Some other programs aiming at the combat of poverty in the country belong to a wider Community work: the European Community Combat Poverty Programme, launched for the third time since it was established.

In fact, if on the one hand, politicians had to start taking urgent measures in what poverty in Portugal is regarded, they had to adjust themselves (and the country's goals) to the Community's widest efforts in combating poverty and social exclusion in the EEC as a whole.

Although the Portuguese Government has been commonly criticized by the opponent parties in that very little has been done about poverty eradication, and that the Community's funds have not been effective and efficiently used in that area, only since the 80s (as it was already stressed before) politicians and public opinion in general started talking freely about the state of poverty in the country, and innovative actions have been put into practice with the purpose of combating it.

Let us take the general programme of the new Government which resulted from the elections of October 1991 (where PSD obtained, again, the absolute majority). Without going into great details, it is worthwhile to focus on the Government's intentions in what the subject at stake is concerned, and the Parliament's reactions to it. The main objective is, thus, to evaluate whether poverty, discrimination, exclusion and so forth are included or otherwise in the Government's social preoccupations for the year 1992.

Even though this present Programme is strongly committed to the problems affecting Europe in particular sectors, it deals in great detail with the implications stemming from that in Portugal. According to a PSD member of Parliament, it is a "programme strongly affected by Europe".

Poverty is an issue included for 1992 (likewise it is already included at the EEC level), though sometimes very vaguely expressed and explained. This, of course, gives rise to criticisms by the opponent parties, which affirm that the Government has not yet provided a coherent programme to combat poverty in Portugal. At the same time, the PCP accuse the Government for promoting a policy of exclusions and of sacrifices for the majority of the population, while poverty in the country increases.

Nevertheless, the Prime Minister's speech when presenting the Programme at the Parliament (in November 1991), might be regarded as an important milestone, since the country's economic growth is no longer viewed as the main and only target. Social concerns are also at stake now and considered to be fundamental in any governmental policy.

Therefore, the "promotion of social justice and the correction of the regional unbalances" in the country, and "a market economy for the social and economic development" are one of the top priority concerns. Promoting social justice, as part of a global development of the country, and preventing and combating new forms of poverty in the country are, hence, new policy-agenda subjects. Quoting a member of the Government, "Portugal not only has the 'old' poverty but also has and will continue to have the \* new \* one", both of which are intended to be fought against.

Within this context, Social Security assumes a very important role, with the idea of promoting "social justice" and "solidarity" among people. This, according to the Government, will decrease inequalities among citizens and, on the other hand, "fight all kinds of poverty, exclusion and marginalization"; that is to say, combat all kinds of "social inequalities".

It is, thus, important to notice that the Government is perfectly aware of situations of social exclusion and marginalization in this country, and that it is willing to both prevent and combat them, in order to eliminate the poverty spots spread around the country -

Included in the Government's general Programme, there can be found several programmes (which are not solely part of social security field) but aim at specific targets, such as the elderly people (e.g., by acting in the health sector and fighting against loneliness and abandonment); the handicapped (e.g., by assuring their social integration in order to facilitate their access to the job market); the women (e.g., by combating situations of discrimination which this gender group has to face frequently in its job career); youth (e.g., in getting their first job, giving housing facilities, providing all the required support for drug-addicts in terms of their rehabilitation and consequent social integration); and so forth.

As broad as they can be, they are, though meant to combat social exclusion and marginalization.

Portugal is one of the few countries of EEC that does not have a Guarantee Minimum Income and it is surprising that this policy is not claimed by political parties or trade unions, and it is not a sounded discussed issue in the country. The reasons that can be pointed out for this is the fact that the existing minimum incomes (minimum wage and minimum pensions) are yet too low, so that, before thinking on designing such policy, a first step should be done in order to rise the amounts of such incomes. However, an exception is to be referred. The Socialist Party, in the proposal of a Government Program presented in the campaign for the general elections (October 1991), proposed to "define the conditions of entitlement of a guarantee minimum income in a family basis" .

Meetings we had with heads of the two trade unions, the CGTP ("Confederagao ~ Geral dos Trabalhadores Portugueses" ) and UGT ("Uniao Geral dos Trabalhadores" ), allows us to assess the importance of social exclusion on their reivindications. No use is made of the term "social exclusion", but the preoccupations of both trade unions to what incomes policy, employment policy and social security (just to mention the most relevant ones) evidence the concerns of the trade unions to the existing (and, in some aspects, worsened recently) problems of social inequalities , poverty and social exclusion - It should be mentioned the campaign on social rights that the CGTP will undertake from January to July 1992, on issues as labour conditions, syndical rights, collective and labour contract rights,

From everything which has been highlighted so far, there are three points which should be stressed.

Firstly, the term "social exclusion" is, at least in Portugal, not a very well-known one; it is not commonly heard, specially among the public opinion. But, on the other hand, when it is in fact used it assumes a wide branch of similar meanings.

Secondly, among politicians the word at issue is always referred to in liaison with the question of poverty. Nevertheless, "social exclusion" is increasingly assuming its true meaning, while politicians are also referring to it more frequently, in order to characterize the poverty situation in the country.

Last but not the least, although the Government's intentions , as well as those of the opposition, have "colourful" goals implicit in as far as combat poverty is concerned, nice promises

are not enough. Words have, in fact, to be put into action, just like social exclusion and poverty as a whole have to be increasingly put rapidly eradicated from the country.

## 2.2. Social actors: who does what?

It is not easy to identify the scope of the policies intended to combat social exclusion in Portugal, since we hardly recognize this objective as explicit in many sectoral policies, although some of them have potential impact on social exclusion.

The implementation of such policies are under the responsibility of different organisations at different levels, and the following should be stressed, considering the relevance of their role:

- Central Administration
- Regional Departments of Administration
- Municipalities
- Non-Profit Private Organizations

At the level of Central Administration, the basic characteristic of the social policy is its widespread character, several Ministries having responsibilities in different fields. There are some specific programs that, although headed by some Ministry, are implemented under a joint responsibility of several government bodies of different Ministries. Although the listing is not exhaustive, the following government organisations should be mentioned at this stage, and will be referred further when analysing the scope of sectoral policies:

### A. Ministry of Employment and Social Security

- Institute of Employment and Professional Training, with the responsibility for the design, implementation and evaluation of employment policies, and professional training, by acting through incentives to the creation of jobs and professional training. The target group is the unemployed who are applying to an employment and professional training.

- Institute of Financial Administration of Social Security, with the responsibility of the financial administration of the social security at the national level for all population (except for civil servants and employees of financial institutions) with respect to social security pensions and social assistance.

- Directorate General of Social Security, with the responsibility, namely, for defining and proposing measures intended to respond to situations of population needs in the scope of the

social security system, to promote the adequacy of such responses to the global process of economic and social change, and to sponsor the private institutions of social solidarity in order to guarantee their adequacy to the aims of the system. This Directorate General has been brokedown into two Directorates, one for the social security regimes, and another for social action.

#### B. Ministry of Health

- Department for Research and Planning of Health, with the responsibility of research and planning of health, coordination, at the central level, of the national network of services involved in the planning actions of this sector, and preparation of statistical information on health.

- Directorate General of Basic Health Care, with technical authority over all the Regional Health Administrations, and with responsibility in the implementation of health programs.

#### C. Ministry of Education

- Institute of Socio-educational Support, with the responsibility for the design, orientation and coordination of the social policy in education.

#### D. Ministry of Public Works, Transport and Communications

- National Institute of Housing, with the responsibility of the implementation of housing programs supported by the State. Adressed to low income populations groups, this institution provides loans to municipalities, cooperatives and enterprises for housing construction.

#### E. Ministry of the Environment and Natural Resources

- National Institute for the Defense of the Consumers' Rights, with the responsibility, at the central level, of promoting the defense of the consumers\* rights, with a large scope of actions. There have been established several agreements with the municipalities in order to create local departments for providing advertising actions and juridical assistance to the consumers.

Under the responsibility of some Ministries there are departments with the responsibility of some categorical policies. We should mention the following:

#### A. Ministry of Employment and Social Security

- Directorate General of the Family, concerned to the promotion of the virtues of the family and the improvement of the living conditions of the families through research and publishing booklets on the problems of the family, participation on programs to combat poverty, etc.

- National Commission for the Elderly, with the responsibility of research on the population ageing and the design of policies for the elderly (population over 65), mainly population in situation of risk of social exclusion.

- National Secretariat for Rehabilitation, with the responsibility of the design of policies addressed to handicapped population.

#### B. Presidency of the Council of Ministers

- Commission for the Womens' Condition, with the responsibility of research on the problems of discrimination against women, and the design and evaluation of policies addressed to the situation of women.

- Institute of Youth, with the responsibility of the design of policies addressed to young population (12 up to 30's), coordination of existing youth programs, and support to associations of young people.

#### C. Ministry of Justice

- Institute of Social Integration, with the responsibility for actions of social integration of people who left prison, and the support to the young population facing difficulties of social adaptation.

#### D. Ministry of Internal Affairs

- Consultive Commission for Refugees, with the responsibility of analysing the demands for political refuge.

At the regional and local level, beyond the Municipalities (with some extent of social action, in some cases), some regional departments of the Administration have responsibilities for the implementation of social policy:

A. Ministry of Employment and Social Affairs

- Regional Departments of Social Security, at the level of the "distrito" (there are 18 "distritos" in Portugal Continental), with the responsibility of a broad scope of modalities of social action at the local level.

B. Ministry of Education

- Regional Departments of Education, at the level of the Regions (North, Centre, Lisbon and Tagus Valley, South and Algarve), have the responsibility of coordination and support to the schools (except for high education level) and, according to the national-level guidelines, the management of the human, financial and equipment resources, and actions of socioeducational and pedagogical support.

C. Ministry of Health

- Regional Health Administrations, at the level of the "distrito", with the responsibility of administration of the health services (including their financial administration), and the collect of statistical information concerning health services.

We should also mention, considering the importance of their social intervention, the many private institutions of social solidarity (more than 2.000), all over the country, most of them affiliated to the Union of the Private Institutions of Social Solidarity or the Union of "Misericórdias" (charitable institutions playing an important role in social assistance).

Beyond those Unions, a reference should be made on the following private institutions of social solidarity:

- " National Caritas and Diocesan Caritas, catholic organizations involved in charitable activities;
- ~ Portuguese Association of Handicaped;
- National Association of Families for Integration of Handicaped;



- National Institute for Children' s Support;
- "Casa do Gaiato"
- "Casa do Ardina"
- National Confederation of the Families' Association;

A special reference is due to the social action of two institutions, settled at Lisbon, which have an important relevance for some vulnerable social groups:

a) "Santa Casa de Misericórdia de Lisboa", which aims at to contribute to the improvement of the living conditions of the individuals, namely those more vulnerable and poor. Addressed mainly to children, young population, aged and families in precarious economic situation, this institution develops educative actions (to children and youth), social care (to elderly people and housing of persons in need) and community work and social cooperation.

b) "Casa Pia de Lisboa", which aims at education and social integration of children and young people with no family, and rehabilitation of auditive handicaped young people. Addressed to children and youth, this institution provides school education, professional training and special education for auditive handicaped.

Table 2.1 synthétisés the role of the main social actors of social policy in the domain of those areas of intervention of general character. In Table 2.2 an analogous description is made but with reference to specific population categories. No analysis is made of the coordination of such policies (what is required given the multidimensional and cummulative character of social exclusion). This will be the objective of a special study to be done and presented in a report in April 1993.

It is relevant the reference to the institutional system in which some important agreements are made, involving government, trade unions and entreprises. It is the case of the CPCS ("Conselho Permanente de Concertacao Social" - Permanent Council of Social Conciliation), which is an advising council for some important areas of policy, such as incomes policy and employment and professional training policy. The Government makes decisions and proposals on such policies after the decisions taken at this Council, after the agreements have been signed by the parts involved.

Two recent agreements have been signed by the parts in this Council on two relevant areas:

- Economic and Social Agreement ("Acordo Económico e Social"), signed in October 1990, where the guidelines for incomes policy have been established for 1991 (namely minimum wages and pensions increase for this year), and many areas have been agreed (e.g., social protection, labour contracts, etc.). In such areas the reference is made, as guidelines for policy decisions, to the need of considering the situation of the more vulnerable population groups.

- Agreement on Professional Training Policy ("Acordo de Política de Formação ~ Profissional"), signed in July 1991, containing some legislation proposals in the area of professional training. In the context of social exclusion, a reference should be made on the willingness, expressed by the Government and the other social partners, to attend to the situation of the "more unprotected population" to what the participation in labour market is concerned. Are in this case, as referred in such agreement, the women and young population, the handicapped, the long-term unemployed, the immigrants, the ethnic minorities, people facing apprenticeship difficulties (namely those who did not complete the basic education), the people in prison, the drug-addicted and other groups "characterized by marginalization". It was decided in this agreement to follow up the situation of these population groups, in order to base policy measures addressed to them.

TABLE 2.1: GENERAL POLICIES

POLICY AREA	NATIONAL GOVERNMENT	REGIONAL GOVERNMENT	LOCAL GOVERNMENT	OTHER ACTORS RESPONSIBLE FOR IMPLEMENTING PUBLIC POLICIES	MAIN CHANGES IN CAST OF ACTORS SINCE 1980
Income, Consumption, Social Security, Debt	Ministry of Employment and Social Affairs; Institute of Financial Administration of Social Security; National Pension Centre Directorate General of Social Security Directorate General of Social Action  Ministry of Environment and Natural Resources; National Institute for the Defense of the Consumers' Rights	Regional Social Security Centres (RSSC)	Social services (Branches of RSSC)		Creation of the Directorate General of Social Action (1991)  Agreements with municipalities for providing advertising actions and juridical assistance to consumers
Education	Ministry of Education (overall responsibility for policy, funding, curricula) Institute of Social Support (IASSE) (social action for students)	Regional Department of Education	Participation of local authorities in educational support initiatives and programs		Education Law (1986)  Implementation of several programs after 1986 to combat school failure (PIPSE, PEPT, PEDI, etc) involving several Ministries and local authorities

TABLE 2.1: GENERAL POLICIES

POLICY AREA	NATIONAL GOVERNMENT	REGIONAL GOVERNMENT	LOCAL GOVERNMENT	OTHER ACTORS RESPONSIBLE FOR IMPLEMENTING PUBLIC POLICIES	MAIN CHANGES IN CAST OF ACTORS SINCE 1980
Employment and Vocational Training	Ministry of Employment and Social Affairs; Institute of Employment and Professional Training (IEFP): responsibility for the design, implementation and evaluation of employment policies and professional training. Unemployment protection.	Regional Employment Services (IEFP)	Local Employment Services (IEFP)	Employers (apprenticeship and creation of jobs); Regional Social Security Centres (local programs); Professional Schools (joint action with Ministry of Education); NGOs (job creation)	Great improvement of operational programs (employment and professional training) since 1990, involving several actors in its implementation.
Working conditions	Ministry of Employment and Social Affairs				
Housing	Ministry of Public Works, Transport and Communications; National Institute of Housing (INH) (provide loans to finance social housing projects)		Municipalities (promoters of projects of social housing)	Municipalities Housing Cooperative	Creation of the INH in 1984, intended to promote housing at lower prices for population groups with scarce economic resources

TABLE 2.1: GENERAL POLICIES

POLICY AREA	NATIONAL GOVERNMENT	REGIONAL GOVERNMENT	LOCAL GOVERNMENT	OTHER ACTORS RESPONSIBLE FOR IMPLEMENTING PUBLIC POLICIES	MAIN CHANGES IN POLICY SINCE 1980
Health	Ministry of Health: Department for Research and Planning of Health  Directorate General Basic Health Care  Directorate of Mental Health Services  Centre for the Prevention and Treatment of Drug Addition	Regional Health Administrations	Local Health Centres   Local Mental Health Centres	NGOs	
Social Care Services and Neighbourhood Support	Ministry of Employment and Social Affairs: Directorate General of Social Action	Regional Social Security Centres (RSSC)	Social services branches of RSSC	NGOs (e.g., 'Misdias')  Other government departments (health administration, social action in various Ministries)	Creation of the Directorate General of Social Action (1991)  Community development programs involving several institutions (e.g., Emergency Plan for Setdbal district, support actions for people from Timor, support actions for refugees, projects to combat poverty)

TABLE 2.2: GENERAL POLICIES FOCUSED ON SPECIFIC POPULATION CATEGORIES

POLICY AREA	NATIONAL GOVERNMENT	REGIONAL GOVERNMENT	LOCAL GOVERNMENT	OTHER ACTORS RESPONSIBLE FOR IMPLEMENTING PUBLIC POLICIES	MAIN CHANGES IN CAST OF ACTORS SINCE 1980
Uoien	Presidency of the Council of Ministers: Collission for the Uoien' s Condition			The Conission for the Uoien' s Condition works in connection to other government departients to proiote the equality aiong len and woien. Specific eiployent and vocational training prograis (IEFP)	
Elderly People	Ministry of Eiplyent and Social Affairs: National Conission for the Elderly			Policy action of other government departments (health, social security) Directorate General of the Faaily (specific prograis to elderly people) NGOs	Creation of the National Couission for the Elderly (1988) Creation of the Directorate General of the Faaily (1982)
People Mith disabilities	Ministry of Eiplyent and Social Affairs: National Secretariat for Rehabilitation			Policy action of other government departients (health, social security) Specific eiployent and vocational training prograis (IEFP)	

TABLE 2.2: GENERAL POLICIES FOCUSED ON SPECIFIC POPULATION CATEGORIES

POLICY AREA	NATIONAL GOVERNMENT	REGIONAL GOVERNMENT	LOCAL GOVERNMENT	OTHER ACTORS RESPONSIBLE FOR IMPLEMENTING PUBLIC POLICIES	MAIN CHANGES IN CAST OF ACTORS SINCE 1980
Young People	Presidency of the Council of Ministers: Institute of Youth			NGOs (e.g., Institute for the Children's Support, 'Casa Pia de Lisboa', 'Misericórdia de Lisboa', 'Associação de Assistência de Instituições de governo de departamentos (health, education, employment and vocational training, social security, justice) Specific employment and vocational training programs (IEFP)	Dislocation of the Institute of the south (1988)
Migrants and Ethnic Minorities	Ministry of Internal Affairs: Consultative Commission for <i>Refugees</i>				

### 2.3. Key problems... concerning social exclusion

It is not possible to separate the problem of social exclusion in Portugal from the model of economic development that took place in the past decades, which created situations of marginalization of social groups in what the benefits of the economic growth is concerned. The process of economic and social changes which are occurring presently in the Portuguese society is about to create new mechanisms of social exclusion.

The phenomenon of social exclusion is one of multidimensional character, of cumulative nature and with a tendency to be persistent over time and intergenerationally transmissible. An identification of the main vectors for the characterisation of social exclusion, in terms of its causes involves, as the major difficulty, the problem of the existing of several vectors of its characterization, and the interaction of many factors involved.

It is out of the scope of this report to investigate deeply the situations and processes of social exclusion but instead, in this chapter, we will report the main key problems concerning this phenomenon, as they are seen by the social actors and reflected in the public opinion and evidenced by research in this area.

Looking at the factors which are at the origin of creating situations of social exclusion leads us to look also so some particular groups of the population where such factors have higher incidence. Therefore, these two approaches cannot be easily distinguished.

Low income is by far the most relevant factor of social exclusion. And Portugal evidences, in the EEC context, the highest poverty rate. Low income households form a heterogeneous group, so that the causes have different shapes if we consider, for instance, the urban or rural areas.

In rural areas, low income is associated to the low productivity of agriculture, for an aged population who relies, to a great extent, on social security pensions as a secure income source, in spite of the low levels of such pensions. But in urban areas, low income is mostly associated to low skill levels and earning low wages, a very low minimum wage, long-term unemployment, precarious jobs and, for those aged, very low pensions. The effects of low income are evident on the access to goods and



services required for a decent life, like housing, health, education, worsened by the inefficiency of the public services on the provision of such goods and services. And has preverse effects on social behaviour, like prostitution, delinquency, crisis in the ethical values of the family. All these aspects are matters of a large concern for trade unions and are in the political agenda of position partys' interventions in Parliament.

It is worthwhile to look more carefully at some of the aspects referred above.

To what labour market is concerned, we may say that the rate of unemployment has reached low levels in Portugal, in consequence of the economic growth occurred in recent years. However, the working of the labour market evidences clear situations of exclusion:

- those who are unemployed benefit from a weak protection in unemployment, not receiving unemployment allowances in case of long-term unemployment, or receiving very low amounts, or even not receiving at all, in those cases where the employed workers are not covered by social security (as it happens, in some cases, in some sectors of activity, like construction);

- the unemployment is more serious for some population groups, as are the case of women and young population;

- unemployment is also a factor of social exclusion in the sense that it means the loss of social relations and social status que the employment provides to the human being.

- the precarity of jobs that affect some categories of workers, what is more seriously felt in some sectors in a process of restructuring (like textiles);

- many workers (but no reliable statistics are available) receive their wages with retard, as a consequence of the bad economic and financial situation of some firms;

- the existence of a high percentage of unskilled labour force, with very low education and professional training, evidencing difficulties of adjustment to structural changes in the productive structure of the country, what requires occupational mobility what great part of the workers are no prepared to;

the existence of a the phenomenon of children work, that is, children below the age of 15 in employment. This phenomenon has reached significant proportions in the last years, in some regions and sectors of activity ( construction, textiles, commerce, restaurants., etc. ). The early abandonment of the school education, to some extent associated to the situation of poverty of their households, is also a determining factor of impoverishment, given the low educational level attained, the difficult access to professional training, unskilled, precarious and low paid jobs.

The low income is also associated to the minimum income guaranteed to the citizens, either those working (minimum wage) or those retired (pensions).

Housing is a social problem in Portugal. The shortage of houses is one of the most serious problems in urban areas, what originates bad housing conditions for a significant percentage of population, or high financial burden for those who get a house. The difficulty of access to a decent lodging is a serious problem for the poor households: according to a recent survey conducted in urban areas for those households living in bad housing conditions, only 10% declared that low income was not the main factor for this. This study concludes to exist in Lisbon about 170,000 people living in zones with very bad housing conditions. This is, in itself, a symptom of social exclusion, but also generating other situations of exclusion. The social rejection at the school suffered by the children of these households is one of the consequences, the school failure and early school abandonment the result of this. Delinquency, drug-addiction and other marginal behaviours are also evident outcomes. The housing situation in Portugal is, therefore, a determining factor of poverty. The housing policy has not adequately responded to such needs, namely to what social housing is concerned, for poor households.

The area of education also evidences signals of social exclusion, either in school failure of the students, or the early abandonment of the school, what are consequences of bad living conditions (either economic or cultural, both related to each other, to some extent). The existing programs to face this problem, although supported in good principles, may fail if the economic conditions of the households don't improve significantly.

Age is a factor of exclusion. Aged people form a very vulnerable social group: the low incomes from their main source (social security pensions) and the isolation problem they face in urban areas. Health problems worsen their situation, the health policy not being enough protective of this social group.

Handicapped population is also a vulnerable social group, by generating lower incomes and increasing the costs to be supported by the households they belong to. The allowances and recovery services for this population are far from being satisfactory. This problem becomes obviously more serious for the poorer households.

Ethnic minorities is another social group where social exclusion is present. After the 70s, a significant immigration occurred from the ex-colonies, some of them enlarged the poor zones of Lisbon with bad housing conditions. Specific problems came out: bad lodging, unemployment and precarity of employment, difficulty of integration in the school system. And the public services, in general, could not respond to their needs.

Women face special vulnerabilities, and social exclusion is evident, mainly for those who belong to poor households. In general the unemployment rate is higher for women, with lower wages if compared to men, and with precarious jobs in many cases. Are also the women who mainly suffer the consequences of the crisis of the family.

Inquiries which have been sent in the previous year to the main social actors responsible for the implementation of social policy in the public sector allows us to conclude that most of the services do not have enough means to follow up the social changes which are occurring in the Portuguese society. Research is not made in most of them, mainly concerned to face immediate needs that result from their competence. The inexistence of a global social policy, and the inexistence of integration of the various areas of social policy (the coordination of the various Ministries and departments of the state is rather weak) is a constraint to the assessment of the phenomenon of social exclusion and to find adequate solutions to it.

It is possible to sustain that, presently and in the near future, the following major problems of social exclusion will persist:

- structural causes that determine the major dimensions of social exclusion, rooted in the model of development followed in recent decades in the country, worsened by short-term disturbances;

- some population groups evidencing higher demographic growth (e.g., some ethnic minorities) will face the worsening of their situation;

- the unemployment, the precarious and low paid jobs, the difficulty of finding the first job, the early retirements, will originate low income for some groups of households;

- the inflation will penalize more, in relative terms, the purchasing power of the lower income households;

- the housing shortage and difficulty of access to a decent lodging will persist, unless housing programmes will be implemented to cede the existing needs;

- the demographic trends will give rise to the progressive ageing of the population, with the consequences on their living conditions, given the low levels of social protection;

- the changes in course in the family structures will continue and will become worse, with the weakning of the inter-family solidarity, facing thus the need for new ways of social intervention;

- the preverse social behaviours (drud-addition, prostitution, delinquency) will persist or even become worse, as a result of poverty, weakning of the family linkages and the childrens' environment, and the incapacity of the school system to respond effectively to such situations.

### 3 - Situations and processes of social exclusion in Portugal

Few analyses are regularly made in Portugal on the social conditions of the population, namely on income distribution, poverty and the risks of social exclusion. The scarcity of data and of policy analyses does not permit a regular assessment of the problem under stake, and in this chapter the analysis is far from being satisfactory. It is to be seen as a first step to be developed in the next reports.

The availability of data from the household budget survey of 1989/90 will permit, in the next report, to highlight new features and trends on inequalities, poverty and risks of social exclusion. The expected improvement of data from administrative sources (namely those related to Social Action) will permit to better identify the extent of the impact of some domains of social policy on social exclusion. Meanwhile, the administrative sources are not, in general, still adequate for such purpose, what constraints the scope of the analysis.

The following aspects will be considered in this chapter: incomes, poverty, employment and unemployment, health care, housing conditions. Other aspects, like social security, will be treated in chapter 4, in the context of the analysis of general policies.

#### 3.1. Income inequality, poverty

The main statistical source to analyse income inequality and poverty is the Household Budget Survey (HBS), which have been conducted by the National Institute of Statistics (INE) in 1967/68, 1973/74, 1980/81 and 1989/90 (although not fully comparable). In this report some use will be made of the HBS80/81, given that when the first report was produced the data from the HBS89/90 were not available. Some studies have been done from the HBS80/81 data, whose results will be used here. In order to fill the gap of statistical data, a use will be made of other sources which, in an indirect way, will permit to analyse the trends on incomes for some social groups, although in an individual (and not household) basis.

##### a) Evolution of the poverty line

Income is a basic determinant of the living conditions of the population. In order to make a regular analysis, on an annual

TABLE 3. 1a

## Poverty line - rural areas

	Average size of household (K)	Engel Coef.	Minimum expend.		Poverty line (a)			
			1980	1980	1986	1987	1988	1989
1 adult-equivalent	1.0	0.460	21.5	46.8	158.0	173.1	200.5	217.3
1 to 2 adult-equivalent	1.5	0.401	35.9	89.4	302.0	330.9	383.3	415.5
2 to 3 adult-equivalent	2.5	0.368	59.8	162.4	548.5	600.9	696.2	754.7
3 to 4 adult-equivalent	3.5	0.390	83.7	214.6	724.5	793.8	919.7	997.0
4 to 5 adult-equivalent	4.5	0.406	107.6	265.0	894.8	980.4	1135.8	1231.3
More than 5 adult-equivalent	7.0	0.427	169.8	397.6	1342.4	1470.7	1704.0	1847.1

Sources: Costa, A., H. Silva, J. Pereirinha, M. Matos (1985) 3  
 I HE - Consumer price index (a) 10 Escudos/year

TABLE 3. 1b

## Poverty line - urban areas

	Average size of household (K)	Engel Coef.	Minimum expend.		Poverty line (a)			
			1980	1980	1986	1987	1988	1989
1 adult-equivalent	1.0	0.336	23.3	69.2	232.1	254.7	296.9	320.7
1 to 2 adult-equivalent	1.5	0.350	38.8	110.8	371.4	407.5	475.0	513.1
2 to 3 adult-equivalent	2.5	0.330	64.6	195.8	656.4	720.3	839.7	907.0
3 to 4 adult-equivalent	3.5	0.307	90.5	294.7	987.9	1084.0	1263.6	1364.9
4 to 5 adult-equivalent	4.5	0.346	116.3	336.2	1126.9	1236.6	1441.5	1557.0
More than 5 adult-equivalent	7.0	0.348	183.5	527.4	1767.8	1939.8	2261.3	2442.5

Sources: Costa, A., H. Silva, J. Pereirinha, H. Matos (1985) 3  
 INE - Consumer price index (a) 10 Escudos/year

basis, of the income trends of the social groups in the situation (or in risk) of social exclusion, it is convenient to have an updated poverty line which can be used as a reference for the analysis of incomes from different sources and their fluctuations, as a result of short-term evolution of the economy and of the economic and social policy followed.

There is not any official poverty line used by policy makers for the design of social policy in Portugal. But some (few) studies have been made which can be used for the purpose outlined above. One of these studies (Costa, A., M. Silva, J. Pereirinha, M. Matos, 1985 - "Pobreza em Portugal", Caritas) estimated a poverty line for 1980, based upon the estimation of the minimum food expenditure for the period March 1980/February 1981 (period of inquiry of the HBS80/81). Using the same methodology, the poverty line was updated for the recent years, using the consumer price index (CPI) for the food items used to estimate the minimum expenditure on food. Considering separately the urban and rural households, for each of these groups were estimated poverty lines  $L_i$ , where the index  $i$  refers to the household size in terms of the number of adult-equivalents (using the ILO equivalent scale). The poverty line (expressed in terms of household expenditure in thousand escudos/year) is then estimated as:  $L_i = F_i/k_i$ , where  $F_i$  denotes the minimum expenditure on food for the households of size  $i$ , and  $k_i$  is the Engel coefficient for these households. The coefficients  $k_i$  were obtained from the HBS80/81, and assumed constant since 1980 for each household group  $i$ , and only  $F_i$  were updated using CPIs. The Tables 3.1a and 3.1b present the estimated poverty lines for these households. When the data from the HBS89/90 are available, new estimates of poverty line will be estimated.

#### b) Household incomes and poverty

The data from the HBS80/81 will be used for a descriptive analysis of some aspects of income household and to show the low income level of some household groups and some factors associated to it.

The Table 3.2 is obtained from a study on poverty in Portugal (Costa, A. et al., 1985) and refers to 1980, using the methodology described above. The households are classified according to the socioeconomic category of the head. This is one of the most relevant classification criteria if one considers its

TABLE 3.2

Indices of poverty according to the socioeconomic category of the household head (1980-81)

	Incidence		P =H, 1	G P	Sen Index <i>If</i> )
	% (H)	% (I)			
Employer and self, agriculture	49.2	33.0	0.162	0.297	0.260
Agriculture workers	47.9	34.4	0.163	0.259	0.246
Liberal professions	11.8	9.5	0.011	0.147	0.027
Employer and self, non agriculture	26.8	29.4	0.079	0.265	0.129
Cadres	5.9	23.5	0.014	0.244	0.025
White collars	15.7	25.4	0.040	0.250	0.069
Blue collars	35.4	29.9	0.106	0.227	0.162
Military force	12.7	17.3	0.022	0.112	0.034
Other active	44.0	30.8	0.136	0.279	0.221
Non-active	42.4	34.0	0.144	0.393	0.254
TOTAL	35.0	32.0	0.110	0.330	0.190

Sources: HBS 1980-81

Costa, A., H. Silva, J. Pereirinha, H. Hatos (1985)



TABLE 3.3

## Household incomes and composition by sources (1980/81)

	Slip Is list		Household size		Average	Composition of household income by sources (!)						
	Nr. of I Household	%	Nr. Individ.	Nr. Adults equivalent	Income annual (esc.)	Own-acc. work	Patriaon. income	Internal Transfers	Emigrant Transfers	Autocon- sumption	Other incomes	
							(1)	(2)				
Employer and self, agriculture	1089	13.5	3.6	2.9	250357	13.4	51.6	2.2	6.1	3.9	19.8	3.1
Agriculture workers	441	5.5	3.7	2.9	207827	62.6	13.0	0.3	4.3	1.2	10.3	6.1
Liberal professions	34	0.4	3.7	2.9	641166	27.3	52.1	6.7	2.7	0.3	13.8	5.5
Employer and self, non agriculture	731	9.1	3.8	3.0	324326	17.2	60.1	2.7	3.7	0.4	16.0	3.4
Cadre	310	3.9	3.6	2.7	583873	76.4	4.0	5.0	3.6	0.1	12.7	5.5
White collar	1088	13.5	3.4	2.6	345484	79.4	3.1	1.5	4.2	0.5	6.8	6.3
Blue collar	1710	21.3	3.8	3.0	280779	77.0	5.5	0.5	4.2	0.9	8.3	4.5
Military force	70	0.9	3.7	2.9	430995	78.3	1.4	1.0	2.5	0.0	9.9	11.1
Other active	68	0.8	3.5	2.8	436961	19.6	52.2	9.1	3.6	1.1	18.2	3.9
Non-active	2500	31.1	2.4	1.9	163420	22.8	9.8	6.0	38.8	5.2	6.4	7.6
TOTAL	8041	100.0	3.3	2.6	265408	50.2	18.9	2.7	10.9	1.9	10.1	5.8

Source: HBS 1980-11

(1) Rents, interests, profits

(2) Pensions and family allowances, from Social Security and other sources

close relationship with the various income sources of the households.

Sen index has been used to measure poverty for the various household groups. According to this index, one should consider poverty incidence (H), as the percentage of the households below the poverty line, the poverty intensity (I), as the average expenditure gaps between the household expenditure and the poverty line in percentage of the poverty line, and the Gini coefficient of the poor household expenditure (G). Sen index is then obtained as  $P * H \cdot [I + (1-I) \cdot G]$ .

It is then possible to get some conclusions about the relative position of the household groups in terms of poverty. The households whose head is non-active, eemployer or self-employed in agriculture, agriculture worker and blue-collar face the more serious situations of poverty.

Table 3.3 provides additional information which is relevant for a preliminary analysis of the factors associated to poverty. Poverty is associated to some income sources. By considering both Tables we may infer that poverty is related to own-account work in agriculture, to agriculture wages \* to blue-collar wages and to pensions.

It is not possible to have regular information for some of these income sources - It is also not possible to have information for the evolution of household income after 1980- For this reason, the use have to be done on some indicators of income. It is then possible, in an indirect way, to provide some indication of general trends on income for some household groups.

#### c) General indicators of income

Table 3.4 gives some information on the evolution of income in a rather global way, but it provides a sort of barometer which can be used to analyse the trends on the relative position of some incomes, and to evaluate to what extent the lowest incomes improve their position in the last years.

The evolution of the average wage evidences a tendency for worsening its relative position in comparison to the personal income per capita after 1987. The average pension keeps its relative position stable in comparison to the average wage, representing a low percentage of this income (about one third).

TABLE 3.4

Income indicators

indicator	Unit	tsss	1987	1988	1989
QNPfc par capita	thous. esc/year	374.6	447.7	516.8	620.1
Personal Incomee per capita	thous. esc/year	441.5	501.2	575.4	668.9
Average annual wage	thous. esc/year	584.6	670.5	739.8	830.7
Wages/personal income	1	38.0	39.1	39.1	39.0
Profit/Personal inc. (1)	1	40.0	37.0	37.4	38.5
Internal transfers/personal income	1	12.8	14.1	14.2	13.9
Emigrant transfers/personal inc.	*	9.2	9.8	9.3	8.5
Aver. wage/Pers. income per cap.	1	132.4	133.8	128.6	124.2
Monthly average wage	thous. esc.	41.8	47.9	52.8	59.3
Monthly average pension					
Old age pension	thous. esc.	(C)	16.9	17.7	19.8
Invalidity pension	thous. esc.	(■)	16.9	19.1	20.4
Average pension/average wage					
Old age pension	1	(■)	33.4	33.6	33.3
Invalidity pension	1	(C)	35.2	36.1	34.4
Minimum wage (monthly)					
Non agricult.	thous. esc.	12.5	25.2	27.2	30.8
Agricult.	thous. esc.	15.5	22.4	24.8	29.2
Minimum Pension Old age invalid.					
(Monthly) (monthly)	thous. esc.	8.3	11.7	13.2	15.0
Special Reg. Agric. (monthly)	thous. esc.	6.7	8.7	9.8	10.9
Poverty Index (1 ad.-equiv.)					
a) Annual					
Urban	thous. asc.	132.1	254.7	291.9	320.7
Rural	thous. asc.	158.0	173.1	200.5	217.3
b) Monthly (!)					
Urban	thous. asc.	11.3	21.2	24.7	25.7
Rural	thous. asc.	13.2	14.4	11.7	19.1
Min. wage agric./pov. line urban	1	118.3	110.7	101.1	115.2
Min. wage agric./pov. line rural	1	145.1	155.3	149.4	111.3
Min. pension agric./pov. line urban	X	43.9	55.3	53.5	51.9
Min. pension agric./pov. line rural	I	50.7	10.1	50.5	99.4

Source: \* see text; (1) laats, iatarasts, profits  
 (lapart 1999) (2) Obtained as average income/12  
 (a) If available

When we compare some incomes with the poverty line estimated for these years, we may observe that the minimum incomes recovered to some extent their' relative position in 1989, but the minimum value of the pensions remain rather below the poverty line. The minimum wages predominant in urban areas (industry and services) are, on another hand, in a disadvantage position in relation to those in rural areas (agriculture).

d) The minimum wage

Table 3.5 shows in more detail the evolution of the minimum wage and the efficacy of its annual updating.

The knowledge of the percentage of workers below the minimum wage is based upon a survey addressed to a sample of firms and conducted by the Ministry of Employment and Social Security. We may conclude from these figures that a progressive reduction of the efficacy of the incomes policy have been occurred in the last years, given that the coverage rate of the minimum wage has a tendency for a reduction, in general for all sectors of activity.

e) Evolution of average monthly wages

The information on the trends of wages by sectors of activity and skill levels is available from two main statistical sources:

- the statistics on monthly earnings of the Ministry of Employment and Social Security (MESS), published twice a year and based upon a survey of establishments;

- an administrative source of MESS ("Quadros de Pessoal") which provides information on earnings paid in March every year. These data refer to all firms (Public Administration is then excluded) and only some firms of agriculture are included. The concept of wage used in this source is that of monthly earnings in March.

In the brief analysis that follows, the statistical source used was the "Quadros de Pessoal" of MESS, because of the more detailed breakdown it allows for analysis.

Tables 3.6, 3.7 and 3.8 provide information on the average monthly wages by sectors of activity. We may conclude that large differences exist among sectors of activity, although their

TABLE 3,5

## Evolution of the Minimum Wage

Continent	Evolution of the Minimum Wage					
	1987	1988	1989		1990	
			1st sem.	2nd sem.		
Monthly minimum wage (Esc.) (1)						
Agriculture	22400	24800	29200	28400	30000	34500
Non agricult. activities	25200	27200	30750	30000	31500	35000
Domestic Services	17500	19500	23200	22400	24000	28000
Percentage of employees below the minimum wage (2)						
Total	9.8	8.3	-	7.1	-	6.4
Male		6.2	-	5.6	-	4.8
Female		12.5	-	10.1	-	9.5
Manufacturing Industries	10.3	9.0	-	7.3	-	6.5
of which:						
Food industries	20.5	17.1	-	12.6	-	15.2
Textiles	3.6	3.9	-	3.1	-	3.0
Clothing	19.0	15.2	-	9.6	-	8.1
Construction	7.9	5.8	-	5.0	-	4.8
Wholesale trade	4.4	3.9	-	4.0	-	7.8
Retail trade	14.6	11.9	-	10.7	-	7.8
Hotels and restaurants	28.1	24.7	-	19.8	-	19.8
Average of unskilled workers (month.)						
Total	33744	37252	41188			
Male	35117	38858	42855			
Female	31078	34234	37982			
Monthly minimum wage / average of unskilled						
Total	74.7	73.8	74.7			
Male	71.8	78.4	71.8			
Female	81.1	71.5	81.1			

Source: Bóro da República

Ministry of Employment and Social Security (HESS) - Inquiry

on Wages

(1) For the employees aged below 18: 75% of this amount

(2) is 1117: official of HESS

TABLE 3,1

Content	Average monthly wages by sectors of activity (1)				Male/Female				
	% workers by sectors (1989)	1986		1987		1988		1989	
		Esc.	1 (2)	Esc.	1 (2)	Esc.	1 (2)	Esc.	1 (2)
Ifininf	0.8	3916496.3	4378893.6	5119698.5	61742105.9				
Hinufacturing Industrie«	41.5	3542887.1	4086187.3	4545187.5	5125387.9				
Food» beverages ind tobacco	4.8	3530186.8	4076387.1	4582288.2	5239189.9				
Textiles, «pprel ind lester	18.3	2759167.8	3216868.8	3575568.1	3983468.3				
Wood, cork and furniture	4.1	2642265.0	3044565.1	3478566.9	3984368.3				
Pulp ind paper	2.4	42362104.1	49493105.8	55993107.8	6484611.2				
Chetieil«	3.3	53317131.1	61867132.2	70412135.3	78542134.7				
Non Mtilie products	3.3	3833194.2	4359193.2	4869693.7	5597596.6				
Basic letallurgy	1.1	46063113.2	5173010.6	58152111.9	65226111.9				
Hetslnorking	9.6	41197101.3	48341103.3	54007103.9	61271105.1				
Hiscalmeous Manufacturing	0.6	3154277.5	3586876.7	4000777.0	4487377.0				
El«etricity, 91s and «ater	1.3	79687195.9	91442195.3	94307181.3	11195392.0				
Construction	8.7	3354182.5	3785080.9	4266482.1	5011886.0				
Trade, hotils and restaurante	19.8	3673490.3	4239290.6	4758191.6	5447393.4				
Transports and communications	7.3	65549161.1	77307165.3	84651162.9	93196159.9				
fininciil intirsidiation	6.5	72165177.4	82629176.6	92457177.9	10128873.8				
Ottier Servici!	8.1	3359482.6	3915683.7	4342583.6	5021286.1				
TOTAL (3)	100.0	40679100.0	46781100.0	51963100.0	58295100.0				

Sourett Hiniitry of iRployntfit and Soeiiil Security - "Quadros de Fessoap

(1) Hireh

(2) In pircontagi of thi average iiii of all sectors considered in this table

(3) For thi sectors considorid in this table

TABLE 3.7

Average Monthly «190\$ by sectors of activity (1)

Continent	Nile				
	% workers by sectors (1989)	1986	1987	1988	1989
		Esc. *	Esc. I	Esc. 1	Esc. *
		(2)	(2)	(2)	(2)
Mining	1.2	3927187.3	4394985.1	5134289.3	6197695.6
Manufacturing Industries	43.7	3999788.9	4624789.5	5183690.2	5905281.0
Food, beverages and tobacco	4.5	3922187.2	4541987.9	5113588.9	5926191.4
Textiles, apparel and leather	9.5	3286673.1	3832974.2	4276974.4	4819674.3
Wood, cork and furniture	5.2	2700760.0	3107160.2	3563562.0	4100763.2
Pulp and paper	2.7	4600402.3	5381004.2	6054505.3	7056208.8
Chemicals	3.8	5761428.1	66637129.0	7592332.0	8469230.6
Non metallic products	3.8	3989288.7	4555888.2	5133689.3	6000092.5
Basic metallurgy	1.8	4678304.0	5252001.7	5905402.7	6640402.4
Metalworking	12.1	4217393.7	4951295.9	5543996.4	6328797.6
Miscellaneous manufacturing	0.5	3477777.3	3923476.0	4377076.1	4883175.3
Electricity, gas and water	1.7	8187782.0	9377881.5	9655467.9	11579678.5
Construction	13.1	3353074.5	3782473.2	4265974.2	5012977.3
Trade, hotels and restaurants	18.7	3981688.5	4618489.4	5232791.0	6049293.3
Transports and communications	9.2	6629347.4	7839551.8	85491148.7	9433745.5
Financial intermediation	7.0	76640170.4	88818171.9	99381172.8	10902668.1
Other Services	5.4	3593079.9	4251482.3	4728682.2	5586486.1
TOTAL (3)	100.0	4498800.0	5165500.0	5749700.0	6485700.0

Source: Ministry of Employment and Social Security \* "Quêdros de Pessoal"

(1) March

(2) in percentage of the average «age of all sectors considered in this table

(3) for the sectors considered in this table

TABLE 3.8

Average monthly wages by sectors of activity (1)

Continent	by sectors (1989)	Fettle			
		11 workers			
		1986	1987	1988	1989
		Esc. t (2)	Esc. 1 (2)	Esc. I (2)	Esc. 1 (2)
Mining	0.1	37436114.6	41035109.7	48665117.8	58358125.8
Manufacturing Industries	4.0	2808886.0	3249386.8	3593287.0	4019086.6
Food, beverages and tobacco	5.4	2860087.5	3265387.3	3668288.8	4076487.9
Textiles, apparel and leather	33.3	2479675.9	2885077.1	3220178.0	3570177.0
Food, cork and furniture	2.3	2403273.6	2780574.3	3121475.6	3529176.1
Pulp and paper	1.9	3206698.2	38553103.0	43332104.9	50005107.8
Chemicals	2.6	4198428.5	49124131.3	55665134.8	63221136.3
Non-aetalic products	2.4	3271600.1	3700698.9	4078598.7	4465196.3
Basic Metallurgy	0.3	3892519.1	43272115.7	49027118.7	53853116.1
Metalworking	5.2	36924113.0	43254115.6	47333114.6	53110114.5
Miscellaneous Manufacturing	8.6	2600279.6	3020780.7	3371481.6	3788881.7
Electricity, gas and water	0.5	6543200.3	7665204.9	80349194.5	93123200.7
Construction	1.2	33784103.4	3845002.8	42765103.5	49906107.6
Trade, hotels and restaurants	21.5	3113095.3	3557895.1	3954795.7	4483896.7
Transports and communications	4.1	62516191.4	72948195.0	81200196.6	88977191.8
Financial intermediation	5.8	59946183.5	68462183.0	75556182.9	84033181.1
Other Services	12.6	3128595.8	3574295.5	3959695.9	4491296.8
TOTAL (3)	100.0	3267000.0	3741300.0	4130400.0	4638900.0

Source: Ministry of Employment and Social Security - "Quadros de Pessoal"

(1) March

(2) In percentage of the average wage of all sectors considered in this table

(3) For the sectors considered in this table



TABLE 3.9

Fettle vises is a percentage of tile wages by sectors of activity (1)

Continent

	II fetale workers in the sectors (1989)	1986	1987	1988	1989
		1	*	%	I
Mining	6.9	95.6	93.7	<b>95.1</b>	94.5
Manufacturing Industries	42.0	79.3	79.5	<b>79.1</b>	78.4
Food, beverages and tobacco	41.2	81.0	80.1	80.1	77.8
Textiles, apparel and leather	67.3	89.9	89.7	90.1	89.6
Food, cork and furniture	20.5	91.0	91.3	89.7	88.6
Pulp and paper	28.8	75.7	77.9	<b>77.4</b>	77.1
Chemicals	29.0	78.7	79.4	<b>79.1</b>	80.5
Non metallic products	26.7	85.4	84.9	83.8	79.8
Basic metallurgy	9.8	84.5	83.6	84.3	82.6
Metalworking	20.2	89.6	89.5	<b>87.6</b>	86.7
Miscellaneous manufacturing	41.1	82.4	84.2	<b>84.3</b>	84.4
Electricity, gas and water	14.7	82.1	83.8	<b>85.2</b>	83.2
Construction	5.3	100.7	101.6	100.2	99.6
Trade, hotels and restaurants	40.2	84.7	83.9	83.1	82.3
Transports and communications	21.0	95.4	94.4	95.9	95.5
Financial intermediation	32.6	83.1	82.9	<b>81.7</b>	83.0
Other Services	57.8	93.1	91.3	91.2	89.4
TOTAL (2)	37.0	80.3	80.0	79.5	79.6

Source: Ministry of Employment and Social Security - "Quadros de Pessoal"

(1) March

(2) For the sectors considered in this table

TABLE 3.10

## Average monthly wages by skill levels (1)

Continent	Male * feiale				
	workers by skill levels (1989)	1986 Esc. I (2)	1987 Esc. 1 (2)	1988 Esc. 1 (2)	1989 Esc. 1 (2)
High staff	1.1	108387 266.4	126030 269.4	146520 282.0	165855 284.5
Other staff	2.0	13253 204.7	18680 269.7	169836 211.4	122212 269.6
Foreaen	4.2	57831 142.2	68235 145.9	17001 148.2	87062 149.3
High skilled workers	4.2	8 0548 148.8	70368 150.4	78589 151.2	88828 152.4
Skilled workers	42.0	40843 100.4	46976 100.4	52785 101.6	58419 100.2
Semi-skilled workers	20.6	34050 83.7	39186 13.8	43300 83.3	47436 81.4
Unskilled workers	11.5	29523 72.6	33744 72.1	37252 71.7	41188 70.7
Apprentices	13.3	20199 49.7	14585 52.6	26991 51.9	31204 53.5
TOTAL (3)	100.0	40679 100.0	46781 100.0	51963 100.0	58295 100.0

Source: Ministry of Employment and Social Security - "Quadros de Pessoal"

(1) March

(2) In percentage of the average wage of all sectors considered in this table

(3) For the sectors considered in this table

TABLE 3.11

Average Monthly wages by skill levels (1)

Continent	Hale								
	% workers by skill levels (IMS)	1186 Esc. 1 (2)	1987 Esc. 1 (2)	1988 Esc. 31 (2)	1989 Esc. 1 (2)				
Nigh staff	2.3	111829	248.1	30337	252.31	51850	264.11	72149	265.4
Other staff	2.4	86180	191.1	1422	196.31	4281	198.81	27015	195.8
Foreaen	5.6	60048	133.5	70436	136.4	79414	138.1	89891	138.6
High skilled vorkers	4.4	61990	137.8	2587	140.5	80889	140.7	91553	141.2
Skilled workers	48.6	43133	95.9	49695	96.2	55866	97.2	62146	95.8
Seai-skilled vorkers	16.2	39112	86.9	44452	86.1	49289	85.7	53844	83.0
Unskilled vorkers	11.0	31166	69.3	35117	68.0	38658	67.2	42855	66.1
Apprentices	11.0	20573	45.7	25693	49.7	27916	48.6	32350	49.9
TOTAL (3)	100.0	44988	100.0	1655	100.0	57497	100.0	64857	100.0

Source: Ministry of EMPLOYMENT and Social Security - "Quadros de Pessoal"

(1) Harch

(2) fn percentage of the average vage of all sectors considered in this table

(3) For the sectors considered in this table

TABLE 3.12

Continent	Average monthly wages by skill levels (1)					Pesale
	1 workers by skill levels (*) (IMS)	mr Esc. 1 (2)	1987 Esc. 8 (2)	1988 Esc. 8 (2)	1989 Esc. 8 (2)	
High staff	0.1	84271 257.9	97710 281.2	113796 275.5	132671 288.0	
Other staff	1.2	70889 218.9	84150 224.9	92027 222.8	104218 224.6	
ForiMfl	1.9	4720 143.0	58822 151.9	83576 153.9	72659 156.6	
High skilled workers	3.8	57081 174.5	65498 175.1	73018 176.8	83118 179.2	
Skilled workers	34.4	35445 108.5	40766 109.0	45226 109.5	49788 107.3	
Semi-skilled workers	28.1	28987 88.7	33485 89.5	38957 89.5	40951 88.3	
Unskilled workers	12.3	28130 88.1	31078 83.1	34234 82.9	37902 81.7	
Apprentices	IT.2	19888 60.3	23293 82.3	28374 63.9	30000 64.7	
TOTAL (3)	100.0	32870 100.0	37413 100.0	41304 100.0	48389 100.0	

Source: Ministry of Employment and Social Security - "Quadros de Pessoal"

(1) March

(2) In percentage of the average wage of all sectors considered in this table

(3) For the sectors considered in this table

TABLE 3.13

## Feiale wages as a percentage of sale wages by skill levels (1)

Continent

	X feiale workers by skill levels (1989)	1986	1987	1988	1989
		1	X	I	X
High staff	16.2	75.4	75.0	74.9	77.1
Other staff	23.5	82.2	33.0	80.5	82.0
Foreien	17.1	77.8	80.7	80.1	80.8
High skilled workers	34.0	92.0	90.2	90.3	90.8
Skilled workers	30.4	82.2	12.0	81.0	80.1
Seii-skilled workers	50.6	74.1	75.3	75.0	76.1
Unskilled workers	40.0	90.3	88.5	88.6	88.4
Apprentices	48.0	95.7	90.7	94.5	92.7
TOTAL (2)	37.2	72.6	72.4	71.8	71.5

Source: Ministry of Eaployeent and Social Security - 'Quadros de Pessoal\*

(1) March

(2) For the sectors considered in this table

relative position remains stable for the various sectors in the period 1986-89.

Table 3.9 elucidates about the relative position of monthly wages of female workers in relation to those of male workers. It looks also evident that there is a rather stable relation between the wages of these two groups of workers.

From the Tables 3.10, 3.11 and 3.12 we can now analyse the wages differences among skill levels. There has been a widening gap of wages among those of the highest skill levels and those of the unskilled, evidencing a rise of the inequality of wages.

Table 3.13 permits, on the other hand, to conclude that it is at the highest skill level that the differences of wages among male and female workers are bigger. In average, the female wages is still about 70% of the male wages, for what contributes the larger percentage of female workers in the lowest skill levels.

### 3.2. employment, unemployment

The analysis we make in this section reveals a rather positive trend on employment, the unemployment rate having decreased from 8.5% in 1987 up to 4.8% in 1990 (see Table 3.15).

When we analyse unemployment in Portugal we should take in consideration that such low rates of unemployment are a result of the economic growth observed in the last years, but also due to underemployment in some sectors (agriculture and services), to the existent vocational training programs, to the increase of self-employment, programs of temporary work, and the extension of compulsory education. One has to consider such aspects when the analysis of unemployment is made.

Unemployment is particularly important for some social groups, namely women and young population.

#### a) Female unemployment

From 1987 up to 1990, the active population increased of 128,000 individuals, of which 106,000 were women. If we look at the decrease of the non-active population, we may conclude about the tendency for the incoming to the economic activity of women who were not active before.

TABLE 3.14

Unemployment registered and not registered at a public employment office (IEFP)

(thousands)

	1987	1988	1989
Searching first job			
Registered at IEFP			
Receiving subsidy			
Male	0	0	0.6
Female	0.2	0	0
Not receiving subsidy			
Male	4.8	5.9	4.8
Female	15.0	14.5	10.9
Not registered			
Male	37.7	23.1	21.6
Female	59.1	48.3	38.8
Searching a new job			
Registered at IEFP			
Receiving subsidy			
Male	10.7	10.9	7.6
Female	8.7	14.4	10.9
Not receiving subsidy			
Male	20.2	22.8	18.5
Female	28.4	39.0	40.7
Not registered			
Male	67.0	49.5	46.5
Female	105.0	78.4	70.4

Source: IE - Labour Force Survey

TABLE 3.1S

Active population, employaent and uneemployaent  
(Total, feaale)

(thousands)

	1987	1988	1989	1990	
				1st 0.	2nd 0.
Total Population	9769.6	9788.1	9804.2	9806.2	9807.5
Feaale	5056.2	5079.1	5088.8	5093.5	5095.5
Total active population	4585.6	4620.6	4680.1	4688.7	4714.2
Feaale	1956.6	1995.1	2022.0	2001.7	2062.7
Total employaent	4194.4	4288.9	4399.3	4394.7	4487.0
Feaale	1724.2	1786.7	1842.9	1818.4	1924.6
Total uneemployaent	391.2	331.7	280.7	294.0	227.2
Feaale	232.4	208.5	179.1	183.3	138.1
Rate of uneemployaent (total) (1)	8.5	7.2	6.0	6.3	4.8
Feaale	11.9	10.5	8.9	9.2	6.7

Source: INE - Labour Force Survey



TABLE 3.16

Active population and unemployment by age groups and sex  
Percentage of total population

	(b)					
	1987		1988		1989	
	Active Popul.	Unem- ployed	Active Popul.	Unem- ployed	Active Popul.	Unem- ployed
10 to 19 years old	11.3	2.1	10.2	1.5	1.5	1.4
Male	11.3	1.6	10.2	1.1	9.8	1.0
Female	11.3	2.6	10.1	2.0	10.4	1.9
20 to 24 years old	11.3	1.8	11.7	1.6	11.3	1.5
Male	10.3	1.2	10.5	0.9	10.0	1.1
Female	12.6	2.6	13.5	2.5	13.0	2.0
25 to 49 years old	53.2	3.5	60.8	3.1	57.2	2.7
Male	51.5	2.0	52.7	1.6	54.5	1.3
Female	55.3	5.5	58.4	5.1	61.0	4.6
50 years old and over	24.3	7.0	24.2	9.3	23.8	6.8
Male	26.8	0.6	27.4	0.7	27.5	0.4
Female	20.8	0.5	20.9	0.5	20.6	0.4
Total	100.0	100.0	100.0	100.0	100.0	100.0
Male	57.5	39.3	56.9	36.6	56.7	36.6
Female	42.5	60.7	43.1	63.4	43.3	63.4

Source: INE - Labour Force Survey

TABLE 3.17

Employed population by type of labour contract

	(I)				
	1987	1988	1989	1990	
				1st Q.	2nd Q.
Pertanent contract	81.3	80.0	80.7	81.8	80.9
Male	61.2	60.7	60.4	60.8	59.5
Fetale	38.8	39.3	39.6	39.2	40.5
Temporary contract	18.7	20.0	19.3	18.2	19.1
Male	59.0	53.6	52.2	55.9	50.1
Fetale	41.0	46.4	47.8	44.1	49.9
Total	100.0	100.0	100.0	100.0	100.0

Source: INE - Labour Force Survey

TABLE 3.18

Unemployment by time of search of a job

	(*)				
	1987	1988	1989	1990	
				1st Q.	2nd Q.
Search of the 1st job					
Total	100.0	100.0	100.0	100.0	100.0
Male	36.3	31.7	35.2	34.0	34.0
Female	63.7	68.3	64.8	66.0	66.0
13 to 24 months					
Male (a)	16.3	20	21.5	34.3	101.1
Female (b)	17.3	24.3	19.9	37.5	56.8
More than 24 months					
Male (a)	10.6	9.0	1.1	-	-
Female (b)	25.8	19	16.1	-	-
Search of a new job					
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Male	40.8	38.7	37.1	39	40.5
Female	59.2	61.3	62.9	61	59.5
13 to 24 months					
Male (a)	20.6	17.4	16(c)	33.8	25
Female (b)	18.1	18.8	18.3	32.5	33.7
More than 24 months					
Male (a)	14.2	20.6	11.2	-	-
Female (b)	17.5	15.8	15.7	-	-

Source: INE - Labour Force Survey

(a) As a percentage of total male unemployment

(b) As a percentage of total female unemployment

(c) More than 13 months

We may observe that the rate of unemployment of women is higher than that of men. The decrease of female unemployment has also been slower than the male unemployment (Table 3»15).

Table 3.16 tells us that such decrease in unemployemnt has been observed in general for all age groups.

To what the precarious jobs is concerned, Table 3.17 shows that the percentage of permanent and temporary labour contracts has remained stable in the last three years.

Looking at the time of searching the first job, the percentage of women who waits more than one year for the first job is about the same as the percentage of men, but for the period of more than two years, such percentage is much lower for men. For those unemployed in search of a new job, the waiting time has remained stable either for men or women whatever the period length we consider (Table 3.18).

#### b) Youth unemployment

When we look at the Table 3.16, we may conclude that the rate of unemployment is much higher for the population up to 24 years old. Indeed, the average rate of unemployment for the period 1987-89 is, for those individuals of age 10-19 years of 15.5%, for those of age 20-24 years of 14.1%, for those of 25-49 years of 5.5%, and for those of 50 years and above of 2.2%. This confirms the opinion of being more difficult for the young population to get a job.

The long-term unemployment has an important impact on the level of household income, mainly if such situation occurs for more than one individual in the household (see Table 3.19 for the illustration of relevant data).

TABLE 3.19

Households with individual members unemployed

(thousands)

	1987	1988	1989
			..... -7.1 -
Total	3054.0	3109.2	3147.3
With unemployed in the household	307.8	271.9	243.1
of which: C <sub>0</sub> /o)			
1 unemployed	86.9	88.5	89.6
2 unemployed	10.8	10.3	8.9
3 and more unemployed	2.3	1.1	1.4

Source: INE ~ Labour Force Survey

In addition we must refer that the social protection in unemployment is far from being satisfactory. The subsidy of unemployment is not generalized among the unemployed population, and a high percentage of unemployed who are not registered at public employment office are not entitled to the right of receiving such subsidy (see Table 3.14).

o) Job precariousness

Unemployment is one factor of impoverishment. But its reduction is far from being a sufficient condition for the reduction of the extent of poverty (either its incidence or its intensity), even among the population economically active. Indeed, oftenly the reduction of unemployment may be followed by an increase of precariousness in employment. This happens in Portugal in the last years, as it also happens in other EC countries.

The job precariousness may have various foras, some of them are linked among themselves. He can mention the following: the short-term labour contracts, the temporary Jobs, the subcontracts involving the loss of social benefits, the involuntary part-time jobs, work at home, low wages and delay on wage payments.

Whatever will be the form of job precariousness, this is a factor of creation of new forms of poverty and social exclusion. This is a real phenomenon in Portugal, although not very well known in statistical terms.

### 3.3. Health

The analysis of the evolution of social exclusion based upon health indicators raises some problems. Indeed, if we are interested to identify the social groups that have no access to health care, the use should be made of indicators of utilization of health care services. However, this approach may originate some errors in the analysis, since, on the one hand, it does not exist a direct relationship between health care consumption and the socioeconomic conditions of the population and their needs of health care and, on another hand, the contribution of the health care to the improvement of the health situation of the population is less important than that of the habits and living conditions of the population.

Notwithstanding this argument, the indicators of utilization of health care must be used. Indeed, it has been shown (see Pinto, G. , 1988 - "A incidência da despesa pública em cuidados de saúde na área metropolitana de Lisboa em 1980-81 e 1985", Estudos de Economia, Vol. VIII, pp. 389-409) that a reduction of 10 percent points in the average state co-payment of medicines of the National Health Service induced a decrease in 40% of the private expenditure on this consumption item by the worse-off household groups in the period 1980-85 (constant prices). This fact that the price barriers strongly acted on the demand, leading to the marginalization of the worse-off in relation to the health system and to the decrease of their well-being.

These conclusions are, however, not fully conclusive. The actual empirical proof of the above statements would require the knowledge of the patterns of incidence of the various forms of illness and of the correlation between the various forms of health treatment and the health situation and welfare of the population. Unfortunately, the construction of indicators of morbidity, health and welfare in general are much more difficult than those on consumption of health care, what explains the unsatisfactory character of those indicators. Even the indicators of health care consumption are not adequate, given the very aggregate form of their production, not broken down by socioeconomic categories of the population.

Indicators show that the health of the population improved in the last decade (see Table 3.20). Specially noteworthy is the evolution of the infant and perinatal mortality rates. The first more than halved between 1980 and 1990 while the last one decreased by eleven points in the same period. This indicates that the performance of health services (reflected mainly in the evolution of perinatal mortality) increased significantly. But also, since the infant mortality rate declined more sharply than the perinatal one, that the upward shift in the living conditions was the main factor explaining the improvement of children and mothers health.

A similar conclusion can be drawn from data on main causes of death. Although cerebrovascular diseases are still responsible for almost 24% of all deaths, the growing importance of diseases of heart and malignant neoplasms and the decrease in the weight of deaths caused by accidents indicate that the Portuguese mortality pattern is getting closer to the one of the most industrialized countries.

TABLE 3.20

Main health indicators, Portugal 1980-1990

	1980	1988	1989	1990
Life expectancy at birth,, females	76.8	-	78.2	~
Life expectancy at birth,, males	69.3	-	71.2	-
Infant mortality rate	24.3	13.1	12.2	10.9
Perinatal mortality rate	23.9	15.2	14.6	12.7
Mothers mortality rate	19.0	-	10.1	10.3
Gross mortality rate	9.9	9.5	9.3	9.3
Main causes of death (% all cases)				
Cerebrovascular diseases	24.9	24.7	23.7	23.9
Malignant neoplasms	15.0	17.7	18.2	17.6
Heart diseases	14.8	16.4	16.7	16.9
Accidents	5.8	4.7	4.8	2.8
Chronic liver disease and cirrhosis	3.1	2.9	2.5	2.3

Source: DEPS

The analysis of data available on the evolution of regional disparities (measured as deviations between the extreme values of the "distritos") also evidences the same phenomenon (Table 3.21).

Indeed, the deviation between the highest and the lowest values at the district level for the output indicators decreased sharply from 1970 to 1982 (the more recent data available). But the corresponding values for the indicators of health care utilization reveals a less pronounced decrease. In this period the concentration of doctors per inhabitant became larger, in spite of the measures of health policy implemented in this period which should work in a reverse direction.

TABLE 3.21

Change on the differences between maximum and minimum district values of health indicators and indicators of health care utilization (1970-82)

---

1. Health indicators	
Mortality rate	- 35.7
Infant mortality rate	- 44.3
Neonatal mortality rate	- 69.9
Perinatal mortality rate	-51.9
2. Indicators of health care utilization	
Doctors per inhabitant	+ 131.7
Doctors' visits per inhabitant	- 26.1
Hospital visits	- 10.7
Use of diagnosis means per inhabitant	-6.7

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Source: Pereira, J.P. (1987) - Equidade geográfica no Sistema de Saúde Portuguesa. In Campos \* A.C . . , e J. Pereira (eds ) Sociedade, Saúde e Economia. Escola Nacional de Saúde Pública. Lisboa.

Unfortunately it is impossible to evaluate thoroughly if these improvements were evenly distributed across social groups. The use of such indicators maybe would confirm the opinion that in Portugal, the lowest health level are found for the individuals of the lowest socioeconomic groups, what should originate the need of more intense use of health services of these individuals due to the higher incidence among them of chronic diseases.



Only figures for 1987 are available, but not sufficient to support the above statements. In Table 3.22 the figures elucidate some aspects of this. The workers of the two lowest socioeconomic groups represent more than 2/3 of the total cases of high blood pressure, diabetes and epilepsy, and about 65% of the cases of nervous diseases. On another hand, the percentage of economically active persons in agriculture who have some of such diseases is much higher than those of the other groups.

TABLE 3.22

Percentage of individuals with chronic diseases by sectors

(%)

	High blood Pressure		Diabetes		Epilepsy		Nervous diseases	
	(a)	(b)	(a)	(b)	Ca)	(b)	(a)	(b)
Agriculture and Fishing	29.6	42.6	7.3	39.0	1.9	37.4	21.1	36.1
Mining	16.8	26.2	4.9	28.4	1.5	31.7	15.6	28.7
Other sectors	18.2	31.2	5.1	32.6	1.3	30.9	17.2	35.2
Total	-	100	-	100	-	100	-	100

Source: DEPS, National Health Survey (1987)

(a) Percentage by sector

Due to the inexistence of data available, it is not possible to compare the data presented above with those of health care utilization. But some differences are found according to the employment status to what concerns the hospital admissions (Table 3.23). From this Table it is possible to conclude that, although the retired people and the severely handicapped are the groups that proportionally more stay in bed, are also those that proportionally are less in-patients.

TABLE 3.23

Percentage distribution of individuals who were one or more days in bed and among these the proportion of in-patients in the two weeks immediately before the survey, by working status., 1987

	Active Workers	Unem- ployed	Reti- red	Severe ly handi- caped
Not in bed	96.1	95.6	84.8	78.7
In bed	3.9	4.4	15.2	21.3
of which: in-patients	10.8	18.2	6.9	4.5

Source: DEPS, INS-87

Looking at the patterns of morbidity (Table 3.24) we may observe the similarity among the socioeconomic groups, except for the diseases of the circulatory system in the retired people and the diseases of the nervous system in the severely handicapped. We may conclude that the retired and the severely handicapped are marginalized by the health system. This marginalization, observed in the hospital health care, is also extended to other areas of health, like complementary diagnosis and therapy. To what the former is concerned, the reasons are to be found on the criteria of the assessment of hospitals efficiency, which are based upon the length of stay in the hospitals. To what the others is concerned, namely medicines, the difficulties of access to its consumption are due to the economic vulnerabilities of these social groups.

Unfortunately, the statistical data available does not permit to go further in the analysis. However, some other aspects will be considered in chapter 4.3.

TABLE, 2.24

Percentage distribution of individuals whose health suffered some change leading to incapacity in the two weeks immediately before the survey, by pathology and working status, 1987

	Active Workers	Unem- ployed	Reti- red ly	Severely handi- capped
Diseases of the circulatory system	9.8	6.5	22.3	8.9
Diseases of the respiratory system	18.2	18.6	12.9	3.6
Diseases of the digestive system	12.1	16.2	9.1	2.4
Diseases of the osteomuscular system	19.1	11.7	23.9	9.2
111 defined symptoms	14.8	21.3	13.9	13.1
Accidents	6.7	2.1	1.3	2.7
Troubles of the brain and of the nervous system	6.3	6.2	5.5	46.1
Other diseases	13.0	17.4	11.1	14.0
Total	100	100	100	100

Source: Department of Health Studies and Planning (DEPS)

"National Health Survey - 1987" (INS-87)

### 3.4. Housing

According to the available statistical data, the analysis of the confort of the households can be done by appreciating the housing conditions, where a breakdown is made by rural and urban areas and, separately, for the cities of Lisbon and Porto. The data presented in Table 3.25 illustrate some relevant characteristics.

To what the year of construction of the houses is concerned, one may notice some improvement of the housing conditions: in 1989, 36.1% of the houses have been built before 1970 when the average of the last three years was 33.7%. One should remark that the of expansion of the rural areas is much slower than that of the major cities (Lisbon and Porto).

This trend of improvement of housing conditions is also illustrated by the data on the housing facilities: electricity, water and WC.

This data is not enough to characterize the situation of housing in Portugal. A deeper analysis will be made in the next chapter in the context of the discussion of housing policy.

TABLE 3.25

## Housing conditions in Portugal

(I)

	1987				1988				1989			
	Cont.	Rural (a)	Urban (b) Porto	Lisbon	Cont.	Rural (a)	Urban (b) Porto	Lisbon	Cont.	Rural (a)	Urban (b) Porto	Lisbon
Year of construction												
before 1918	19.1	21.3	9.1	20.1	16.9	19.3	9.7	12.8	18.3	21.0	8.7	16.9
1918 to 1945	16.0	16.2	13.2	19.0	16.3	17.4	10.0	18.4	15.3	15.6	12.8	16.9
1946 to 1960	16.0	14.3	20.3	19.4	16.1	15.0	20.5	16.1	14.7	13.8	17.6	16.0
1961 to 1970	17.4	16.3	18.3	18.4	17.4	15.0	20.9	25.8	15.6	14.4	16.9	20.6
1971 to 1980	31.5	31.3	38.5	23.1	23.7	22.1	31.4	23.4	22.7	21.0	30.3	21.1
after 1980	(•)	(■)	(■)	(») 9.6	9.6	11.2	7.5	3.5	13.4	14.2	13.7	8.5
Nueber of roots												
1 or 2	7.8	6.5	7.2	15.5	6.9	5.8	8.4	11.4	6.2	5.0	7.6	10.8
3	14.2	14.0	13.0	17.1	13.2	12.8	12.0	17.4	11.9	12.0	11.9	11.7
4 and over	78.0	79.5	79.8	67.4	79.9	81.5	79.5	71.2	81.9	83.0	80.5	77.5
área of the house (sq. aeters)												
up to 19	3.1	2.7	2.6	5.9	1.8	1.8	1.5	2.5	1.7	1.4	1.1	3.7
20 to 29	6.6	6.7	8.1	7.0	4	3.7	4.9	4.1	4.9	4.3	4.8	8.3
30 to 39	12.1	12.4	11.9	10.2	10.5	9.3	15.7	10.0	9.6	9.1	12.0	8.7
40 to 59	26.2	26.9	27.0	21.5	26.5	25.5	32.4	24.1	22.6	23.2	25.6	15.3
60 to 79	20.3	20.9	19.1	19.0	23.5	23.0	21.5	28.7	23.1	22.0	23.0	29.4
80 and over	31.7	30 «3	31.4	36.4	33.7	36.6	24.0	30.7	38.1	40.0	33.5	34.6
Uith kitchen	95.9	96.2	96.6	93.7	96.8	97.3	96.8	94.5	97.1	97.6	96.9	95.1
Uith electricity	97.1	96.1	99.3	99.9	97.6	96.8	99.5	99.9	98.0	97.2	99.7	99.7
Uith water	82.1	75.7	97.3	97.4	84.5	79.1	96.8	98.2	86.8	82.1	97.6	98.3
Uith UC	77.0	70.0	9.8	92.9	78.3	71.5	93.5	95.9	80.6	74.8	93.0	96.0
Uith bath	69.7	62.5	88.0	84.7	73.1	66.0	90.6	88.8	75.9	69.6	91.3	90.3
Uith garage	16.0	18.8	9.3	9.6	17.6	20.6	8.1	13.4	18.0	21.1	8.8	13.6

Source: XNE - Survey to the Comfort of the Households

(a) Less than 10,000 inhabitants

(a) more than 10,000 inhabitants

#### 4. General policies to combat social exclusions

##### Sectoral policies

##### 4.1. Education

Education became a high priority social policy area since 1986, when the Education Law was published (Law 46/86, 14.10.86) and, since then, serious efforts have been made by the government in order to reform the education system and by creating several mechanisms intended to fight against the two major problems faced in the Portuguese society in what education is concerned: the early abandonment of the education system and the failure in education success by the students. It is possible to identify in these areas policy initiatives to face the existing social exclusion in education.

##### 4.1.1. General overview of problems

The failure in schooling and the school abandonment are two major problems in the educational system in Portugal, and signals of social exclusion. This is recognized in a recent official document of the Ministry of Education, when it is said that, just before the education reform recently undertaken:

"(...) our educational system was rejecting [note: synonymous to 'generating exclusion'] and inefficient; it excluded during the several stages many children who abandoned the school because they were not feeling well at school or were feeling better outside; was inefficient considering the very high proportion of children who, charged with school failures, repeated several times the same school year up to abandon the school, tired and hopeless"

("Para uma pedagogia do sucesso - o PIPSE no contexto da reforma educativa", Ministério da Educação, March 1991, page 5).

Some statistical data illustrate the problem (official data):

- the school enrollment rate is about 85% in the first six years of education and about 40% in the six subsequent years;

- 150,000 children abandon the school annually of which 2/3 before completing nine years of schooling;
- the repetition rate in the first four schooling years is about 35% 40% (national average), and reaches 50% in some municipalities;

The problems of school failure and of early school abandonment became an important and growing problem after the late 60s and early 70s as a result of the generalization of universal and compulsory education. The resulting increase of the number of students faced an educational system which was mainly oriented to the middle and high classes. The inexistence of adequate changes in the system to respond to such increase, and the arrival to the school system of population from lower strata social groups are factors acting as determinants of school failure in general, but with more incidence in these latter groups. The problem became still more important in the 70s, with the arrival of population from the ex-colonies. Some studies get the conclusion that school failure is higher among the children originated from this population group. On the other hand, the integration of these children into the education system increases the heterogeneity of the students at the school, demanding for the required pedagogical adjustments.

Some studies have been made by the Ministry of Education intending to investigate the causes of school failure and school abandonment, as preparatory studies for the preparation of the education reform-

A research study by São-Pedro, M.E. and C. Castanheira ("A origem socioeconômica do aluno e o sucesso escolar", SEP do ME, 1989), consisting on an inquiry to a representative sample of students of the 6th and 9th year of schooling conclude that "the early school abandonment is determined, from the point of view of the students, by two factors: the intention of starting to work on a job, and the economic needs of their families" (p. 119), and point out that the "school failure, amongst the poorer children, is a symptom of a more global 'exclusion'" (p. 120), in the sense that limits the professional capabilities of the persons who come into the labour market.

A recent study on school abandonment (Almeida, E., Santos, M. O. - "Abandono Escolar", GEP do ME, Serie B, 1990), based upon an inquiry of a sample of students (although not representative of the universe) in the 6th, 7th and 8th year of schooling (where

this phenomenon is more relevant), reveal the typical profile of the student who is in a situation of risk of abandonment, of the school:

- has an education history characterized by several school failures, thus originating learning deficiencies in further steps of education levels;
- has an age inadequate (as too old) to the educational level attended, mainly due to school failure, and creating difficulties of learning;
- has health problems, which create difficulties of attending classes and on the learning process;
- lives far from the school, facing difficulties on transportation;
- doesn't have a project of life that requires further improvement on education;
- has economic difficulties, facing economic constraints to support the expenses required by education;
- has other activities which look more interesting and attractive than the study, namely on helping the parents on economic activities;
- live in a family context, of socioeconomic nature, who attracts him for labour; this is more important in those regions where the children have more opportunities to find a job, which is low paid (and, in this sense, attractive for some employers, although this is illegal)» but increases the household income;
- finds pedagogical difficulties, and the pedagogical support provided by the school is not sufficient to meet these difficulties;

The same study points out the key critical areas of the education system which affect the school failure and school abandonment:

- the school is rather unpersonal» few information being known about the children's families and their living conditions;
- the differences among the students to what the conditions of attendance is concerned, originates inequality of opportunities, either with respect of the educational level of the parents, or the physical access to school (transportation);
- the pedagogical support provided by the school is too weak and» in some cases, not adequate in terms of the inadequate tutorial system;



- the quality of the schools evidence deficiencies which becomes unpleasant its attendance, and faces some inadequacies on the system of school administration;

- the school is not adequately integrated in the socio-economic context in which the children belong to;

School failure is thus a first step into the school abandonment. The Education Law has established some basic principles, which oriented the education reform, taking into a large extent some of the above deficiencies of the system.

In the context of the reform, some measures of education policy should be referred intending to combat the problem of school failure (mainly addressed, at this moment, to the first cycle of the basic education), already implemented or presently in a process of preparation and implementation:

- the reform of the curricula, more oriented to the integration of the students into their community environment;

- the change on the model of pedagogical administration of the schools, into a democratic management with the participation of students, parents, teachers and community agents;

- a new system of students' assessment which allows the student to go further in the educational levels (up to a certain extent), by correcting the students' educational deficiencies in the further school years until the first cycle is completed.

- the creation of the services of psychology and orientation, intending to follow up the children facing bigger learning difficulties or those who need special pedagogical support.

- the improvement of the pedagogic material at the schools; in this context, some inovatory programs have already been implemented: projects MINERVA and IVA concerning the use of computers by the students; project ECO (Escola e Comunidade - School and Community), with the introduction of pedagogic methods involving a larger integration in the community environment; etc.

Some programs have been designed and implemented in order to face the problem of school failure, which will be referred further in this chapter. These programs are, in general, integrated initiatives intended to implement the above mentioned policy measures. Most of them are very recent and, although aiming at this objective, it is not possible yet to assess its success.

#### 4.1.2. The reform of Education

The reform of the educational system has started in 1986 with the publication of the Education Law.

The changes in the educational system created by the reform corresponds to three main aims : (a) the universal access to education and its enlargement; ( b) the improvement of the quality of education; (c ) the reform of the administration of education.

The Education Law establishes the principles for the basic school attendance, which is universal, compulsory and free, with the length of nine years of school teaching, starting at the age of 6 and being compulsory until the age of 15. These principles became effective after the school year 1987/88 for those children who started the schooling in that year, and progressively applied to the students who started the schooling in the subsequent years. The curricula have been established in 1989 for basic and secondary schooling.

The educational system becomes structured into three levels:

- pre-school education (for children above 3 up to 5 years old)
- basic education (nine years of compulsory education, composed of three "cycles": 1st [4 years], 2nd [2 years] and 3rd [3 years])
- secondary education (three years )
- high education (university and polytechnic)
- special modalities of education (special education \* professional training, education of adults, remote teaching and teaching of Portuguese abroad )

In the secondary education » the reform introduces two branches corresponding to two different optional orientations of the students: academic education (with a curriculum which enables the students to go further on studying in the high education level)» and technological education (with a curriculum which is professionally oriented to the employment).

This reform has been followed by a reform of the curricula, in 1989 and 1990, and the main inovatory changes have been:

- the improvement of teaching of foreign languages, starting earlier in the schools if the conditions are met for this purpose;
- the creation of a multidisciplinary area of studies ("Area Escola") intended the integration of the school in the socio-economic environment;
- the creation of a discipline of social and personal formation, intended to provide religious education (optional) or to develop the social and personal civic values of the students;
- the creation of complementary activities, of optional character, and of cultural nature, intended to improve the creative abilities of the students;

In 1990 was also created a team of experts charged of organizing the new programs of the various disciplines, some of them already in a process of test in some schools.

The Education Law also establishes special education modalities, some of them already existing before, but being reinforced and better organized in institutional terms, corresponding to the objectives of the education reform:

- special education, adressed to those individuals with specific educational needs due to physical or mental deficiencies, and intending their recovering and socioeducational reintegration.

- professional training, providing occupational skills for those students who completed the basic education (9 years), professional initiation for those students who did not complete the basic education before reaching the age limit for its attendance, and workers who pretend to improve their professional skills. This professional education is organized under different institutional arrangements, either at schools of basic and secondary education, or through agreements with firms and municipalities and community services. The creation of professional schools correspond to this orientation. The recent creation of a department of the Ministry of Education to coordinate the areas of technological, artistic and professional education (6EPAT) is a syntom of the willingness to improve the role of the Ministry of Education in this field.

- adult education (existing since 1979), intended to reduce the existing (high) illiteracy in adult population.

- remote teaching, as a complementary/alternative way of promoting the education, where it should be stresses the creation of the Open University ("Universidade Aberta") intended for the

university level education of those adults who may not attend the University, due to geographic or professional constraints.

- teaching abroad, addressed to the emigrants.

We may state that the changes occurred in the educational system and the respective curricula are an evident willingness of the government to provide a better preparation of the students for employment, and to remove some obstacles which still exist to what equality of opportunities of education is concerned.

#### 4.1.3. Program to improve the education success in basic schooling (PIPSE)

This program (PIPSE - "Programa Interministerial para a Promoçãõ do Sucesso Educativo") involves the action of several Ministries (Ministries of Education, Planning and Territorial Administration, Agriculture, Fishing and Food, Health, Employment and Social Security, Youth), under the responsibility of the Ministry of Education. It has started in the school year 1987/88, addressed to the students of the first four schooling years of education (1st cycle of basic education), operating at the local level (municipalities).

It operates in a hierarchical way, at the central, regional and local levels, and involving representatives of the ministries, regional and local administration bodies.

This program has been considered of emergency character to face the problem of schooling failure at the basic education level and to ensure an effective access to education at this level, and mainly addressed to the disadvantaged population groups.

The design of the program was based upon an identification of the determining causes of failure in education, either those endogenous to the education system, or of exogenous character. In this sense, the following ten componentes have been considered in the program:

- Food support to the children, mainly in those areas facing bigger problems in terms of schooling failure;
- Health care to the children, of different kinds (mainly of preventive character);
- Pre-school education, by creating kindergardens;

- Special education measures to the children facing bigger learning difficulties;
- Support to the families, by advertising actions and community interventions, creating a better environment for learning;
- Leisure activities and sportif education;
- Transport and school facilities, by extinguishing schools with less than 10 students in isolated zones and ensuring transportation of children to neighbour schools;
- Teaching material provided to the children;
- Pedagogic support to the teachers, mainly in those cases where the students face bigger learning difficulties;
- Professional initiation, by the adaptation of the curricula , promoting teaching programs of professional character and reducing the scholar programs for those children who did not complete the 1st cycle of basic education at the 13 and 14 years old.

This program has been extended into four stages, starting in priority intervention areas, and covered all the country (Continent) in 1990/91. In the school year 1991/92 it is the intention that a consolidation of the results of the program will be done, and it is expected that a local dynamics of integrated development has been created involving the coordination among Ministries, between the Central and Local Administration, between the public and the private sectors intending the progress of education at the local level.

This program, although facing some criticisms (some resistances at local level, lack of legislative framework for some actions, scarce **personnel** and budget , etc), **has been** considered as an important step towards the combat of social exclusion in basic education, and the still preliminary evaluation of the **results** allows us to confirm this\_

Some results are, however, **already visible**, **either** in figures reflecting the improvement of education success (**reduction** of school failures), or of qualitative and institutional character for which this program had a relevant contribution - Three aspects should be referred: **the** involvement of several local agencies, with different vocations, into the same project at the local level, which is expected to consolidate forms of collaboration not existing until then; the possibiity of monitoring the educational system in statistical terms, contributing for a better knowledge about the reduction on school

failure; the creation of mechanisms of pedagogic support to the teachers.

#### 4.1.4. Program. "Education for... ail" ( PEPT 2000)

This program ("Educação ~ para todos" ) has been created in 1991 intending the full accomplishment of the basic (compulsory ) education and the general access to the secondary education. It is, to some extent, complementary to the program PIPSE, lengthening its objectives to the next levels of education, and intending to ensure the educational success of the students and to reduce the students' abandonment of the educational system. Two major aims are to reach the full accomplishment of the basic education of nine years in 1995 and to increase the education participation rate by reaching, in the year 2000, a rate of enrollment of 90% for the population in the age bracket 12 to 18.

The design of the program takes into consideration strategic variables, endogenous and exogenous to the educational system.

As endogenous variables are those related to the curricula, pedagogical aspects and working conditions and facilities at the school. As exogenous variables are those related to the socioeconomic conditions of the families, communitary support, cultural values of the family, etc.

The program is developed into projects which the most relevant are:

- The monitoring of the educational system, by creating a permanent observatory on educational abandonment and a better knowledge on the social demand on education.

- Social mobilization to education until year 2000, through advertising actions over the whole population.

- Social interventions for schooling in the year 2000, by proposing policy measures to ensure the accomplishment of the basic education, namely by social support of families with precarious economic conditions, measures of positive discrimination in favour of the educational improvement of children of vulnerable social groups and projects of partnership at local level in peripheral zones of big cities and industrial regions.

- To follow up the endogenous factors of educational success, and reinforcing the positive factors which attract the children to the educational system.

- To follow up the exogenous factors of educational success, by promoting integrated projects creating attracting motivations for schooling.

The implementation of the program is based on a organic structure that works at the central level (involving several ministries), regional and local, in a similar way as the program PIPSE.

As a recent program, it is still not possible to evaluate its influence. What may be said is that its design means a political willingness to combat social exclusion in terms of the still existing barriers to the access to education by the most vulnerable groups of the population.

#### 4.1.5. Students... with special educational needs.

A legislation has been published in 1991 intended to adapt the educational system taking into consideration the needs of those students who face 'special educational needs'. Addressed to the students who attend public schools of the basic and secondary levels, the changes introduced by this legislation corresponds to a model of "integrated education", promoting the integration of the students with physical or mental deficiencies in classes with students without such needs. This follows the compulsory character of basic education for this population, decided in 1990, for whom adequate social support has been then created (social support, transport and health care).

There are in Portugal many schools with vocation for special education for this children (some of them are private or cooperative owned), and presently the students are moving from this specialized schools into the normal public schools, where they will be integrated. This requires training of teachers and technicians, what is under course presently.

The integration of such made through some adaptations school equipment, pedagogic support, changes in curricula

students in the education system is of the teaching conditions, such as adaptations and special pedagogic and in assessment procedures.

This change of the system into a model of integration of such children in the normal schools is also related to a EEC program (HELIOS I) of integration of young people with special educational needs, existing some projects in Portugal integrated

in this program. An interesting example is the local model of Lisbon, related to auditive and moving deficiencies.

#### 4.1.6. Soc. ip-educat., t. ipna.l. support... to ..students

The education system contains some mechanisms of compensatory nature aiming at to contribute to the equality of opportunities of access to education and intending to combat the problem of school failure. The recent policy measures are implementations of the guidelines established in the Education Law of 1986.

The social support to students constitute a sort of positive discriminatory actions intended to compensate, either in social or educational terms, those students who face more serious economic problems. The Institute of Socio-educational Support (IASE ~ "Instituto dos Assuntos Sociais da Educacao" ~) is the department of the Ministry of Education with the responsibility of providing such support for all the students, except those of the high education level (university and polytechnic).

It has been created in 1991, but it results of the union of three already existing institutions with similar responsibilities. Its creation corresponds to the need of the existence of a more operative institution in social support of the students. With a large scope of competence in this field, it has the responsibility for the design, orientation and coordination of the social policy in education, which has been defined in legislation published in 1990. It should be stressed the support in terms of subsidizing meals, transport of the students, housing, health services, school material and the grant of scholarships.

Another relevant policy measure was the creation, in 1991, of the services of psychology and orientation, integrated in the education system, aiming at the improvement of the quality of education and to promote the equality of opportunities in education among the population.

These services correspond to different models of action, according to the education level:

- for the 1st and 2nd cycle of the basic education» it is more oriented to support the students in psicopedagogic terms;



for the 3rd cycle of the basic education, it is more oriented to the students\* guidance on the choice of the educational and professional career.

#### 4.1.7. Education and ethnic minorities

The problem of school failure is of particular significance for some social groups, namely for some ethnic minorities. This is the case of gypsies and children from PALOP' & ("Paises Africanos de Lingua Oficial Portuguesa" - African Countries with Portuguese Official Language), mainly Cabo Verde.

A program has started recently - PEDI ("Projecto Escola na Dimensao Intercultural" - School with an intercultural dimension), which is aimed at the integration of the children who belong to ethnic minorities and disadvantaged social classes.

Presently this project has, as the target group, about 1300 children in 32 schools of the 1st cycle of the basic education in the poor zones of Lisbon, and involving 68 teachers. The basic principle of this project is to recognize the multicultural character of the schools and classes where these children are studying as a positive aspect for the educational process of all the children.

The main objectives of the project are: to take profit from the existence of different cultures at the school; to essay pedagogic strategies which permit the cultural linkage between the school and the family; to improve the oral and written communication abilities of the children; to eliminate any form of discrimination against ethnic minorities; to create conditions for equality of oportunities among the children and to promote the scholar success of the children.

The project, still in an experimental basis, is developed by the coordination of the team of teachers involved, with the support and supervision by experts on education and psychology, by creating an inovatory conception of the school.

In general terms, we may say that a great effort has been made recently made on education in order to combat social exclusion, either by changing the system, or by introducing (or reinforcing the existing) compensatory mechanisms oriented to the

combat of school failure and early abandonment of the school education. Another intention has been to adjust the system in order to create better conditions for the students to be more adequately skilled to go into labour market. The policy measures are however too recent to allow for their assessment.

Another aspect, which has not been stressed in this chapter but is also relevant, is the existing barriers of access to the University. Large waiting lists exist every year for most courses as a result of the growth of population demanding the high education and the incapacity of the public universities to face such growth. In recent years several universities have been created all over the country, thus decentralizing this education level, and some private universities have also been created, what reduces the pressure on the demand of education for the public universities. There are signals of exclusion in this. On the one hand, the high fees paid in private universities limit the access to them to the richer households. On the other hand, although the conditions for admission to the public universities are based upon the marks obtained in examinations, some criticisms are often made by the candidates on one important selective examination ("prova geral de acesso") which is viewed as class discriminatory, since it is oriented to assess the general culture of the students, thus discriminating against the poor household students.

## 4.2. Employment.... and. Professional Training

### 4.2.1. Introductory.... aspects

We hardly find, either on research studies or in official texts concerning economic and social policies, any reference to the concept of social exclusion, and this is also the case for employment and professional training policies. This fact creates some difficulty on the assessment of policies to combat social exclusion in employment and professional training policies, given the inexistence of explicit objectives defined in these terms.

The concept of social exclusion is related to processes and situations by which persons and social groups tend to be apart from the general system of social exchange and social positions which permit the integration in society. When analyzing labour relations, this looks an adequate way of observing social exclusion. However, given the operative difficulty of using such a concept, the assessment of policies to what employment and professional training is concerned will make use of a rather more restrictive concept of social exclusion. We will consider as exclusion a situation of denial or non realization of social rights, and the policies to combat social exclusion those addressed to combat such situations, as referred in chapter 1.

The social rights generally accepted in society and guaranteed in the Constitution refer to the right to an employment and professional training which will create equality of opportunities in the choice of an occupation. On another hand, there is an obligation of the citizens not to work before the age of 14 and without the compulsory basic education of 9 schooling years. This will be the general analytical framework in the methodology used in this chapter.

The present situation of labour market in Portugal is characterized by very low unemployment rates (one of the lowest in the EEC), and high demand for labour, in the context of a relatively high economic growth and modernization of the productive structure. In this process, a demanding effort is required to education and professional training in order to accommodate the labour supply to labour demand. But some social groups face, given their vulnerabilities, different opportunities of access to it. On another hand, the existing situation of crisis in some sectors and the ongoing process of restructuring and modernization generate situations of actual or potential unemployment.

in some sectors of activity and regions, affecting particular social groups. The existing policies of employment and professional training are mainly addressed to face these situations.

The policies of employment and the policies of professional training are designed by the Government, approved in the Parliament and implemented by the Institute of Employment and Professional Training (IEFP - "Instituto de Emprego e Formação Profissional"), a department of the Ministry of Employment and Social Security. This department has the responsibility for the full execution of these policies with financial resources coming from Social Security and the State Budget.

The IEFP has a large extent of autonomy in the design of the employment and professional training policy. Therefore, this chapter is strongly based upon the appreciation of the policy interventions by this department. The use of EEC funds (Social European Fund) permitted the design and implementation of operational programs with potential positive effects on social exclusion.

#### 4.2.2. General overview.... of policies

The pattern of policy in what professional training is concerned may be summarized in the following components:

- Initial training: professional training addressed to young people at the schools of technical and professional education ("Escolas Técnico-Profissionais"), at the Professional Training Centres (IEFP), and some specific programs. It is included in this component the system of "formação em alternância". This system consists in professional training for the population in the age bracket 14-24 years who abandoned the school with 6 schooling years, corresponding to 4 years of professional training (apprenticeship) alternative to the formal educational system, and providing a diploma equivalent to that obtained at the school after the 3rd cycle of the basic education to be completed.

- Ongoing training for the population employed in firms under restructuring, at the "Centros de Gestão Participada".

- Specific training, for unemployed and other vulnerable social groups, under the responsibility of IEFP.

These components correspond to a strategy of improvement of professional training in the small and medium size enterprises (given the structure of the Portuguese industrial sector, where these firms are still dominant), following a traditional conception on the role of the State through interventions mainly addressed to sectors of activity, regions and population groups more vulnerable. It also corresponds to a way of sharing responsibilities with private entrepreneurs on professional training.

The main policy instruments presently used by IIEFP intending the implementation of employment and professional training policies are the operational programs approved in 1990. These programs have a structure which pretend to contain all the relevant aspects of policy of employment and professional training. It is in this sense that its implementation has been made and, with a great support of EEC funds (European Social Fund), it has revealed a large improvement in the last years, although the monitoring of such programs is not being made as correctly as it should be.

The following programs are presently working:

- P01- Professional training of employed population (non skilled and skilled workers, white-collars and entrepreneurs)
- P02: Support to institutional structures of employment and training (staff workers of employment support, training of teachers of professional training)
- P03: Professional training of young population in the system of "formação em alternância" (see above).
- P04: Advanced training in technology of information.
- P05: Professional training of adult long-term unemployed.
- " P06: Support to the creation of jobs for adult long-term unemployed.
- P07: Professional training and employment for adult handicapped in situation of long-term unemployment.
- P08= Professional training and employment for adult female in situation of long-term unemployment.

- P09: Professional training and employment for adult emigrants in situation of long-term unemployment.
- P10: Professional training for the insertion in activity of young population looking for the first job.
- P11: Support for the creation of jobs for young population looking for the first job.
- P12: Professional training and employment for young handicapped looking for the first job.
- P13: Professional training and employment for young women looking for a job.
- P14: Professional training and employment for young emigrants looking for a job.

#### 4.2.3. A summary... of policy measures

The main policy measures presently existing and implemented under the responsibility of IEFP are the following:

##### a) Protection in unemployment

a. i.) Unemployment subsidy, for all the unemployed population registered at the Social Security and worked at least 540 days in the last 24 months before becoming unemployed. The subsidy lasts for 10 months for the population below 25 years old, and 30 months for the population above 55.

a. 2) Social subsidy of unemployment, for the population registered at an office of the IEFP for more than 3 months, who never had a job and with a per capita income below 50% the minimum wage. This subsidy lasts for 15 months, and a new subsidy may be given 360 days after this period is over.

a. 3) Complementary subsidy of training, for ex-trainees from a. professional school of the IEFP, in situation of unemployment.

a. 4) Support to unemployed in regions with high unemployment, for incentive of regional mobility to other regions where a permanent job could have been found.

a.5) Special situations for some unemployed who are not entitled to an unemployment subsidy.

b) Seasonal employment programs: temporary jobs, for unemployed not entitled to an unemployment subsidy and facing economic needs, in programs prepared by municipalities, public services and charitable institutions.

c) Long-term unemployed

c.1) Temporary jobs for long-term unemployed who are not receiving unemployment subsidy. This consists on projects presented by public offices and non-profit private organizations, and addressed to unemployed people above 25 years old.

c.2) Incentives to job creation for long-term unemployed. It consists on subsidies of an amount equivalent to 12 monthly minimum wages by permanent job, with a supplementary amount for women in case of traditionally male jobs. A reduction is also made on social security contributions.

d) Insertion of young people in labour activity

d.1) Subsidy for young people looking for the first job. This subsidy is provided to young people who applied for a job at a Employment Centre for more than 6 months, with basic school education, and with a per capita household income below the minimum wage.

d.2) Support of professional training programs. It consists on subsidies to firms and non-profit private organizations for the creation of jobs to young people. These subsidies are bigger in case of job creation for women and handicapped.

d.3) "Formação em Alternância\*" (Apprenticeship and Pre-apprenticeship ). It consists on professional training for young people in the age bracket 14-24 years, who abandoned the school with 6 school years. It takes 4 years and provides a professional training and basic education equivalent to the 3rd cycle of basic education.

d.4) Temporary jobs for young people below 25 years old.

d.5) Training of young entrepreneurs, managers and technicians for the manufacturing industry.

e) Support to the making of labour contracts for young people below 25 years old. It consists on subsidies to firms and non-profit private organizations for creation of jobs for young people. These subsidies are bigger in case of women and handicapped.

f ) Local initiatives of job creation. It consists on subsidies and loans (free of interests), a higher priority being given to jobs for people who had no job before, and members of cooperatives, for projects corresponding to the maximum of 20 jobs per project.

g ) Support to handicraft, consisting of subsidies and technical assistance.

h) Support to the making of labour contracts of technicians for cooperatives. It consists on subsidies, technical assistance and loans.

i ) Support to the creation of own account jobs. It is addressed to young people ( in the age bracket 18-25 years ) and skilled long-term unemployed. It consists on installment subsidies (equivalent to 12 months of minimum wages) and technical assistance.

j) Incentives and supplementary support to women initiatives of job creation.

k ) Support to the employment of handicapped people. It consists on the reduction of social security contributions paid by the firms, compensation to firms for the employment of handicapped workers, subsidies for the adaptation of job posts and specific training. It also includes loans to handicapped population who pretend to work by own account.

l) Social reintegration of jailed people. It involves professional training in the jails, under the responsibility of the Directorate General of Prison Services.

m) Support to the creation and maintenance of jobs. It consists on support to workers and firms under a process of restructuring and/or with delay of wage payments and/or in difficult economic situation. It also includes support to the creation of jobs in regions of high unemployment.



n) Professional training of adult long-term unemployed migrants.

#### 4.2.4. Social exclusion: a general assessment

The actual dimension of social exclusion to what employment and professional training is concerned only may be assessed in the context of the present features of the Portuguese economy, under a process of deep and rapid structural change. But are still present some basic characteristics of the weakness of the Portuguese productive structure. To what the size of the firms is concerned, 75% of the firms have less than 10 workers, and only 2% have more than 100. Traditional sectors are still important in the Portuguese economy, and some of them facing a strong competition from outside. This is the case of textiles, with a big share in total employment, facing a technological backwardness and excess labour supply.

With one of the lowest unemployment rate in the EEC context, the major problem which is now faced is that of professional training, required by the undergoing modernization process. The two main problems referred in the first year report, concerning the temporary (precarious) labour contracts and the delays in salary payments by the enterprises, although still relevant, are becoming less important.

The population groups in situation of risk of social exclusion may be identified, by considering the official statements of the Secretary of State of Employment and Professional Training in February 1991, as the handicapped, the returned emigrants, the long-term unemployed, and women, facing higher difficulties of insertion in the labour market. But other groups should also be considered, as the young population looking for the first job, and the workers in sectors in a process of restructuring, like textiles, potentially generating situations of exclusion.

However, it does not look correct to consider only these groups, since we should consider, not only those groups that face situations of tendentially denial of social rights, but also those for whom these social rights are only partially guaranteed in law. By extending the concept of exclusion to this broader sense, the following population groups should also be considered: the immigrants from PALOP's ("Países Africanos de Língua Oficial Portuguesa" - African Countries with Official Portuguese Language), the refugees from Timor, the travellers and the

- gypsies, and the children with age below the legal age for working.

To what travellers and gypsies is concerned, this population is mostly involved in own account activities, with a low share in total employment, and benefitting from the family network what provides some family support for living. The same does not apply to the other groups.

The immigrants from PALOP's don't have, in some cases, a legal residence in Portugal, and their participation in the labour market is precarious. They have unskilled occupations, mainly in construction, with no social security rights, very low wages, and no access to professional training. The employment policies and professional training policies are not designed aiming to include this social group, keeping them aside the institutional mechanisms while their legal status as immigrants are not legalized.

For the refugees from Timor, they don't face the situation of ilegal residence in Portugal. But the policy intending their integration in the Portuguese society does not include any specific component of professional training adressed to this group, their situation being seen as one issue of social security.

The situation of children's work is a generating mechanism of social exclusion, because that means the violation of the fundamental rights of the citizens (who are not admitted to work below 14 years old) and the exclusion of the children from the right to a basic education. Moreover, the work of the children is characterized by low wages, no social security (because, to a large extent, of the illegality of this work) and bad working conditions. This situation has been widely noticed by the media and international organizations as revealing, in many cases, extreme cases oh human exploitation, but seems difficult to solve. It corresponds, in terms of causes of the phenomenon, to the confluence of different factors: the behaviour of the enterprises by employing low paid wage earners, the economic needs of many poor households for whom the children's wages is a relevant component of the household income, and a culturally rooted form of considering the apprenticeship at the factories as a way of preparing the children for an occupation life as a better alternative than the schooling system. This situation is faced by the government, in terms of employment policy, as a

matter of labour inspection and penalties to the firms involved. Some efforts have however been made in the area of education concerning the early abandonment of the education system, but the results are still not visible.

Concerning the vagabonds and people without roof and those involved in illegal activities, the policy of occupational orientation and professional training addressed to arrested people and drug addicts is not sufficient, leaving aside these interventions a significant part of this population. This is however one of the forms of intervention of IEFP, with the support of the EEC program HORIZON.

As it was seen above, in some cases the scope of the intervention of IEFP goes beyond the intention of the government to combat social exclusion, given the extent of autonomy of this department in this field. However, it has a limited intervention concerning some specific groups facing particular vulnerabilities.

We may identify some general policies intended to create services or mechanisms compensatory of the working of the institutions, for some groups of the population as it is the case of the unemployed, such as the unemployment subsidy, professional training and the support to the creation of own account activities.

There are also some policies intending the compensation for specific vulnerabilities for some groups, such as the young population, the handicapped, the women, the unemployed who cannot apply for unemployment subsidy, the population living in regions with high unemployment, the arrested, etc.

The global assessment of the employment policy, given the very low unemployment rates, points into a positive result from the undertaken interventions, even that even considering the inexistence of specific policies addressed to some population groups in risk of social exclusion.

It should be noted that the existence of unemployed registered in the files of IEFP for long periods (more than 24 months) may denote the existence of a social group facing high difficulties of adaptation to the existing systems in order of their integration in the labour market. The IEFP is carrying out a research project intended to investigate this in terms of the

explanatory causes of this phenomenon and to design forms of intervention, by creating new specific policies for the long-term unemployed (more than 24 months) in order to reach a solution in the medium term.

The assessment of the policy of professional training points into positive results, given the high number of people involved: 350,000 in 1987/89 and 900,000 in 1990/92.

A doubt remains concerning the effectiveness of the IIEP intervention in sectors which are in a process of restructuring, as it is the case of textiles. The professional training implemented by this department should follow the occupational change and the resultant need for training of those workers that will lose their jobs in these sectors, many of them are women with very low skills. It is still not possible to evaluate such a recent issue.

### 3. Health

#### 4.3.1. National.. Health Service:.... general overview

The Portuguese Constitution states that (art 64°) "... everybody has the right to health protection [...] carried out through a national health service [...] to assure the right to health protection; it is primarily the State's duty [...] to guarantee the access of all citizens to all types of health care". Accordingly, the Portuguese National Health Service "Serviço Nacional de Saúde" - SNS) was instituted in 1979 (Law 6/79) with the following characteristics:

- universal in coverage in the sense that all citizens are guaranteed access to available services;
- general in the provision of benefits incorporating prevention, ambulatory and hospital care and rehabilitation; and
- free at the point of use in being financed almost exclusively by taxation.

Furthermore, all SNS workers are salaried civil servants and until 1987 every graduating doctor was guaranteed employment.

Despite the statutory configuration, one hardly may consider the Portuguese health system of the NHS-type. This is best exemplified by confronting the principal objectives with actual evidence.

Though the NHS purports to be "universal", there persist a number of occupational insurance schemes - overwhelming non-voluntary and in the public sector of the economy - which tend to cover bettei-off socioeconomic groups. Over a fifth of the population are effectively outside the NHS. According to a inquiry adressed to departments of the Ministry of Health, mostly the more vulnerable groups of the population make use of the NHS: aged persons, handicaped, children, illiterate, poor people, the immigrants from the ex-colonies, drug-adited, unemployed and >people with chronic diseases.

The delivery and payment of care in the insurance funds is similar to that in other countries: users are free to purchase care wherever they wish; most use the private sector or contracted services for ambulatory care and the NHS for non-elective surgical interventions; and the funds pay contracted services on a free-per-item basis and reimburse patients or co-finance the

use of privately provided care. The insurance part of financing is also similar to that in other countries in that employees contribute a small proportion of their income, but with an important qualification. It is that, effectively, virtually all expenditures are part-financed by State taxation. This is due to the insurance funds operating almost exclusively in the public sector of the economy: occupational health insurance schemes in the private sector and private health insurance as such are estimated to cover no more than 2 percent of the population. The major occupational scheme (ADSE) is destined to the public servants and has the extraordinary implication of providing incentives for NHS workers not to use the NHS. The overwhelming proportion of other insured individuals are covered by schemes run by public sector bodies or nationalized industries. Since employees' contributions are generally insufficient to cover expenditures, the deficits are covered by taxation or foregone revenue, and effectively, by other sectors of the economy with greater proportions of low paid workers.

With regard to the NHS providing a "general" service of health care to patients the evidence is inconclusive. The system has succeeded in integrating a number of previously dispersed services and today appears to provide what is generally accepted to be a wide range of care. On the other hand, there exists a perennial under-utilization of equipment, either because of shortages in the supply of human resources or laxity in administrative controls on providers who work simultaneously for the NHS and the private sector. Physicians are plentiful by international comparisons, but there are extreme shortages in some specialities (e.g., dentistry and ophthalmology). Nurses are few, with scarcely one for each doctor. From an equity point of view, the fulfilment of the generality objective requires that all types of care be readily available within the NHS. The mere existence of services is a necessary but not sufficient condition. If there are extreme shortages of personnel or equipment in the provision of a particular mode of care and these imply prolonged and persistent queuing which leads people to seek treatment in the private sector, then arguably the objective is not being met. There is a widely held belief that this situation is in fact the case.

The idea that the Portuguese have available to them a health care system which is "free at the point of use" and overwhelmingly financed by taxation is not totally borne out by the

evidence. This aspect will be further discussed in next paragraph.

#### 4.3.2. General assessment and major problems

Though the SNS never conformed to this statutory configuration it played an important role in the generalisation of access of the population to health care. As it can be seen in Table 1, consumption of publicly provided health care increased in the last two decades, but the most of it took place in the 70s. This is partly explained by the low level of consumption of health care in the 70s, but also by changes that occurred in health policy since the middle of the 80s, responsible for the slowing down of the increase of the demand for care.

In fact, although the weight of public expenditure in health on GDP remained constant between 1980 and 1989 (around 4%), households' expenditure grew significantly. According to the Household Budget Survey 1989/90 (National Institute of Statistics), the increase of household expenditure on health increased 38.2% from 1980/81 to 1989/90, the second most important increase in the family's budget items just after expenditure in housing, heating and electricity (47.3%) and much greater than in transports (18.5%). So, not surprisingly out-of-pocket payments accounted for almost 40% of all expenditure in health care in 1987 (against 28% in 1980), by far the largest share among OECD countries. The main responsibility for this evolution is attributable to the increase of private co-payments of consultations and drugs.

Faced with increasingly severe budget restrictions, the government imposed a flat rate co-payment, of physician visits in 1986. Previously negligible, out-of-pocket payments of visits raised to 17.8% of all direct payments in 1987. This is also most probably one of the reasons why consultations provided in the public sector dropped from 1981 to 1990 (see Table 4.1).

TABLE 4.1

Consumption of publicly provided health care in Portugal  
Mais items, 1970-1990

	1970	1981	1990
Physician visits (a)	219.3	284.9	268.6
X-Rays (b)	6.5	11.1	16.2
Laboratory Tests (b)	18.6	56.3	114.0
Drugs (c)	1.1	2.6	2.6
Hospital Admissions (a)	6.1	7.4	9.5
Emmergencies (a)	10.7	50.8	57.4
Out-patient Visits (a)	31.4	43.4	55.1
Births in Hospitals (d)	37.4	75.5	73.8
Deaths in Hospitals (e)	18.4	31.8	49.1

Source: National Institute of Statistics (INE), Health Statistics

(a) Per 100 inhabitants

(b) Per 100 visits

(c) Per visit

(d) Percentage of all births

(e) Percentage of all deaths

Some groups of the population are exempt from the flat rate co-payment of physician visits ("moderating tax" - taxa moderadoras): women in pre-birth assistance, children below the age of 12 years or handicapped, pensionists, unemployed workers who are receiving their wages with retard, those workers below the minimum wage and chronic diseases.

Medicines were never provided free of charge. But until 1984, the SNS paid 75% of the price of any drug prescribed by doctors working in the public centres or hospitals, provided that they were produced in Portugal, or 60% if produced abroad. From 1985 to date, co-payment is based on the therapeutical value of the drug in question.

Two consequences followed this change: the average co-payment rate decreased by ten percentage points between 1980 and 1985 (from 71% to 61%), raising to 68% in 1990 after some corrections made on the initial rates; secondly, sever



pharmaceuticals (e.g., vitamins) were withdrawn from the lists. Complete appraisal of the consequences of these issues is impossible. However, calculations made point out to an average annual rate of increase of out-of-pocket payments of drugs of 20.5% in the period 1984-90, being 53.7% of all household direct expenditure in health care.

On the other hand, the increase of direct payments have the most serious regressive effects in the distribution of income, penalizing specially the more needy households, known as it is that poor health is negatively correlated with income. A study made by G. Pinto ("Despesa Publica em cuidados de saude. Quern beneficia e porque", in Pereira, J. and Giraides, M.R. (eds) - Desigualdade e Saude em Portugal. IDS, 1991 ) found that the decrease in ten percent points in the average co-payment rate of drugs that occurred between 1980 and 1985 induced a decline of 40% (at 1980 prices) of out-of-pocket expenditure in the same products of the households in the lowest socioeconomic groups, i.e., the old and isolated living on retirement allowances, worsening substantially their welfare.

After all the last revision of the Constitution (1989) and the new Health Law (1990) recognized the tendency towards greater responsibility of private direct payments in the financing of health care, stating that the SNS should provide care "tendencially free of charge". This means that probably the old people will have more difficulties on getting the care that they need, in particular drugs, not only because of the low co-payment rates and higher prices induced by EEC harmonization, but also because products they need are not co-financed by the SNS.

Informal (but reliable) testimonys asseverate that a growing proportion of retired people don't buy all the medicines prescribed by the doctors, because they cannot afford them. We will come back to this issue in the next report on social services.

Important as they are, price barriers are not the only factor restricting the access of the most in need to health care. It seems that socio-cultural issues also play an important role, excluding vulnerable groups (e.g., the retired and the mentally ill) from the benefit of the system. In chapter 3 some figures have been shown (Table 3.24, in page 65 of this report) on the causes (in percentage) of incapacity of individuals classified by their working status, which are relevant for this issue.

It should be noted that the main diseases responsible for the change of the health status of the active workers account for more than 85% of the causes of incapacity of individuals in the other groups, except for the handicapped where the troubles of the brain and of the nervous system account for almost half of the cases (indicating that the most of them were mentally ill). Considering this and the high incidence of diseases of the circulatory system among the retired, it was expected that these two groups were to have a higher rate of hospital admissions. This is not so, as can be seen from figures presented in chapter 3 (Table 3.23, in page 64 of this report). Social and cultural reasons (attitudes of patients and their families, namely) explain partially this result but also efficiency criteria for public funding of hospitals (e.g., length of stay) induce the discrimination of these groups.

#### 4.4. Housing

##### 4.4.1. Introductory aspects

The right to a decent housing is guaranteed in the Portuguese Constitution for all social groups, with no discrimination by income or social class. This is considered as a key aspect for the well-being of all citizens in terms of a normal family life.

In Portugal, beyond the general shortage of housing that affects the population as a whole, there are some population groups that, given their disadvantaged economic situation, are pushed into bad housing conditions. Are in this situation the homeless and the population living in barracks. This population is unable, given its impoverished situation, to have access to a decent housing. The social housing has been too scarce to face the situation of this population.

However, the situations of social exclusion in housing goes beyond the poverty groups. Indeed, as a consequence of the existing distortions in the housing market, of economic and institutional character, a significant part of the employees middle class are facing serious housing problems. They consist on high financial costs resulting from the acquisition of own dwelling (due to high costs of the houses and the high interest rates). The cooperative organizations for construction of houses has been an alternative with some dynamism in recent years, notwithstanding some specific problems that are facing. The house renting is no alternative, given the scarcity of houses available for renting, and the high rents paid.

The young population, in general, is also a social group in risk of exclusion, even those who got their first job, given the existing conditions of access to credit to buy their own dwelling.

The general opinion of most bodies involved in the implementation of housing policy point out the speculative behaviour on soil transactions for construction as one of the most relevant factors that contribute to the high prices of the houses and the rising trends of such prices. The demographic growth in urban centres and in peripheral zones of the bigger cities has been a contributory factor to such fact, in addition to the growth of firm offices and services in the large cities, more recently

developed by the implantation of foreign firms demanding for office houses that are still cheaper in Lisbon than in other foreign capitals.

The reform of housing credit policy in 1986, which changed the regime for acquisition and construction of own private dwellings, recognizes this by considering as criterions for credit ceilings, beyond the household income and the household size, the location of the houses.

The housing policy is designed by the government, and may be observed through the published legislation. However, the best way to proceed to an assessment of its effects, namely to what social exclusion is concerned for some social groups, is to know, from the institutions with the responsibility of its implementation, to what extent the policies have been adequate to combat such an important social problem in Portugal. For this purpose, two institutions have been inquired »

- National Institute of Housing ("Instituto Nacional de Habitação" - INH) of the Ministry of Public Works, Transport and Communications, with the responsibility of providing loans to finance social housing projects ~ projects of housing construction under a control of costs.

- "Caixa Geral de Depósitos" (CGD), a financial institution which grants mortgage loans for housing, corresponding to 80% of total housing credit. Through this institution is possible to evaluate the difficulties faced by the young population and the middle class for buying their homes, given that these are the most representative groups that request credit for this purpose.

The AECOPS ("Associação ~ das Empresas de Construção e Obras Públicas do Sul" - Union of Enterprises of Construction and Public Works of the South) has also been inquired intending to evaluate the main constraints the firms of construction face at the moment.

#### 4.4.2. Social housing and housing construction cooperatives

The National Institute of Housing (INH) is an institution vocationally oriented to the study, approval and financing (with subsidised financial costs) of projects of social housing adressed to disadvantaged social groups. This institution is responsible for a large amount of projects all over the country,

in connection with the following institutions that are the promoters of such projects:

- Municipalities;
- ». Cooperatives of housing construction;
- Private firms of the construction sector;

These promoters of housing projects may benefit of credit with lower (subsidised) interests corresponding to part of the cost of the construction under the condition of the fulfilment of legal requirements concerning some specific construction techniques and some specific requirements of control of construction costs. The INH also aims to ensure the quality of the co-financed projects. A 'INH prize' has been created for the best projects (in terms of the quality of construction and the architecture design).

The effects of the policy of credit provided by the INH has been quite diverse among the various projects, given the different dynamism of the respective promoters. It is quite notorious the dynamism evidenced by the Housing Cooperatives which are responsible for most projects financed by the INH. In the period 1984/90, about 70% of the housing projects have been originated in Cooperatives of Construction, 21% by municipalities, and 9% by private enterprises. Taking into account that the projects presented by the municipalities are those more oriented to face the housing needs of the lower income groups, such differences provide a first idea of the unbalanced orientation of the housing supply.

The projects presented to the INH for the purpose of financing are of two different kinds: housing projects for rent (long-term municipality projects) and housing projects for sale (medium-term municipality projects). The projects for rent (at very low rents paid to the municipalities) look as the most adequate to face the housing needs of the lower income population groups. However, only 40% of the projects are of this kind, what is insufficient to face such needs.

It is important to point out that, in 1987 a new legislation was published to regulate the collaboration agreements between the INH and the IGAPHE ("Instituto de Gestão e Alienação do Patrimônio Habitacional do Estado" - Institute for Administration of the Housing Patrimony of the State, of the Ministry of Public

Works, Transport and Communication). According to this legislation, it becomes possible to subsidize in 50% the costs of the construction of houses intending re-lodging of the population, that is, population living in barracks, with high priority on order to combat social exclusion in housing. This legislation thus create a large incentive for the municipalities to face this serious problem. However, the municipalities did not make enough use of such financial facilities as compared to what was to be expected. An argument oftenly presented for this consists on the fact that the budget of the municipalities are too short, and the financial autonomy of the municipalities is very recent, so that its effects are not yet visible in this field. In addition, high priority has been given by the municipalities to improve the basic infrastructures, namely those of sanitary character, rather necessary in many regions and that benefit quite a bigger percentage of the population. Notwithstanding such reasons, it looks remarkable such difference on the dynamism shown between the cooperatives and the municipalities, which should give higher priority to the construction of houses for rent, what would positively affect those population groups facing more economic needs, and who cannot afford to buy a house. It should be pointed out that, given that the municipalities are the promoters and the INH works as a financial institution, only an inquiry to all municipalities would permit to know the value of the waiting lists for social housing.

To what cooperatives is concerned, their adreesees are basically the middle class population. The construction of houses in this way benefit from the special financial schemes for cooperatives, and the effects on the lower prices of the houses what results from the construction with the specification of controlled costs. It is thus possible for the population to reduce subatantially the 'financial burden rate' (the percentage of monthly income spent on expenses to buy a house - interests and amortization), in compairison with that one if the credit is obtained from CGD or "Montepio Geral" (another financial institution which provides mortgage loans to buy houses).

However, the working of the cooperatives also face various institutional constraints which originates large waiting lists for housing, and the associates frequently have to give up to acquire a house, due to the moroseness of the procedure.

A general appreciation of the existing institutional arrangements for housing and its recent improvements allows to

conclude that the INH has played an important role in financing social housing, being then an intermediate agent in the process of the combat of social exclusion, to what housing is concerned. However, given its institutional role of financing projects, this institute may not substitute for the promoters in the process of combat social exclusion, being in a situation of dependency on their dynamism. On the other hand, the articulation of the INH with the financial institutions with the vocation of providing credit for housing construction (CGD, MG and CPP - "Crédito Predial Português") and other government bodies (namely IGAPHE) may constitute an adequate instrument to improve the effectiveness of the housing policies adressed to the more vulnerable population groups.

#### 4.4.3. Housing credit

The inquiry to the CGD ( "Caixa Geral de Depósitos" ) was the privileged way of assessing the actual conditions of the concession of credit for housing, mainly adressed to the middle and high classes, but which also has important impact on the young population, a social group that faces serious difficulties to solve their needs on housing.

The young population face serious problems to meet their needs to what housing is concerned. Beyond the initial difficulty of finding a job and a good salary (what is an initial constraint to support the expenses of buying or renting a house') -> another difficulty comes from the difficulty of renting a flat, due to the high rents and the scarcity of houses available for rent. This latter is considered, by most experts, as the main cause of the housing problem in Portugal. The only alternative for the young population is, therefore, to buy a house.

The regimes of the housing credit are regulated by legislation published in 1986 and changed in 1989 and 1991. These regimes consist on the following:

- Subsidized credit for young population;
- Subsidized credit (general);
- General regime (not subsidized);

The most requested regime has been the subsidized credit for young population. The legislation published in 1991 levies the barriers previously existing to what concerns the credit ceilings. Before this recent legislation, the credit was granted

to the acquisition of own dwellings taking into account the household size. In these terms, most young couples were excluded, or faced bigger difficulties of access to the credit to buy a medium size flat. The reform of the conditions of granting of credit have eased the access to the credit and improved the conditions to get it by the young population. However, the high expenses involved in the acquisition of their own house are still very high if we take into consideration the average income levels of those who need to obtain a loan. The rate of growth of the monthly contributions (which includes amortization and interests) is higher than the rate of growth of wages. Therefore the ' financial burden rate ' involved on buying a house becomes heavier than that supported by other social groups.

The importance that should be given to the credit to the young population on analysing housing credit policy comes from the great weight that this regime has in total credit granted by CGD: about 60%. It is interesting to stress that, for the general subsidized regime, about 84% is concentrated in the first class of income (up to 1188 thousand escudos ), that is, basically wage earners population.

One aspect that should also be stressed and that results from the recent legislation is that there is no credit ceilings dependent on the household size and, therefore, does not directly constraints so severely the choice of the size of the house. However, the credit ceilings are related to the household income. Indeed, the maximum value of the ' financial burden rate \*, which regulates the amount of loans to grant to each requesting household is, for the first contribution,  $\frac{1}{3}$  of the monthly income (estimated as  $\frac{1}{12}$  of the gross annual income) for the regime of amortizations with rising contributions, or  $\frac{1}{2}$  in the case of constant contributions.

The potential (and indéed, in many cases, actual) insolvency of some young couples is due to the precarious character of their first jobs. However, it is to some extent diminished due to the existence of warrantors which are required by CGD to grant credit under the regime of subsidized credit to the young population, in order to reduce the risks of such credit operations. For this reason there is no information available concerning (potential or actual) insolvency of young population, what would be a good indicator of the effects of the regime of housing credit on this population group. On the other hand, when there is the risk of insolvency, the CGD tries to solve the problem by transferring the



property of the houses to their own. Although there is no information available, it is known that the financial institution that grant housing credit have accumulated the ownership of many houses resulting from insolvencies of the households who requested credit. Part of such insolvencies result from economic causes, but other factors also act. One of them results from divorces, what is becoming an expressive phenomenon among young couples.

#### 4.4.4. House renting

Some opinions are being recently expressed on the need of the revitalization and organization of the housing rent market as a way to rationalize the housing market in general. Great distortions exist to what housing rents is concerned. Many middle income households, and even high income households have a very low rent burden rate \* (percentage of the rent paid in total income), as a result of old renting contracts which have been established in fixed amounts for many years. This rent freezing that was in force for many years gave rise to two consequences: on the one hand, the scarcity of houses available for renting and, on the other hand, the high values of the rents for the new renting contracts in the few houses available for renting. In the last few years a new system was introduced, allowing for the updating of the value of the rents according to the consumer price index. This change, however, is still not attractive for private owners.

The updating of the rents corresponding to the old renting contracts has been a rather controversial issue in the last few years. The antagonistic interests of the landlords and the occupants are in conflict for many years, and no policy measures have still been undertaken to solve the problem of high social significance. This originates high social costs, and one of them is concerned to the repairing and maintenance of buildings from which the landlords do not obtain neither enough income nor incentive for this purpose. This results in the action of the municipalities in their role of repairing buildings, what implies the allocation of resources that should be used for the purpose of the construction of social housing.

The improvement of the housing policy is to a large extent dependent on the regulation of the renting market e the subsidizing of rents for the lodging of households in decent housing. The

rent allowances which are presently provided by social security are not sufficient to cover such costs.

The housing market has been mostly oriented towards the selling of houses, what may be explained by the combination of interests of the construction firms and the owners of the soils who pretend, with speculation, to gain high profits from the transactions.

Although the firms of construction accuse the government of contributing to the high prices of the houses by the taxation system, the prices of the soils and the speculative behaviour of the agents involved in this market are the main reasons of the regional distorsions in the prices of the houses, with serious social effects on lower income groups, mainly those living in urban centres or in the peripheric zones of the larger cities.

#### 4.5. Social Protection

##### 4.5.1. Introductory aspects

According to the Portuguese Constitution, every citizen is entitled to Social Security, and it is the Government's duty to organize and subsidize a system of Social Security to protect people in sickness, old age, invalidity, widowhood and orphanhood, those who are unemployed or in any other situation where there is shortage or reduction in one's means of support or one's ability to work.

The institutions of Social Security have the responsibility of managing the regimes and organizing social action intended to help the supply of the guaranteed protection. The many institutions dependent of the Secretary of State of Social Security are divided into three levels: national, regional and local. From the point of view of this report, it is important to consider:

- at the national level, the National Pension Centre, among others, whose area of activity includes the processing of pensions and other such services;

- at the regional level are the Regional Social Security Centres whose areas of activity include cash benefits, direct social services, management, technical and fiscal support;

- at the local level are the branches of the Regional Social Security Centres that carry out the activities in their area, allocated to them by the respective Centre.

As will be mentioned further, there are several private and public bodies that, although not a part of the system, perform social protection services in the form of a link with the Regional Social Security Centres.

#### 4.5.2. Regimes:.. nature.. and. objectives

According to the Social Security Law, published in 1984, the contributory and non-contributory regimes are defined. However, there are also those that are known as "closed group" regimes.

##### 4.5.2.1. Contributory.... regime

Under this heading appear the general system for employed people and special regimes. These cover both the self-employed and employed, and represent lower contributory taxes. The benefits, which were previously less in number and in value, are now approximately the same in all the regimes.

<sup>1</sup> These regimes are substantiated by the attribution of benefits that are aimed at substituting professional income and compensating home responsibility. The attribution of the benefits normally depends upon the individuals' applications and, when requested, a minimum contribution record or its equivalent. Some benefits are subject to means test. The level of earnings is fundamental in determining the amount of substituting professional income benefit to be paid. Depending on the case, other means test such as the beneficiary \*s or family contribution records, degree of inability or income level can also be used.

##### 4.5.2.2. Non-contributory regime

This regime was established in 1980 especially for those not covered by the contributory regimes. For financial reasons, it seemed preferable to give priority to those most economically underprivileged and restrict the social benefits of the regime to them.

The regime covers nationals resident in the country that are not covered by another regime» or those whose applications have been held up due to legal reasons. In Portugal, the regime that has been extended to foreigners and stateless residents for more than 6 months works by means of the attribution of benefits (of an unvarying amount) to compensate for home responsibilities and to protect against possible invalidity, old age and death.

The access to benefits for child, youth and home protection depends on the examination of the general state of resources: gross monthly income of 40% or less of the minimum national wage

and the respective total family income not higher than one and a half times the national minimum wage.

#### 4.5.2.3. Closed group... regimes

The active beneficiaries of the Special Social Security Regime for Agricultural Activities were included in the general regime from 1st January 1987, with the respective pensioners becoming a closed group. For this reason, the regime now works by means of the attribution of pensions and supplementary benefits of unvarying amounts.

The Rural Transitory Regimes cover people who have worked before in agriculture who, for the reasons foreseen in the legal documents, did not have the opportunity of fulfilling the necessary guarantee periods. These regimes were comparable to the 1981 Non Contributory Regime as regards the concession of old age and invalidity pensions.

#### 4.5.3. Social Action: nature and objectives

On legal terms, the main objectives of social action are the prevention of situations of privation, obit or social rejection and community integration. It is also aimed at ensuring protection for the more vulnerable groups - namely children and young people, the mentally handicapped and the elderly - as well as others who are socially and economically deprived to such an extent that this situation is not or cannot be overcome by means of Social Security Regimes.

Social action works by way of personalized services that are not guaranteed as duties nor can they be demanded as such. There are two types of benefits: of a monetary nature or in kind.

The first benefit - extra benefits - intervenes in cases where, due to inexistent or insufficient guaranteed benefits, the person himself or the particular severity of the situations of social risk in which the individuals or their families find themselves, the granting of a complementary benefit is **indispensable**. The benefit is attributed by the Regional Social Security Centres and its amount varies according to the social and economic situation of the individuals/families and the offices\* financial capacity.

The second benefit includes the loaning of equipment and services, this being a subject of analysis in the chapter on social services.

#### 4.5.4. Social monetary benefits

The following are the most significant aspects of three types of benefits: the main benefits attributed by the regimes; the rent benefit; extra social action benefits.

##### 4.5.4.1. Pensions and supplementary benefit

The attribution of old age or invalidity pensions of the contributory regime depends on the fulfilment of certain terms of guarantee, which were changed in 1982 because the terms enforced by the Portuguese legislation were considered to be too short. The monthly value - guaranteed pension - is equivalent to the total basic pension with the regulatory raises.

The amount of the basic pension - calculated on basis of the number of years of contributory work and on one's average wage - cannot exceed 80% or be less than 30% of that wage. The establishment of this lower limit in 1973 was aimed at compensating various situations (namely, interrupted contributory careers and low wages) that gave rise to very low pensions.

The regulatory raises have been made on a yearly basis (with results from 1st December on) and are composed of two factors. Firstly, the bringing up to date of pensions already existing, with a fixed percentage increase in accordance to the expected inflation for the year they are to be in force. As it has been shown in the 1990 Report, the fact that inflation was higher than expected in many years led to a loss in purchasing power for pensioners. Secondly, the minimum value of the guaranteed pension is established (at 22,800 escudos for pensions starting on 1st December 1991)-

The Special Social Security Regime for Agricultural Activities (RESSAA) began granting pensions of unvarying amounts (16,300 escudos from 1st December 1991) which are subject to annual revaluation - The Non Contributory Regime (RNC) and the Rural Transitory Regime (RTR) grant pensions of unvarying amounts (14,600 escudos from 1st December 1991). The pension attributed by the Non Contributory Regime is known as the Social Pension. This pension, which was established in 1974 and included in the

regime from the very beginning, is granted to people of 65 years old and over (Old Age Pension) or to those over 18 who are considered invalid for any type of profession (Invalidity Pension) and who meet the following two requirements: they are not covered by any regime; their gross monthly earnings are not over 30% of the minimum national wage or 50% of this amount in the case of a couple.

In December 1990, these pensions covered about 1,8 million individuals, 4.8% of which are beneficiaries of the old age and invalidity social pensions.

Regarding the social pension, and although there is no information on take-up taxes, there are people who do not make use of their rights. Two factors can be referred to: the stigmatic nature of the benefit and/or the lack of information on the existence/conditions of attribution.

In spite of all the raises introduced in the last few years regarding old age and disable pensioners, there is definitely a significant proportion who are at a disadvantage as far as their financial resources are concerned. In fact, it could be disputed as to whether fixed benefits are high enough to protect pensioners from becoming destitute and ensure them a decent standard of living.

Although the Government recognizes that pensioners are one of the most underprivileged groups in the population, it considers the only restriction in the progressive rise in pensions to be the financial capacity of the social security system, given the high number of pensioners covered by the various regimes.

As regards the contributory regime, the December 1989 figures (the latest information available) showed that pensioners with invalidity and old age pensions equivalent or inferior to the Minimum Pension corresponded, respectively, to 60.3% and 52.1% of the total. From the pensioners who received more than the equivalent of the minimum pension, only 7.9% and 8.8%, respectively, earned more than the minimum national wage.

The amounts of the various pensions - minimum of the contributory regime and standard of the rest of the regimes - maintained, until 1990, quite low levels not only in absolute terms, but also when compared to the minimum national wage and the standard of living of the population. The values of the

benefits were also found to decrease between 1988 and 1990 compared to the two above mentioned indicators.

The old age and invalidity pensioners can ask for two more benefits if they fulfil certain conditions: benefits for dependents (spouse), and the supplement for the seriously disable.

The first benefit (autonomous» not a majoration) is only attributed to pensioners in the contributory regime and the RESSA (since 1986) and the state of resources in relation to the husband or wife is required. This means that if he or she has a separate income, the complement is equivalent to the difference between the amount of income and the value of the benefit (3,600 escudos, in force si nee 1st December 1991).

The second benefit, attributed in all the regimes, is granted to pensioners who are permanently unable for all types of work and who need the permanent assistance of a third party. A record of the state of resources for the non contributory regime is required. Amounts in force from the 1st December 1991 are: 8,300 escudos ( contributory regime ) and 7,000 escudos (other regimes).

As regards surviving pensioners covered by the various regimes, the benefits (minimum or standard) naturally show quite low values. Next, let us examine the most significant aspects of the survivor's entitlement to a pension.

The amount of pension in the contributory regime corresponds to 60% of the pension the beneficiary would receive or would be entitled to if he or she had become disable or retired at the time of death. For this benefit to be attributed, the beneficiary is required to have completed 36 months contribution at the time of death. It is legally stipulated that no survivor's pension can be less than the result of the application of the respective regulatory percentage to the old age or invalidity pension's minimum value.

The RESSAA and the Rural Transitory Regimes started to grant a survivor's pension (of an amount equivalent to 60% of the deceased beneficiary's pension) from 1975 on, with the former requiring a guarantee period of 36 months.

Since December 1981, the non-contributory regime has granted a widow's pension (equivalent to 60% of the social pension) to



the surviving husband or wife who is not entitled to any pension and who is within the established condition of resources.

Surviving pensioners of the various regimes are also entitled to a supplement for the seriously disable of a standard amount (5,000 escudos since the 1st December 1991).

The low pensions and supplementary benefits constitute one of the main causes of insufficient incomes found out by the Regional Centres of Social Security and branch offices that are open to the public. This problem will be looked at further in chapter 3.5.5.

#### 4.5.4.2. Family benefits

In Portugal the minimum family income or family complement does not yet exist in the same way as it does in other European Community countries. However, during the 80s, an effort was made to improve the area concerning family benefits.

Over and above the benefits that are directed at compensating home responsibility related to various events such as marriage, birth, funeral and guardianship of under 24 years old, special benefits attributed to households with handicapped descendants are worthy of mention. The Portuguese system contains presently four types of special benefits:

- the additional allowance for disable children and young people is granted to the descendants or such like (up to 24 years of age) of the beneficiaries of any regime who, due to injury, deformity or congenital or acquired illness, are in one of the following situations:
  - the need for specific personalized assistance of a pedagogical or therapeutic nature; they attend or have been admitted to special educational establishments. The amount (the same for all the regimes) varies according to the group. The maximum value was established on 1st January 1991 at 9,320 escudos;

- the monthly life allowance is attributed to the descendants or such like of the beneficiaries of all regimes, with the exception of the non-contributory regime, to those over 24 years old who are in a situation that gives access to the additional allowance, although they cannot benefit from the social or invalidity pension. The amount is equivalent to that established for the social pension;

- the special education allowance, established in 1980, is aimed at compensating the responsibilities resulting from the application of specific forms of support for handicapped children and young people under 24 years old, specially in the number of adequate establishments available. Amounts vary in line with cost of the specialized education and family resources;

- the third party benefit was initiated in 1989 due to the lack of adequate establishments and their inadequacy in certain more serious situations, given the importance of home responsibility when accompanying the handicapped person. It seemed appropriate, therefore, to attribute to the seriously handicapped - who were receiving the additional or monthly life benefit - a compensatory benefit for the permanent assistance of a third party. The amount was established, in December 1991, at a little value of 8,300 escudos;

Although one-parent families also exist with some relevance in Portugal, the system does not contemplate any benefit whatsoever for this situation.

#### 4.5.4.3. Temporary professional income substitution benefits

From among the temporary income substitution benefits, the unemployment benefit is worthy of mention due to the changes occurred during the 80s.

Unlike in other western european countries, the Portuguese unemployment protection scheme established in 1977 was not included in the social security regimes, and its concept was predominantly one of assistance, since it depend on the attribution of the benefit for the knowledge of the economic problems of the unemployed worker. Therefore, the amount of the benefit was not related to a worker's income and his or her contributory record was not relevant for the fixation of the periods during which the benefit was to be granted.

In opposition to the inadequate protection, an unemployment insurance scheme was established in 1985 which was to be included in the general employed workers \* regime. The amount and duration of the new Unemplment Benefit became related, respectively, to the losses of income on behalf of the workers and their contributory record. The workers who had reached the end of unemployment insurance benefit period or who did not fulfil their respective guarantee period were granted the Social Unemployment

benefit. Because it complied with assistance logic, this benefit was subject to a condition of resources and the amount granted was a result of the application of the minimum national wage of varying percentages in accordance with the number of dependants.

As regards the Unemployment Insurance Benefit, in order to considerably increase the number of beneficiaries covered, a shorter guarantee period was established. However, the most important change was the fixation of the duration of the benefit, which had, until then, been determined according to a person's contributory record. The new system defined the duration according to the age of the unemployed person: a minimum of 10 months for beneficiaries under 25 years old, and a maximum of 30 months for those of 55 and over. Therefore, the beneficiaries who were most privileged were those who, because of their age, find it more difficult in getting new jobs. In the area of entitlement to an early retirement pension, and in conjunction with the law adopted in EEC countries, the age of entitlement was fixed at 60 (instead of 62 as it was before) for the beneficiaries who reach the end of the unemployment protection period. The means by which the benefit is calculated did not change: it corresponds to 65% of the average working income and cannot be less than the minimum national wage or three times more than this sum.

Several improvements were also made in the Social Unemployment Benefit. Firstly, the condition of resources was changed: the beneficiary's family aggregate cannot dispose of monthly earnings per capita of more than 80% of the minimum national wage (replacing the 70% of before). Secondly, in order to raise the amount of benefit attributed to beneficiaries with 1 to 5 dependants, the regulatory parameters that were in force until then were changed. Lastly, the duration of the grant began to be determined in accordance to the age of the unemployed person, as was the case regarding the unemployment benefit, or with half the time if it is attributed continuously. For unemployed workers of 55 and over, the grant is extended to 60, for early retirement purposes.

It is also important to mention that a new protection scheme was established which consists on the recognition of the entitlement to unemployment benefit for disable pensioners who are declared able to work by a medical examination.

As a result of the improvements introduced into the conditions of access to Unemployment Benefit and Social Unemployment

Benefit, the number of beneficiaries covered registered an increase, in December 1990, of 19% and 10%, respectively, in comparison with the same month of the previous year.

#### 4.5.4.4. Rent. Benefit

Although it is the Ministry of Transport and Communications that deals with the rent benefit, the Social Security Departments have to organize the procedures for the attribution of the benefit and its respective payment.

The rent payers who fulfil certain conditions and whose rents have been emended in exceptional circumstances are entitled to this benefit. Three types of benefits are determined:

- the general rent benefit is attributed to the households that, in a certain year, have incomes and rents equivalent or less (and equivalent or more) than the sums indicated in the annually approved tables, which also define the amounts of the benefit. If the household evidences a monthly income equivalent or less than the sum of the minimum pension, based on the equivalence scale corresponding to its respective size, the benefit is equivalent to the increase in rent;

- the special benefit for disabled rent payers is attributed in cases where the degree of incapability is equivalent or more than 60%. The amount is determined for each case in accordance with: the net income, the size of the household, and the rent to be paid;

- the special benefit for those in need is attributed to the rent payers whose economic conditions suffer changes - because of death, unemployment, retirement, etc. - that determines a considerable worsening of their situation. It is the Regional Centres that, in each case, appraise the seriousness of the situation, decide to attribute the benefit, and fix the respective amount.

In the second quarter of 1991, the number of subsidised rent payers was 10,503, a figure that was slightly lower in comparison with the same period of the two previous years. The distribution of rent payers, according to the three afore-mentioned benefits, was 35%, 48% and 17%, respectively.

4.5.4.5. Extraordinary Social... Action.. Benefits

All the Regional Social Security Centres and their respective branches are in charge of attending the people who need some help from these services. Between 1987 and 1989, the average number of individuals and families attended corresponded to more than 95% of the total users.

By analysing the Table 4.2, it can be seen that, in the afore-mentioned three year period, a growing increase in Social Services was registered.

TABLE 4.2

Number of users of social services

	1987		1988		1989	
	Nr .		Nr .	A %	Nr .	A %
Number of users attended for the first time	39 596	49 430	24.8	63 120	27.7	
Number of users during the year (1)	155 567	239 540	54.0	269 281	12.4	
Number of requests made by individuals and families	148 940	227 638	52.8	256 741	12.8	

Source: Social Security Statistics

(1) Number of times that the users were attended during the year .

The Table 4.3 shows the distribution of the number and nature of requests made by individuals and families.

TABLE 4.3

	1987	1988	1989 (%)
Economic aid	53	59	60
Social services and equipment	12	12	12
Information and/or orientation	29	23	22
Others	6	6	6

Source: Social Security Statistics

It can be seen that in the three year period between 1987 and 1988, economic aid was not only the main request, but also evidences a rising trend.

Economic aid is given by means of extraordinary benefits as a form of social assistance whose amounts vary in accordance to the need of the requesting persons and the budget allocated for this purpose every year .

In order to become more familiar with the nature of the social problems that determine the requests, as well as the possible improvements in the social security system that could solve the needs detected, a research has been carried out in 1991 on the basis of a questionnaire sent to the Regional Social Security Centres and their branches. This issue will be considered in the report on Social Services.

In view of the responses to the questionnaire, it was concluded that during 1990/91 (1st quarter) economic aid remained as the main request. Although the evolution is variable according to the regions, only 7% of the Regional Social Security Centres report a reduction in the number of requests. The following,

reported by 90 to 60%, respectively, of the branches, show the four main reasons for this:

- . economic need: it is the pensioners, one-parent households and persons in insecure jobs that suffer most of this problem;

- . sickness, invalidity and handicap: over and above the difficulty/impossibility of acquiring medicine, prostheses and means of transport to treatment centres, the insufficient, coverage of the expenses incurred with the handicapped by the social security regimes is also reported;

- . housing problems: the existence of high and/or overdue rents;

- . unemployed: it is mainly the situation of the long-term unemployed covered by the regimes but with low benefits and also the unprotected unemployed that is reported.

The problems detected clerally point out to the inefficiency of the social security regimes as far as both the attribution of financial resources that guarantee a decent standard of living is concerned, and therefore the combat to social exclusion. However, the Health Policy is also shown to be inefficient as far as compensating the various duties is concerned.

As regards the improvements that should be included in the protection gaurantee, most of the Regional Social Security Centres report the need for: a substancial increase in the amount of the minimum pension and social pensions; an increase in benefits for children youth and handicapped adults; a rent benefit for families with low incomes; benefits for vulnerable groups that are not yet covered (for example, one-parent families).

5. General. jBoJlici.esto combat. social exclusion:  
Other. policies

In this chapter we will analyse some categorical policies, that is, adressed to specific groups of the population, in what concerns their effects on some relevant dimensions of social exclusion. The choice done takes into consideration those population groups that face serious problems of social exclusion.

Some population groups are not considered. Are in this case, the immigrants, people living in zones of bad lodging, etc. This fact results from the inexistence of particular policies adressed to these groups of population. A reference is also made on Family, given the importance of the family policies in this context.

This chapter is based upon the inquiries sent to the relevant institutions in each field in the previous year, an thus repeat the conclusions drawn in the first year report.

5.1. Youth

The policies adressed to the support of children and young people cover, basically, the following domains: health, education, employment, professional training, social security, justice. These policies are under the responsibility of Public Administration charged of each of these sectors. The Institute of Youth has the responsibility of policies adressed to youth's leisure, promotion of associative life and cultural exchange. The actions adressed to children and young population are also undertaken by non-profit private institutions, and among them the Institute for the Childre's Support should be stressed

The main policy measures in each of the above areas are the following:

a) Health

- services of consultations and vaccination of children provided free;
- attendance of pregnant women and possibility of hospitalization;
- ~ consultations of family planning and free distribution of preservatives;
- services of shelter and attendance of young drug-addited;



## b) Education

- free access to pre-primary and primary school
- distribution, free of charge, of milk to the children of the pre-primary and primary schools and schools of compulsory education;
- meals provided free or at low prices to the children at the schools, in some conditions;
- transportation to/from the schools at a low price or free of charge, in some conditions;
- programs to combat school failure and early abandonment of school;

## c) Employment and professional training

The young people benefit from specific programmes of professional training and some support measures to get a job, namely through subsidies to enterprises and subsidies to the young people who create jobs.

## d) Social Security

The social security provides support to children and young people through allowances and services. To what allowances is concerned, it should be referred the birth allowance and the nursing allowance. The households are entitled to these allowances independently of the level of household income. To what services is concerned, we should mention the nurseries and kindergarten, leisure ateliers and vacation camps, where the admission is dependent on the households' needs.

## e) Justice

The justice cares of the children and young people in situation of risk of delinquency or those who should be in prison. The existing departments should promote the re-education of the children and young people who attend them. In general, those are the cases of children originated in poor social groups.

It is wrong to think that a coherent policy exist which support in a convenient way the children and young people of poor households. Indeed, either the actual legislation or the existing services are not enough for that. The need for support is growing, mainly in the big cities, and the children from the poor

households are in risk of becoming poor, because no positive discrimination policies exist with the required efficacy in order to remove the factors which determine the eradication of the underlying factors (education, professional training, health, etc ).

### 5.2. Elderly Population

As we have stated above in this report, the pensions are too low and cannot face the needs of the elderly, so that the elderly people are in situation of risk of social exclusion.

In what regards other policy measures intending to increase the welfare of the aged people, we should refer the following : the reduction of some fees (telephone, for instance), the guarantee of house renting contracts, in some specific conditions.

In the last few years, several services have been created addressed to the aged people: services of family support, provision of hot meals, organization of leisure activities, etc.

Taking into consideration the needs of this population group, the policy of support addressed to them is not enough, namely in what regards the living conditions in the big cities, where the changes which are occurring in the family structures, the conditions of lodging are not followed by adequate responses by the system of social protection.

### 5.3. Disable

The handicapped children are entitled to the access to a special education, either in the normal schools or in specialized schools for handicapped, according to the characteristics of the handicapped.

To what employment and professional training is concerned, some specific policy measures have been implemented intending the integration of the handicapped in the labour market.

The Social Security has a system of allowances addressed to compensate the households for the additional expenses which result from the existence of handicapped in the households. However, the values of such allowances are too low, quite far from compensating either the rise of costs or the loss of income resulting from a physical or mental inability.

The number of the existing services to shelter and recover the handicapped is also rather limited if compared to the needs.

The recent creation of the National Council of Rehabilitation may become a way to face this problem.

#### 5.4. Women..

Among the population in situation of vulnerability, the women is a group exposed to social exclusion.

In spite of the general principle in the Portuguese Constitution which guarantees equality of opportunities, the women are still in inferior position when compared to men, in less skilled jobs and earning lower wages. They also face less opportunities of professional training and facing higher risks of unemployment. On the other hand, after retirement, the value of their pensions are lower than that of men.

The Commission for the Women's Condition is an institution which is adressed to promote the equality of rights among men and women. This Commission works in connection to various government departments in order to promote the application of rules in order to reach such equality.

This Comission has prepared some policy measures intended to combat the social exclusion, and the following should be mentioned:

- change of the conditions under which the women have the right to a leave licence to give assistance to their children below the age of 3 years;
- entitlement of a social motherhood allowance;
- protection to motherhood of young women with no job;
- ~ specific supports to single teachers in situation of economic precarity;
- ~ rise of the amounts of family allowances;
- change in the conditions of the entitlement of pensions, in case of widowhood.

#### 5.5. Unemployed

The main policy measure to support the unemployed is the unemployment allowance which aims at to compensate, partially, the loss of wage income. This allowance is entitled in different

amounts, according to the wage, the length of unemployment, and only to those unemployed who are beneficiaries of Social Security who fulfil some conditions.

Other policy measures to support the unemployed comprise those addressed to the creation and keeping of jobs, incentives to local initiatives of job creation by the own unemployed, programmes of temporary employment, professional training programmes. These programmes are financed by the European Social Fund, with co-financing by the government.

#### 5.6. Family

The family should be considered as a social policy target group by the Directorate General of Family. But, in the last few years, this department has been addressed to matters of poverty and social marginalization through specific programmes. The following ones are to be referred:

- Integrated programme to combat poverty in Lisbon and Porto. This programme, started in 1989, is addressed to a population of 110,000 persons resident in some poor zones in Lisbon, and 31,000 persons living in a poor zone in Porto.

- Group of experts to improve the conditions of adoption (1989).

- Group of experts to improve the social integration of aged people and handicapped adults (1990).

- Project "Participar e Viver" (Participation is Life) to aged people of 65 years and above.

We may state that there is not a global family policy. Only specific policies addressed to households in situation of social exclusion exist.

It is worthwhile to remark that the single-parent households are not yet under consideration in the design of the social policy.

## 6 - Social Services

There is no tradition on studying social services in Portugal. Information is scarce and diffused. This is a serious constraint for the research.

The general orientation has been to analyse those services which have, as their main aim, to support family and local community networks which are under stress. This has been the basic guideline proposed for this research. However, the scope of the analysis of this report is rather limited intending this purpose.

Many of these services are institutionally organized under the responsibility of different government authorities, and working at a regional or local basis. Others are NGOs, rather spread over the country, as has been referred before in this report. Given the inexistence of any comprehensive study of this subject, it was difficult to fulfil the objectives of the report.

A selection was made of those services that work in two areas -- social action (integrated in the social security system) and the health care services (dependent on the Ministry of Health).

In order to know the actual action of these services and of their effectiveness, two direct inquiries have been sent to:

- Regional Social Security Centres (Annex 1)
- Regional Health Administration (Annex 2)

both of them organized at a district level (18 districts in Continental Portugal). Unfortunately, only some of these organizations have responded to the inquiries. The working of some Private Social Solidarity Institutions (PSSI) could be known either directly (but not based on any survey addressed to them, and therefore only some of the most representative are referred) or through the Regional Social Security Centres.

### 6.1. Social Action

#### 6-1 -1 - Scope and aims

This chapter presents the social services in the field of Social Security (Social Action) which are the responsibility of the Regional Social Security Centres (RSSC). These departments

work on a district basis and are under the responsibility of the Secretary of State of Social Security (see chapter 2 of this report) .

The basic aims of social action are the prevention of situations of privation and social exclusion and community integration. It is also aimed at ensuring special protection for the more vulnerable groups of the population - children and young people, handicapped and elderly people - as well for other socially and economically lacking people to such an extent that the protection guaranteed by the social security regimes is insufficient or non-existent.

#### 6.1.2. Characterizing social action

The RSSC carry out social action by means of benefits either in cash or in kind. The former, which is called Extraordinary Benefits, were already referred to in the scope of social security policy. The latter corresponds to the use of social services and establishments. This form of action can be carried out directly by the RSSC (by official establishments which are organically and functionally dependent of the Centres) or by making agreements to cooperate with public and private entities with the same aims. From among these entities, it is important to distinguish the Private Social Solidarity Institutions (PSSI). Most of these institutions are linked to the Church (this being the case of the "Misericórdias", Religious Orders and Parishes), and others were the result of the people's association in order to increase the offer of social establishments on a local basis. The Government patronize the PSSI, aiming to promote the compatibility of their aims and activities with those of the social security system and guarantee the lawfulness. By fulfilling the cooperation agreements, the RSSC are obliged to give technical support and ensure the payment of the prescribed financial support. As one can see, the PSSI play a fundamental role in the fulfilment of the assistance aims of the social security system.

Over and above the traditional activities characterized by the binomial request/reply, many RSSC promote community support and the development programmes, among which are included projects to combat poverty.

a ) Social Services

The following represent the main services by population groups.

Children.. and. young. people

i) Childminders

Persons that take care of children from 3 months to 3 years. The financial support of the family is determined by the RSSC and the children are chosen according to several criteria, among which: households with low income and the situation of social risk for the child.

ii) Familiar crèche

Group of 12 to 20 childminders from the same geographic zone and dependent on the same RSSC.

iii) Foster familiar.. care.

This corresponds to a period of care (temporary), paid ou free of charge, provided by a family for children up to 6 years old and whose normal development is affected by the evident deficiencies of the natural family, which participates in the child expenses in accordance to the decisions made by the RSSC.

iv) Orientation at... home

Technical and educational support at home for handicapped children up to 7 years old.

Elderly and handicapped people

i) Home help

This corresponds to the help provided in these people at home, to take care of clothes and housekeeping, to prepare meals, etc.

From a questionnaire sent to the RSSC, it was concluded that some of the services that have been referred to are only carried out in some Districts of the country.

b ) Social establishments

The following represent the main establishments by population groups:

Children and... young.. people

i ) Crèche

For children from 3 months to 3 years, during part of the day .

ii ) Nursery

For children from 3 years to the age of entry in school, during part of the day.

iii) Homes

For children and young people deprived of a normal family environment.

iv ) Leisure.. time.. and activity... centres

For children in the basic school (after school and other free periods ).

Handicapped... people

i) Occupational... activity.. centres

Aims at carrying out occupational activities for young people and adults (aged over 16) and their social and professional integration.

ii ) Special.. education... establishments

Aims at the development of the children and young people (preferably on a semi-internal basis) and their social integration.

iii) Homes

For children and young people (from 6 to 16 years old) that attend special education establishments and live far away.



iv) Residential support

For young people and adults (over 16 years old) that attend occupational activity centres.

Elderly.. peoplei) Pay-centres

Provide, namely, meals and personal services.

ii) Leisure centres

Cultural and recreative activities (free of charge).

iii) Homes

Provide lodging, meals, medical care and recreative activities. The financial participation of the users varies according to their economic situation.

Other peoplei) Social shelter.. ( hostals)

Provide night shelter for people in need.

i i) Canteens

Provide meals for people in need.

c) Community.. developmet... programmes

As has already been mentioned, the Regional Social Security Centres do important intervention work in communities with a great deal of poverty and groups in risk of being socially excluded. The following represent some of the activities that hebe accomplished.

i ) Emergency.. Plan for... the Setflbal District

It covers the most needy population in this district and consists, namely, on food support and the professional integration of both unemployed young people and adults. It is carried out along with other programs promoted by the Institute of Employment and Professional Training (IEPT).

11) Support... actions.. for... the.....people from.....Timor

It is carried out in conjunction with the Ministry of Education and the IEPT. It consists on economic support, housing availability, schooling and professional training.

iii ) Support.. action.. for. refugees

It consists on economic support, language learning and professional training, and is fulfilled in conjunction with thw United Nations' High Comission and the IEPT.

iv.) Pro jects. for. combat.. of. poverty

From the inquiry sent to the RSSC it was possible to identify 17 projects (only a small part of the existing programs, as it will be referred in chapter 6 of this report), either financed by the Secretary of State of Social Security or co-financed by the EEC. The first group includes, namely, projects that are aimed at combatting unsuccessful schooling, the diversification of alternatives in economic activities and the fight against the segregation of the population living in slums.

v.) Social.. intervention... projects

The afore-mentioned inquiry registered a large number of projects with specific aims and which are fulfilled in conjunction with other institutions (both public and private). These projects are aimed at re-housing, the fight against drug addition, supporting gypsy communities, and the prevention and treatment of alcoholism.

6.1.3. Public expenses and number of users

Table 6.1 shows the evolution during 1989/90 of the total amount spent on Social Action by functional areas, not including administrative charges.

TABLE 6.1

## Social Action expenses

10<sup>6</sup> Escudos

Functional Areas	1989	Growth	
		1990	1989/90 (%)
Childhood and Youth	18 766	24 520	31
Family and Community	2 863	3 084	8
Disability and Rehabilitation	988	1 247	26
Old-Age People	8 134	11 182	37
TOTAL	30 751	40 033	30

Source: Social Security Statistics

In spite of the large increase observed, the amount spent on Social Action corresponded in 1990 to only 5.6% of Social Security's current total expenses. Children, young and old people were the priority groups: in 1990 they absorbed 89% of the total expenses.

Table 6.2 shows the Social Action expenses by type. This Table evidences the evolution and relative weight of the subsidies attributed to the PSSI. The big increase observed in 1990 (42%) is explained not only by the monetary updating of the participation of the Regional Social Security Centres but also the making of new agreements. The subsidies attributed in 1990 corresponded to 68% of the total expenses, what clearly explains the way in which the Government has valued the activities of these private organizations.

**TABLE 6.2**

Evolution of Social Action expenses by type

Functional Areas	10 <sup>6</sup> Escudos		
	1989	1990	Growth 1989/90 (%)
Subsidies attributed to Private Social Solidarity Institutions (PSSI)	19 253	27 280	42
Amount spent on the functioning and participation in other social establi- shments	8 443	9 448	12
Subsidies for Foster Familiar Care	310	378	22
Childminder and familiar crèche	152	218	43
Leisure time activities	88	98	11
Home help	55	50	-9
Extra subsidies ( 1)	1 216	1 616	33
Other types of action (2)	724	1 584	119
Others	510	607	19
<b>TOTAL</b>	<b>30 751</b>	<b>40 033</b>	<b>30</b>

Source: Social Security Statistics

(1) It includes Benefits Extraordinary

(2) It includes the programmes referred to in 2.2 .3.

Table 6.3 shows the number of users by social services and establishments. It also shows the number of users covered by the cooperation agreements established either with the PSSI, on a national level, or with the "Santa Casa da Misericórdia de

Lisboa". It is important to mention that, in the city of Lisbon, this institution ensures different types of Social Action in accordance to the protocol established in 1983 with the Regional Social Security Centre of Lisbon.

The financial effort realized in 1990 was basically channeled to some of the types of support for children, young and elderly people: home help, familiar crèches, day-centres and social centres. However, this increase was not only insufficient, but it also registered a slight reduction in an important social establishment: homes for the elderly people. Table 3 also shows the important role played by the private Social Solidarity Institutions (PSSI ) and the "Misericórdia" of Lisbon: altogether they ensure 85% of the institutional placement by all Regional centres.

TABLE 6.3

Social Action -number of users

	Total users ( 1 )		Users covered by			
			(2) Misericôr the PSSI dia Lisboa		(3)	
			1990	%	1990	%
<u>Services</u>						
Childminder and crèche familiar	2108	2563				
Familiar foster care	1580	1782				
Home help	8254	11199				
<u>Establishments ( 4 )</u>						
<u>Childhood and youth</u>						
Crèches and nursery	100487	105465	87455	82.9	2244	2.1
Leisure time centres	47552	54916	49335	89.8	1338	2.4
Homes	10385	11055	7033	63.6	233	2.1
<u>Disability and réhabi- litation.</u>						
Establ. for children and young people	9557	9836	4751	48.3		
Occupational activity centres	470	742	636	87.8		
Homes	478	772	629	81.5	106	13.7
Other establishments	641	587	308	52.5		
<u>Old-Age people</u>						
Homes	26913	26379	22599	85.7	65	0.2
Day-centres	19537	22812	18702	82.8	2660	11.7
Social centres	4055	8548	5865	68.6	1185	13.9

Source: Social Security Statistics

- (1) It refers to the users of public and private establishments with expenses supported by the RSSC.
- (2) It refers to the users covered by the agreements of cooperation.
- (3) In relation to the total number of users in 1990.
- (4) Number of users in December.

#### 6.1.4. Social assistance by private initiative

Over and above the activity carried out by means of the afore-mentioned cooperation agreements with the Regional Centres, several private institutions carried out similar actions on their own. Among these are the PSSI linked to the Church or not, as well as several local cultural and recreative associations.

On account of their geographical implementation - on a local level - and greater administrative flexibility, these institutions have played an important part in diagnosing and combating some kinds of social exclusion. As such, they not only ensure traditional assistance but also promote, with the collaboration of Ministries and municipalities, some projects to combat poverty.

It was not possible to collect information on all these institutions. The aspects that follow refer to some of the actions realized by the "Misericórdia de Lisboa", as well as the number of users covered in 1983:

- Social and educational action for children and young people, namely: crèches and nursery (2665 users), leisure time activity centres (1374) and holiday camps (4324).

- Services and establishments for the elderly people: day-centres (2800), homes (188) and home help (1560).

- Social shelter aimed at individuals/families in need and social risk (76856), with specific emphasis for the Social Emergence Service (11105).

- Community action carried out in impoverished areas and support for social reinsertion for individuals/groups who have been excluded or are in risk.

- Financial participation in other private social organisms (25631)

The social assistance carried out by the "Misericórdia" of Lisbon in 1989 covered about 1/5 of the families living in Lisbon (city).

#### 6.1.5, Social action.... effectiveness

In spite of the significant increase in the financial resources attributed to the Social Action, it can be concluded that its aims have not been entirely fulfilled - The effectiveness varies according to the form of intervention. The services and establishments are generally insufficient. However, there are large differences between and within the regions. As regards the actions referred above and, in spite of the effectiveness recognized, its geographical scope is limited. As regards the services and establishments, two indicators prove that the capacity of the Regional Centres to respond is unable to satisfy the needs of the population.

Table 6.4 shows the waiting lists in some services and establishments, at a national level.

As one can see, the crèche, nursery and homes for elderly people are the most deficient establishments.

The second indicator corresponds to the rates of coverage (existing capacity/population group) by establishment which have been revealed as being insufficient. An example of this is that the Directorate General of Social Security's technical orientations showed, in 1989, a coverage rate of 3.5% of the population of 65 and over. In that year, the District of Lisbon registered the following rates: 1.7% (homes), 2.9% (day-centres) and 0.6% (social centres)



TABLE 6.4

## Waiting lists

	1989	1990
<u>Services</u>		
Childminder	355	300
Familiar crèches	352	463
Home help	1111	1389
<u>Establishments (4)</u>		
<u>Childhood and youth</u>		
Crèches and nursery	15868	16568
Leisure time centres	3903	4476
Homes	790	736
<u>Disability and rehabilitation</u>		
Establ. for children and young people	1328	1193
Occupational activity centres	209	137
Homes	356	1356
<u>Old-Age people</u>		
Homes	18905	23926
Day-centres	2486	2270
Social centres	622	680

Source: Social Security Statistics

The impossibility to satisfy all the requests is justified, mainly, by the lack of financial resources and the non-existence/lack of establishments at a local level.

## 6.2. Health.. services

### 6.2.1. General characterization

The Portuguese health services have a very long tradition dealing with social impairment. Until 1979 they were closely articulated with the Social Security services either institutionally (they were both integrated in the late Ministry of Social Affairs ) or in their action, through the "Caixas de Previdência", a public social insurance institution.

The set-up of the "Serviço Nacional de Saúde" (SNS, the Portuguese National Health Service ) in 1979 which followed shortly the creation of the Ministry of Health, led to the autonomy of the health care sector but not to the abandonment of the activities of social help. Though there is no statistical evidence of the importance of the social action of the health services, the mere existence of a service for social assistance in most "Administrações Regionais de Saúde" ( ARS, Regional Health Administrations, departments that coordinate at the district level the provision of primary health care) with extensions in the "Centros de Saúde" (local health posts that depend organically on the ARS) indicate that it may be significant. Moreover there are examples of joint actions between local health care and Social Security services.

The purpose of this chapter is to assess the impact of the activities of social assistance undertaken in the health care sector. To do this a survey was laid covering all the ARS, other departments of the Ministry of Health suspected to undertake activities of social protection (notably the Centre for the Prevention and Treatment of Drug Addiction and the Directorate Of Mental Health Services, that coordinate the local Mental Health Centres ), as well as private institutions., Unfortunately, only the ARS answered satisfactorily (and not all of them being especially noteworthy the absence of reply from those covering the Lisbon and Coimbra districts)» The information they provide is analysed below.

### 6-2-2. The contribution of health care services to compensate social exclusion.

The main issues to be identified in the survey were the main target groups and the kind of help provided by health services. Other issues covered in the questionnaire were a self assessment

of efficacy of the services relatively to the perceived needs of the communities and to the requests of help received. The main reasons of these requests being also inquired. Finally, it was also asked the mean duration of the actions and with which institutions the ARS coordinate their activities of social help.

Of all the 18 ARS of Continental Portugal inquired only three (Lisbon, Coimbra and Castelo Branco) covering roughly 28% of the population did not reply. Other two (Beja and Braga) stated that they don't undertake actions of social assistance. This is rather odd since the ARS of Beja is known to be responsible for one of the most efficient networks of primary health care provision in the country. Probably the issues were not sufficiently clear. So the conclusions to be drawn are based on the replies of only 13 ARS, largely undervaluing probably the true extent of the initiatives of social help in the health services..

As was expected, once asked to provide quantitative data, departments either did not answer or did it vaguely.

Five main target groups needing social protection were identified (in parenthesis the number of ARS that undertake actions aiming at helping them):

- drug addicts (11)
- elderly ( 10)
- alcoholics (10)
- physically or mentally handicapped (8)
- chronic sickness (7)

Drug addicts and their families are seen as a group in-need of help by almost all the ARS. Significantly, the only social protection actions undertaken by the ARS of Algarve are directly towards this group. This is so, probably, not only because the number of addicts is rapidly increasing, but also due to recent political statements assigning a high priority to the prevention of addiction.

The elderly and the alcoholics come next and (surprisingly enough) the two groups that are characterized exclusively by their poor health conditions occupy the bottom of the list. In part this may be due to the fact that these groups are not mutually exclusive (e.g., the elderly and the chronic sick). But the existence of specialized institutions (outside the ARS) that

care for the handicapped and the chronic sick explains also the phenomenon.

The types of help provided are strongly limited both by budget restrictions and institutional reasons. Although the percentage of requests of social help satisfied by the services may be considered reasonable (for the 8 ARS that answered this question) the social efficacy of their activity is judged poor by almost all the ARS. The majority indicate that the availability of resources is the strongest limitation of their action, but also that legal restrictions impede them to be more effective.

So, psico-social help and actions of health prevention and health education are the most frequent types of help provided (12 and 11 ARS respectively undertake them). In spite of all the financial difficulties suffered, 6 ARS provide home care especially for the elderly and the handicapped and met requests for anticipated subsidies and reimbursements coming from families with poor economic conditions. Donations in kind are also given to the most needy by almost half of the ARS. Transport to care of the chronic sick (renal diseases) is provided by 5 ARS. Finally, the ARS of Portalegre (a very poor district) together with the local authorities help to improve the housing conditions of the handicapped!

The main reasons for the request of help are the poor economic and/or health conditions, as reported by 9 ARS. Among them, 8 indicate also social or family rejection while 6 point out lack of information about own rights to help and also about whom is responsible to meet these rights. Finally health care costs are mentioned by 3 ARS.

Combining the last two issues (types of help provided and justification for requests), it may be concluded that social assistance in the health services aims at compensating for poor economic and social conditions (namely social/family rejection). Lack of resources and institutional limitations led by the ARS to privilege less costly actions although it is noteworthy the effort to shorten the time lags between the private payment of care and the reimbursement that individuals are entitled to. Specific compensation of family assistance is also met through the provision of psico-social help and home care. But these actions, as self reported, fall very short of the community needs.

But other institutions work closely with the ARS in the provision of social assistance. Aside the social security centres, the "Misericórdias" and, in general, the private institutions of social security, the Red Cross and the private institutions of health care provision (e.g., the "Fundação Nossa Senhora do Bom Sucesso", a foundation devoted to helping the poor providing especially maternal and child care) compensate for the deficiencies detected in the coverage by the ARS of the most in-need of social assistance.

7. Specific... policies.. to combat.. social exclusion  
Policies.. to combat poverty

This part of the report is intended to analyse specific policies to combat social exclusion. It is difficult to identify clearly the content of such policies in the Portuguese context. On the one hand, some categorical policies have already been analysed before (in chapter 4) where some policy measures are, to some extent, adressed to this aim or, at least, have some positive impact on social exclusion. On the other hand, one hardly find specific policies intended to combat social exclusion, and this fact has already been pointed out in previous chapters.

The only evident exception, to my point of view, is the implementation of programs to combat poverty, either those financed by EEC funds and correspond to the EEC Programs to combat poverty, and national projects.

The first EEC Program to combat poverty was established for the period 1975-80, and the second Program was authorized for the period 1984-88, with an initial budget of 25 million ECU, enlarged to 29 million ECU in 1987 after the accession of Portugal and Spain to EEC.

The methodology of the second Program is that of action-research projects and oriented towards eight subjects, or target groups: long-term unemployed, young unemployed, elderly, single-parent families, migrants and refugees, marginals, underprivileged in urban areas and underprivileged in rural areas.

To the Secretary of State of Social Security have been presented 35 projects, 20 of them submitted for approval to the Comission, and 10 finally aproved, 55% financed by EEC and the remaing part by the Portuguese government. A specific program corresponding to the 10 projects not approved have been implemented by the Portuguese government.

Host of the projects financed by EEC funds have been thought no to be adressed to specific population groups but, instead, correspond to an approach of community social intervention, involving several social groups in the zones where they have been located. They correspond to 5 different strategies (some of them present in all the projects): (1) to solve the problems of urgent material needs; (2) development of socio-cultural and educational

actions; (3) promotion of initiatives intended to the improvement of the living conditions of the families through training and employment; (4) mobilization of the services and institutions to the incentive of inter-sectoral coordination; (5) promotion of services and infrastructures.

The third EEC Program of poverty was approved for the period 1989-94 with an initial budget of 55 million ECU for this period, and Portugal participate in this program with a budget of 4.7 million ECU. The whole programme for EEC12 contains 39 projects, of two different types:

- model actions: corresponding to initiatives based upon the needs of vulnerable groups, intended to improve the living conditions of life at a local level through strategies of socioeconomic development;

- innovative initiatives: small scale projects addressed to a specific age group and a specific problem.

Portugal benefits of this programme with 3 model action projects and 1 innovative initiative, 50% financed by EEC funds (4,7 million ECU), and the remaining part, is financed by Central Government (75%) and local government and private institutions (25%).

The new character of the third Program is that it is based on the following principles:

- the participation of the target groups in the projects;
- the multidimensionality of the projects: not only the economic problems are considered, but also other aspects (housing, health, education, training, etc);
- partnership, involving different authorities (local authorities, national government, private and public bodies);
- should be addressed to the actual factors which determine the poverty in that area.

The above projects approved are only a part of many projects **which have been prepared by** national authorities, in 1990, two persons have been charged in the position of National Commissioners for Poverty (one for the North and another for the South of the country) for coordination and implementation of national local projects to combat poverty. The interest on this

problem by the Government comes, on the one hand, from the recognition of the existing dramatic situations of poverty in some regions of the country and, on the other hand, influenced by the new interest on this problem by EEC (Programs to combat poverty) and the financing of some projects by EEC funds. About 80 projects (some of them are those that have not been approved for the third EEC Program), located all over the country, are presently implemented or in a process of implementation, what evidences the interest to the problem by the national authorities.

A brief characterization is made of the 4 projects integrated in the third EEC Program:

- a) Model Action 22 - Almeida (A rural community undertakes change)

This project is located in a small community (12,000 inhabitants) near the Spanish border. The whole community is considered to be the target population, where a group of 4,000 poor is receiving primary attention. Poverty is assumed to be a consequence of the general backwardness of the region.

- b) Model Action 23 - Covilha (The development challenge in mountain villages)

The project concerns four villages in the Estrela Mountains. The target population (goatherds, young unemployed and women seeking for employment) is estimated in about 2,000 within 7,000 inhabitants - Families dependent on economic activities being affected by "crisis" are receiving growing attention as "target group".

- c) Model Action 24 - Porto

The project is located in two civil parishes belonging to the historic centre of the city of Porto, where 12,000 inhabitants are living below the basic subsistence level. The target group of the project corresponds to 50% of the above mentioned group. Children facing the risk of "exclusion", youngsters, women and elderly were defined as specific "target groups". Along the development of the second contractual period, a further specification of "target groups" was introduced corresponding to the definition of two key-dimensions of "exclusion"



in the project area: the housing problem and the economic vulnerability of families and isolated individuals due to the exiguity or unevenness of their incomes.

d) Innovative Initiative (II 38) - Lisbon

The project is located in the city of Lisbon and its "target population" consists of 400 identified children aged 5 to 16 years engaged in a marginalized way of life. The Institute for Children's Support has adopted the project idea. The project aims at family and social integration of the target groups and at cutting the process of their marginalization.

## 8 - The social actors of social..... policy.. and.. their.. perception of social...exclusion

In Portugal, social exclusion presents, on the one hand, the characteristics of a structural phenomenon, rooted in the low social and economic development and it is, on the other hand, the result of a presently running process of economic and social change which has not been followed by an adequate accomodation of social policy to face the consequences of such process.

In this conclusive chapter, a synthesis will be made on the main results of the above analysis of situations and processes of social exclusion and, as well, of the policies and their adequacy to combat social exclusion. Cummulative aspects of social exclusion are evident when an analysis is made of tNe population groups in risk of social exclusion and of the factors of social exclusion, what will be done in this final chapter. These aspects very much rely on the responses by those institutions to which a questionnaire has been sent.

### 8.1. Population... groups... in.. situation.... of...risk... of.. social exclusion

From the above analysis, we may stress on the following social groups in a situation of risk of social exclusion in Portugal:

#### a) Low income households \*

This is a heterogeneous social group, facing insufficient income to satisfy their basic needs. In the rural areas, the low income is associated to the wor k in agriculture (of low productivity), the geographical isolation, and insufficient supply of social services (health, education, and others). In the urban areas, the low income is a consequence of the unemployment ( and namely long-term unemployment), precarious jobs, low wages and low pensions, bad housing conditions, etc.

The situation of low income is followed by bad health, low educational level and low professional training, and the absence of social insertion.

Low income is also a determining factor of preverse

behaviours "– the alcoholism, drug-addition, delinquency, prostitution, etc. These phenomenons create, on another hand, consequences on economic deprivation.

Among the households facing economic problems are the monoparental households, the most vulnerable among the poor households, since one salary hardly covers the need of one adult plus children. No policy measures exist to face the situation of these households, while its number is increasing in Portugal.

#### b) Children of impoverished households

The situation of the children of the poor households deserve a special attention.

On the one hand, these children are deprived of the required care for their human development (either physical or intelectual ) and, on another hand, their insertion in the education system is inadequate. From this results the school failure and early abandonment of the school system, much higher for these children.

It is also worthwhile to mention the phenomenon of child work, that is, paid jobs for children below 15 years old. Although this is not permitted by law, it is a phenomenon that has expression in some regions and sectors of activity (construction, textiles, trade, restaurants, etc). In most of the cases, child work is associated to poverty.

To what the future is concerned, the early participation in labour market by children is a factor of impoverishment, since it involves the low educational level obtained, the difficulty of access to vocational training, high probability of remaining in low skilled occupations, precarious jobs and low wages.

The children in situation of abandonment by the family and those mistreated also represent a significant group. There is no reliable statistical information about these situations, but some indicators (e.g., from hospitals and sheltering services ) evidence the increasing proportion of these cases.

This problem is related to the changes under course in the family structures, economic difficulties faced by the households, the bad housing conditions, and the loss of values associated to them. This is « ... factor of inter generational transmission of poverty to which the Portuguese society could not yet find an adequate solution in terms of social policy.

## c) Elderly population

Age is a widely recognized factor of economic vulnerability and social exclusion. Two factors contribute for that: the low income associated to pensions, and the situation of isolation mainly for those living in urban areas. This is, on another hand, a social group with more needs of health care.

In chapter 5 some references were made on social policy adressed to this social group. Nothwithstanding the effort that has been made in this domain in the last years, it looks still insufficient. The problem may become more serious if the responsible for the social policy do not implement adequate policies. Inflation that affects this social group reduce the purchasing power of their main income source (pensions). Thr trends on the family structures not help the situation of this group. The general tendency for the population ageing tends to worsen this problem.

## d) Unsheltered or bad lodged population

The shortage of housing in the large cities is one of the most serious social problems. A recent survey adressed to a sample of households living in bad housing conditions in Lisbon and other cities showed that for about 10% of the inquired population the level of income was not the cause of poverty. Housing is then a factor of poverty.

In a house in bad conditions we can find the origin of situations of deprivation in many other domains. Indeed, the housing conditions constitute the determining factor of job stability, educational performance, level of health, social insertion. The children who live in bad housing conditions suffer the effects of the social rejection from the school colleagues, and face difficulties to be well accepted in the school environment. It is estimated that 170,000 persons are living in bad housing conditions in Lisbon.

The social services adressed to this population group do not offer sufficient solutions for their situation, since they cannot solve their housing problems. This situation is cummulative to that of drug trafic, with an increasing importance in some zones where this population live.

The unsheltered is an heterogeneous group, where we can find the long-term unemployed, drug-addicted, alcoholic, prostitution. It is notorious the inability of the social services to provide adequate help to this people.

e) Population unemployed or employed in precarious jobs

Unemployment implies a reduction of household income. This income loss may create economic poverty. This will happen when the following circumstances occur:

- households where only one member has a paid job;
- unemployed who do not receive unemployment subsidy, due to the long time of unemployment or because, when they hab a job, were not contributing to social security (what happens quite often in some sectors of activity, like construction), and therefore are not entitled to the right to an unemployment subsidy.

Even in those cases when unemployment does not create poverty, it always represent a factor of social exclusion, due to the non participation in the economic activity, participating in some social relations.

This group of unemployed people is therefore vulnerable to social exclusion, what raises some specific problems to the society:

- the need of an adequate substitutif income guaranteed to them;
- the need of the creation of training opportunities and participation in social activities.
- the need of a psychological support and preventive actions of some preverse behaviours.

According to the official statistics, the average rate of unemployment is low. However, it looks disguised by some professional training programs (namely those financed by the European Social Fund), programs of temporary occupational programs for young people, etc, which provide an activity to a large proportion of potentially unemployed people.

On another hand, the generalization of job precariousness and paying low wages permits a high labour mobility what disguises the actual magnitude of the unemployment.

The familiar solidarity is still an absorption mechanism for the potential unemployment of young people and women, that is, those groups more affected by unemployment.

f) Handicapped

Disability is a factor of impoverishment: incomes are reduced, and costs are increased. The existing subsidies for this population group are not sufficient to face their problems, given their little amounts.

It should be remarked that the rates of disability are high among the poor households. The bad health and housing conditions are in the origin of disability among the children. The occupations facing physical risks, the bad working conditions work as factors for the adults. The prevention services of disability, and those addressed to rehabilitation and social insertion lack behind the needs.

g) Ethnic minorities

After the mid-70s, an important flow of immigrants came from the former colonies (in Africa). This population came mostly to enlarge the population living in slums and, in general, houses in bad conditions.

This phenomenon raises specific problems of social exclusion. Bad lodging, unemployment, job precariousness, inadequate insertion in school, and insufficient responses by the social services: all these factors lead to social exclusion.

h) Drug addicted and alcoholic

Although the phenomenon of drug addition and alcoholism is not a specific characteristic of any social group, it becomes a more serious problem for the poor households. It has a tendency to become more serious, namely in slums, where children and young population are more vulnerable to such behaviours.

i) The women in impoverished households

A special attention should be devoted to women, as a social group facing high risks of social exclusion.

Indeed, the women are, in comparison with men, more exposed to the risk of unemployment, precarious jobs, low wages. In what the familiar structures, women are the first victims in situation of family ruptures. In general, women are less informed about their rights, have less skill levels and more difficulties of reinsertion in labour market in case of unemployment.

## 8.2. Factors of risk.... of. social exclusion

Many factors are at work as causes of social exclusion. Although some of them are associated to characteristics of some social groups, as was said above, such factors are the outcome of the working of the economy and the social structures. The deep changes occurring recently in the Portuguese society contribute for social exclusion, in spite of some policy measures intended to face it, namely in the domains of employment policy and professional training. The roots of social exclusion are to be found in the model of economic development followed in the past, the process of economic integration, the dominant cultural framework, and the political system.

It is out of the scope of this report to analyse in depth all these aspects. But a reference should be made on some causes of social exclusion:

- the economic precariousness (low income level required to meet the basic needs of a high percentage of the population);
- the weakness of the familiar solidarity;
- the shortage of housing mainly in the big cities;
- the inadequacy of the working of educational and health structures and social protection;
- the change in the ethical values -

Economic vulnerability of the households is the consequence of a type of economic growth which was followed by (and generated) large social inequalities, exclusion and marginalization. Among the factors of inequality, one should mention: the working status, the educational level, the wage disparities among sectors, occupations, and skill levels, the low values of pensions, the differential inflation and its consequence on the real incomes.

Family structures are also under a process of change with consequences on the weakness of inter-family solidarity: divorce

rates, the monoparental households, children abandonment, isolation of old population, etc. The violence within the family is also a phenomenon with a relevant expression, which is linked to economic vulnerabilities. These aspects have more relevance in the urban areas, where the shortage of housing where the insufficient character of infrastructures worsens the situation.

The insufficient working of educational and health services and social protection give rise to their inability to face some situations of social exclusion and, in some cases, even worsen them. For example, the compulsory education of nine years could not meet the actual situation of the children originated from the worse-off households. School failure is high among these children, and the school abandonment as well. When they start their participation in labour market (in many cases very early) they are not enough skilled, with the inherent consequences on wages and job security.

Similar comments can be made on health and social protection. To what the latter is concerned, three aspects are to be mentioned:

- the low amounts of pensions;
- the inexistence of adequate institutional responses to meet social needs;
- the inexistence of a minimum guarantee income.

#### 8 -3 - A prospective analysis

On the basis of the questionnaire which has been sent to the main social actors involved in the social policy, the responses are not enough clear to what the future is concerned.

Some social actors recognize that their services are not equipped with information systems and research means to monitor the social evolution in a satisfactory way. This is a serious constraint for this Observatory and, mainly, for the monitoring and preparation of social policy.

For most of the social actors, there are reasons to admit that social exclusion may become a more serious problem in the near future. The response by the responsible for employment is an exception, being confident on the efficacy of the implemented measures to reach the worse-off in the society.



In general, social policy is divorced from economic policy, and the coordination of policies and institutions is not adequate. This is a serious aspect to take into consideration.

In a prospective analysis, one may say that the social problems are expected to persist and even to become more serious in the near future, for what contributes structural and short-term factors:

- the population groups with high demographic growth (e.g., some ethnic minorities) may worsen their situation;
- unemployment, job precariousness and low wages, difficulty of access to young people to labour market and early retirements will contribute to low income for some households;
- inflation will reduce, in relative terms, the purchasing power of the worse-off population groups,
- the shortage of houses will persist, unless the responsible for housing policy will implement programs sufficient to face this problem,
- the demographic trends will rise to the population ageing;
- the perverse behaviours will extend in consequence of the bad insertion of some population groups in the economic life, bad working of the educational system, the weakening of the family networks, etc;

As a result, this should give rise to the change on the orientation of social policy.

It is to be recognized that social exclusion is a problem that has its roots in the working of the society, and only can be solved through the change of the way as the society is organized, and therefore adequate preventive and corrective measures should be implemented. The information system should work in order to get a better knowledge of the situations and processes of social exclusion, and more research is required.

To what social policy is concerned, the following measures are required with high priority:

- the creation of a system of guarantee minimum income;
- the development of the structures of social assistance;
- "ad hoc" programs for developing less developed areas, either rural or urban;
- the improvement of methodologies of social action;

- the enlargement of the resources allocated to social protection;
- the implementation of measures of preventive character in the domains of employment and unemployment, professional training, combat to school failure and school abandonment;
- programs of access to social housing;
- to improve the articulation between the social and economic policies, and the coordination of the policies;
- the explicit consideration of social exclusion as a national problem.

It is our hope that this report will help to reach some of these objectives.





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