

# City Strategy for tackling unemployment and child poverty

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## 1. Brief assessment of the possible relevance of the UK Strategy to Portugal

### 1.1. Portuguese context

Portugal has been adopting numerous initiatives to promote active social inclusion, improve the lifestyle of more depressed territories, fight against poverty, namely child poverty, and favor the social inclusion of specific groups such as people with disabilities, immigrants and ethnic minorities. "The National Plan of Action for Inclusion 2006-2008 identified six risk factors that strongly affect inclusion in Portugal: (i) child and elder poverty; (ii) academic failure and underage dropouts; (iii) low levels of qualification; (iv) low participation in learning events during one's whole life; (v) info-exclusion; (vi) difference and discrimination in the use of their rights by immigrants and people with disabilities." (*National Strategy for Social Protection and Social Inclusion, Portugal 2008 > 2010*, p. 23). "To overcome some of obstacles at the labor market level it becomes necessary that the working age population increases their levels of qualification, effort that is being made with the educative and training system" (*E.N.P.S.I.S.*, p. 4). In this sense, some initiatives have achieved notoriety, they are focused on empowerment, on educating and qualifying people during their whole life, such as the 'Novas Oportunidades' programme that involves the population over 15-years-old. This programme is having a considerable adhesion and it is producing encouraging results in several levels: training, adapt to the labour market, cultural change, namely in what refers to the behaviour and expectations of the participants. Towards qualification the government has made available, in one of the most popular and controversial policies, laptops at low prices (free for the less fortunate) for students, including 1<sup>st</sup> grade students and "Novas Oportunidades" students. Concerning the labour market the statistic evolution was positive until the beginning of the current economic and financial crisis. And if the unemployment rate is not one of the highest of the European countries, it has still reached an historic peak in the 1<sup>st</sup> quarter of 2009: 8.9% (7.6% a year before).

### 1.2. Implementing social networks

From 2000, a new device has been introduced for social intervention at a territorial scale. In four years "social networks" have been created in almost every municipality in the country. These networks gather locally the most relevant intervenient: local government, non-governmental organisations and private institutions. These partners play a role in planning, monitoring and evaluating activities, integrating the Local Councils of Social Action. They take care of everything that relates to social policies in an optic of local development: unemployment, poverty, social exclusion, training, Health, Justice... They appeal to the participation of several ministries such as Labour and Social Solidarity, Education, Health and Justice. The role of nurturing these "social networks" falls upon the municipalities (local government). Among the goals of introducing "social networks" we underline empowerment, territorialisation of the interventions, creating synergies,

mobilizing local partners and a greater efficiency of the action related to the coordination of activities, to the reduction of overlapping and to the profits arising from proximity. The creation of social networks was a measure taken from top to bottom, but the retroaction on behalf of the bases was such that they started to be the propeller and the soul of the initiative.

## **2. The relevance of the City Strategy to the Portuguese conditions**

The choice of long term unemployment and child poverty as targets is an important sign. It is possible that the biggest contribution of the city strategy comes less from its targets and more from the way it approaches them, delivering experiences and learning in different domains. The social networks implemented in Portugal and the City Strategy share many challenges and problems, such as the selection and mobilization of partners, diminishing overlapping and duplication, local acknowledgement of decisions, rationalizing and potentiating resources, execution of strategies, access to useful information, and the materialisation of the relation between local and central spheres. On its turn, the quality of the evaluation of the City Strategy process strengthens these possibilities.

## **3. Similarities and dissimilarities between Portugal and the UK**

Both social networks in Portugal and the City Strategy in the United Kingdom search to find territorialised courses of action committed in promoting partnerships and concerned with the efficiency of the adopted organisations and initiatives. Some difference exist however, social networks cover the whole national territory in Portugal, while the City Strategy is, for now, limited to a number of pioneer cases. It is also a limited initiative in time, with deadlines. This is not the frame for social networks, established in Portugal as a stable structure in the device of national and local social action. Finally, social networks take care of all local social policy, while the City Strategy aims for specific targets.

## **4. Transferability of the City Strategy programme**

For the similarities and differences already stated between the City Strategy and social networks, it does not seem that the matter of transferability of the City Strategy to the Portuguese reality puts itself. Already existing the device of social networks, the introduction of a programme like the City Strategy, that overlaps it in many ways, is not justified.

## 5. Questions that should be discussed at the review meeting

A programme such as the City Strategy has the merit of raising many questions. Let us limit ourselves, however, to two:

The relation between central government and local dynamics come as one of the most decisive problems. The same happens with social networks in Portugal. But, beyond the central/local relation there is a dimension of this problem that presents itself hard to solve. It is about the need for levers concerning intermediate scales, such as regional incidence. Frequently, the scale in which the problems pose themselves isn't national or local (see some examples in annex). Portugal has too many territorial administrative divisions. They vary according to the ministries and sectors, without mutual translation. With little territorial anchorage, they are less operational. Some social networks have already started to associate themselves in order to reach a size more adequate to the solution of their problems. In the last few years, some hope is being placed in the reorganisation of national territory in groups of municipalities. The City strategy programme beholds several situations in terms of organisation, dimension and scale. Attending to this diversity of situations, the City Strategy experience can provide, thanks to comparison, an idea about the effects of administrative levels and territorial scales in the programmes results.

The City Strategy has promoted a complex evaluation process, consistent and consequent. This despite the absence of ex ante evaluation and a comparison platform with some of the not broaden areas of the programme. The resort to "human stories" is worthy of note. As mentioned in the report "Given that the primary emphasis of City Strategy is not on "mass flows" and "quick wins", but rather on long-term unemployed people and inactive benefit claimants who have not been helped into employment by mainstream interventions, it might be appropriate to place greater emphasis on individual - i.e. the "human stories" of how disadvantage people in disadvantaged places have been linked into the labour market" (Green, Hasluck & Duncan, The City Strategy Initiative: Host Country Report, Institute for Employment Research, University of Warwick). Confronted with similar situations, other teams have shared similar feelings. Because this is about an important contribution, maybe it would be useful that based on the City Strategy programme experience, the matter of alternative methodologies of investigation and evaluation is approached with further detail, i.e.: what are the contexts of validity of the various methodologies? What realities do they reveal and neglect? How do they intersect?

## Local initiatives against unemployment: monitoring and consequences. The Vale do Minho case in northern Portugal

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To face unemployment situations, the strategies adopted by the local governments and populations have been many and diverse. They all carry challenges and consequences. In a time of crisis like the current one, marked by the need of swift answers for the unemployment problem, maybe it is not disproportionate to face their effects and respective monitoring.

The following paper is based on the research and cooperation experience with the social networks of three Vale do Minho municipalities: Vila Nova de Cerveira (8,686 inhabitants by 2008), Monção (19,530 inhabitants) and Melgaço (9,396 inhabitants). All of them share a border with Spain, through the river Minho, and they belong to the Galicia-North Portugal Euro-region.

The geographical mobility is a frequent option to bypass the lack of job availability. Such was the case of these three municipalities. The post-war emigration and the travelling to the urban centres were so intense that, between 1950 and 2001, the population of Melgaço has fallen (as seen on Image 1) to almost half (-43.8%), with a sharp ageing of the local populace (in 1951, there was 1 elder for each 3 youth; in 2001 there were already 3 elders for each youth). In these 50 years, the population pyramid of Melgaço has been inverted (Image 2). In 2008, the ageing ratio ascended to 379.0 in Melgaço, 259.5 in Monção and 166.5 in Vila Nova de Cerveira, in contrast with 115.5 in the whole country. The results of a survey made, in Melgaço, to the population with more the 60 years old give us an idea of the incidence of emigration: 7 in every 10 men were emigrants (and came back). This was the spontaneous response to the low quality of the available jobs. This immense surge of emigration was not properly monitored by the government's departments, which has caused tragedy and misery. In the sixties, about half the emigration was illegal. In those years, in the region of Paris, the neighbourhood of Champigny, called 'the Portuguese capital in France', was the largest slum in Europe.

Migrations present themselves often as a remedy that can have side effects: for example, year after year, there are less inhabitants and they are getting older, with the population in working age being reduced: 58.7% in Melgaço, 63.9% in Monção and 64.1% in Vila Nova de Cerveira, in contrast with 67.2% in the whole country.

These border municipalities are, however, flanked by two regions in rapid economic and demographic growth: to the South, the valleys of Cávado and Ave, and to the North, in Galicia, the Baixo Miño, next to Vigo. And destiny can reveal itself paradoxical.

The area of influence of Vigo covers, from several years, these Portuguese municipalities. On the other hand, it has been Vigo's policy to move industries and logistics to the periphery, including locations next to these municipalities. Lots of Galician companies demand these municipalities where industrial parks have developed and blossom, being the one of Vila Nova de Cerveira the largest. In all of them most companies are Spanish. The pressure continues. Monção's industrial park has been recently expanded and the lots were immediately bought, mostly by Spanish

companies. This movement is rather interesting: companies come from Spain to Portugal while workers go, as we shall see, from Portugal to Spain.

These trends of the local economic fabric require workforce availability. How to solve this problem?

Various initiatives have been adopted:

- The first consists in a kind of general mobilization of the available workforce. Two years ago, Melgaço was national news for having 0% unemployment;
- The second concerns appealing to immigrants, this appeal being favoured by the local inflation of the work cost. This is what tends to happen whenever a company of a certain size opens.

The third is the most complex: increase the ability to drain workforce. Confronted with complaints relative to the difficulty of recruitment and the constant threats of relocation by some companies, the municipality of Vila Nova de Cerveira implemented a public transportation system for the industrial park that involved more or less distant municipalities. The risk justified the initiative: the exit of a company with several hundreds of workers would change the situation of the municipality from almost full employment to a serious crisis of unemployment. In this case, to avoid unemployment it has been necessary to increase the number of workers in the labour market.

This Vale do Minho experience seems to us worthy of record. It reveals that situations near full employment can be very vulnerable to the unemployment hazard. It also shows that good preventive practices to fight unemployment can and should be implemented with profit even when the numbers point at an almost inexistent unemployment rate. This experience also proves how decisive the intervention of the local elements can be, including the social networks.

We put forward that, in Vale do Minho, migrations continue in all ways, including emigration. One modality has been acquiring, in the past few years, a lot of expression: the cross border commuting between the North of Portugal and Galicia. Many thousands of Portuguese go to work to Galicia returning at the end of the day or at the weekend. They may come from far away in Portugal, for example from Oporto, and go far away in Spain, beyond Ourense. This is, without question, another way to find work. It is also, however, an example of a need of monitoring from the government, a phenomenon that cannot be delivered to itself, naturally, at a national and international level, but also in terms of practicability. Successive news, week after week, of fatal car crashes involving vans occupied by Portuguese workers returning home continue shocking the Portuguese people. They return exhausted, in a hurry and stressed, not in public transportation, but in private vehicles. It is a risk cocktail. They do not resort to cross border public transportation because it remains practically inexistent. It is one of the fields in which the Galicia-North Portugal Euro-region is threading. There is cross border commuting in almost every part of Europe, some that cover long distances. Most of these migrations are made, however, with relative safety, in public transportation. It is important to monitor and be aware of the emerging strategies to provide work and fight unemployment.

These notes about the Vale do Minho experience warn us about three vital aspects in the fight against unemployment, especially in a time of crisis: 1) Sometimes initiatives carry twisted effects, in certain situations, 'the patient suffers with the cure'; 2) The fight against unemployment is also about fighting for employment, even when the number of unemployed is small; 3) The

adopted strategies should be monitored, in time, and cautioned, in practice, as to assure its viability and its dignity.

**Image 1** – Ageing ratio (2001) and growth rate (Minho: 1950-2001)

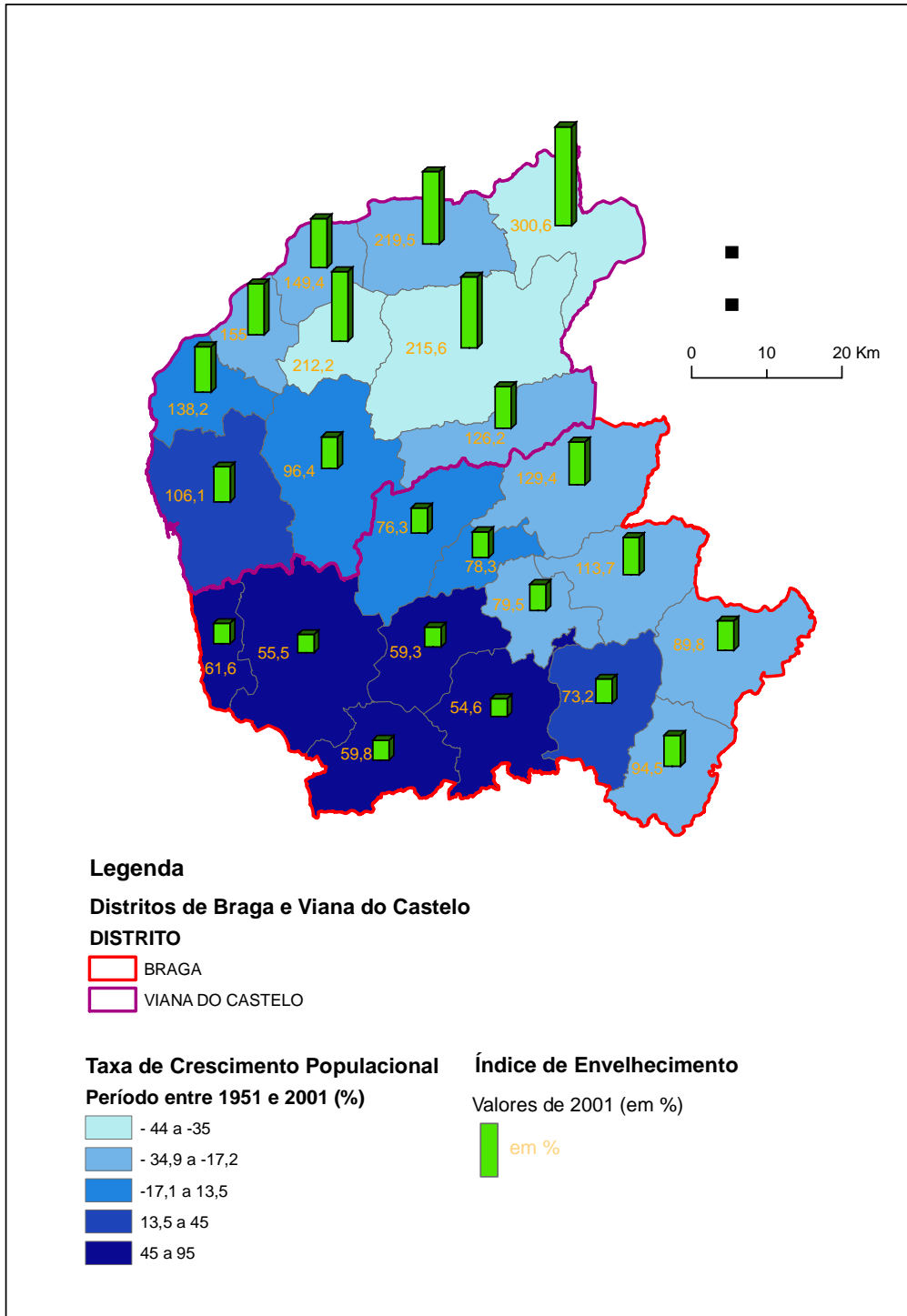
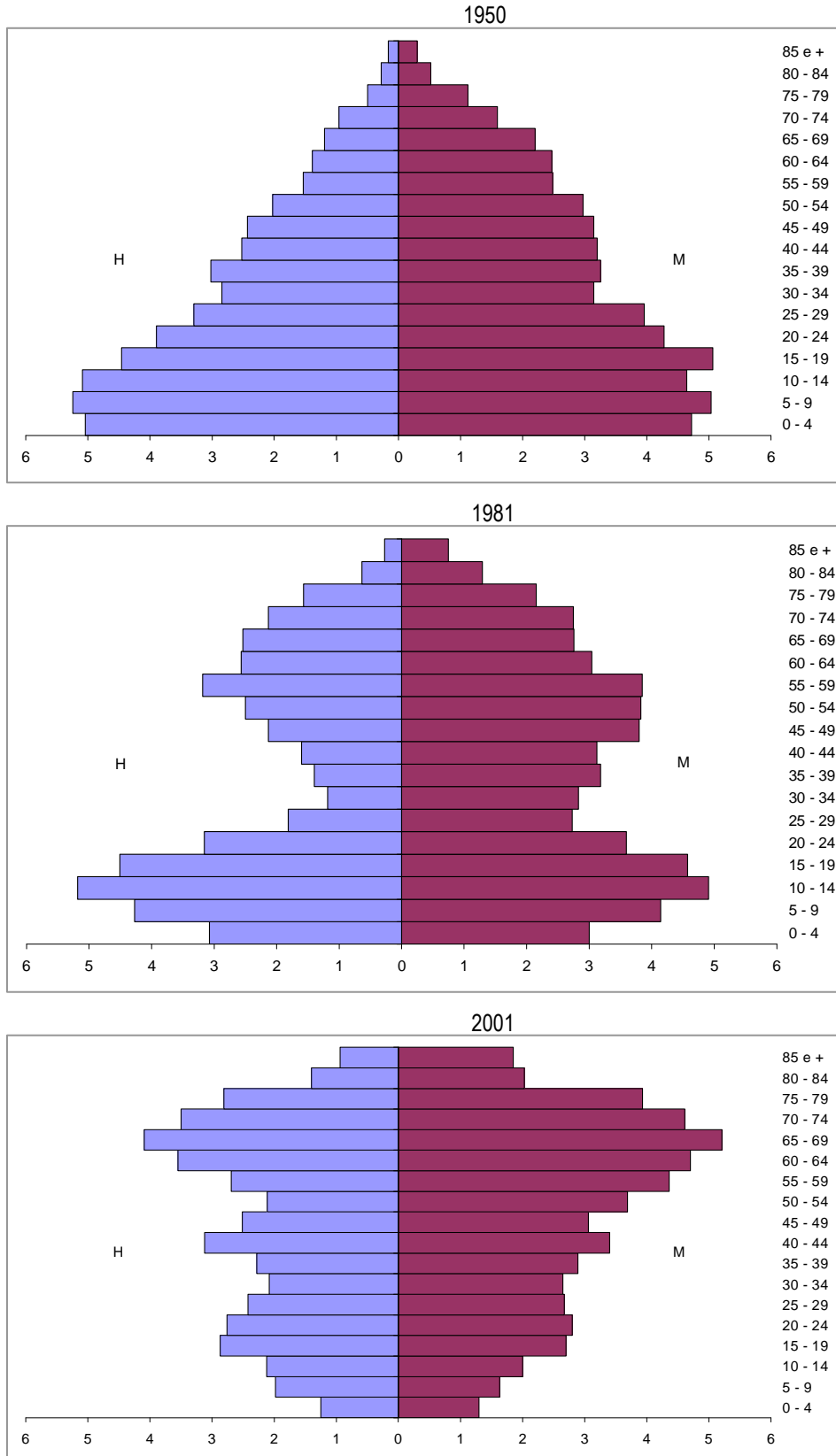


Image 2 – Population pyramids: Melgaço - 1950, 1981, 2001



Source: *Recenseamento Geral da População* (1950, 1981, 2001), INE, Lisboa