

New strategy for fighting poverty in Portugal

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Description

The proposal for a strategy for fighting poverty in Portugal (2021-2030) was approved on 30 September 2021 and submitted to public consultation until 25 October 2021. The strategy represents a political and social consensus and fills a long-standing gap. Over the years, stakeholders have called for the creation of such a strategy. Despite its comprehensiveness, fine-tuning and specific roads for implementation will be needed.

The proposal for a strategy for fighting poverty in Portugal (2021-2030) was approved on 30 September 2021 and submitted to public consultation until 25 October 2021. It explicitly mentions the aim of establishing a multidimensional integrated framework for action in close connection with the European Pillar of Social Rights and the respective action plan, and with the 2030 Sustainable Development Goals.

The proposed strategy is structured around six intervention strands: i) reducing poverty among children, young people and their families; ii) promoting the full integration of young adults into society and reducing their risk of poverty; iii) boosting employment and upskilling as factors for the elimination of poverty; iv) reinforcing public policies for social inclusion and promoting social protection for the most vulnerable people and groups; v) promoting territorial cohesion and local development; and vi) turning the fight against poverty into a national goal.

Its key objectives include ensuring the access of individuals and families to basic resources and to essential goods and services. Specific focuses are placed on the quality of the labour market and on the access of the most vulnerable to public services and to services supported/regulated by the social protection system.

Additionally, the strategy has the aim to evaluate and amend the mechanisms for fighting poverty in order to increase their scope, effectiveness and efficiency, as well as a focus on the local level by promoting decentralisation and the involvement of

and reinforced cooperation between different stakeholders.

Finally, it aims at creating a clear structure and a governance model for its design, implementation, monitoring and evaluation that also includes participation of the most vulnerable populations.



Outlook and commentary

The strategy represents a political and social consensus and fills a long-standing gap. Over the years, stakeholders have called for the creation of such a strategy, including through the “Eradicating poverty: commitment towards a national strategy” initiative, coordinated by the Portuguese section of the European Anti-Poverty Network (EAPN).

It also provides a comprehensive framework for other strategies already in place, such as the Portuguese strategy for the integration of homeless persons 2017-2023. At the moment of finalising this Flash Report, the outcomes of the public consultation are still unknown. Likewise, the concrete steps for the strategy’s implementation are also still unknown, which makes a detailed assessment difficult.

The strategy places children at the heart of the fight against poverty and social exclusion. In Portugal, children are the age group with the highest rate of income poverty: 19.1% in 2020, compared with 16.2% of the total population (19.4% and 17.1%, respectively, in the EU-27) (Source: Eurostat). The first strand of the strategy targets children specifically.

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The recent adoption of the European Child Guarantee could be a decisive supporting thrust to meeting this objective. However, Portugal's objectives and priorities for its effective implementation are still largely unknown. In addition, surprisingly the strategy makes no reference to the Child Guarantee.

In-work poverty is also an important issue that needs to be addressed in Portugal. It has its roots in a mesh of factors, of which the most significant are the generally low level of salaries and the high degree of labour market segmentation. In 2019, the in-work at-risk-of-poverty rate in Portugal was 10.8%, compared with 9% in the EU-27 (in 2020, the Portuguese figure decreased to 9.0%; the corresponding EU-27 average is not yet available) (Eurostat).

Thus, it is significant that the strategy aims not only at boosting employability and employment, notably through upskilling and active labour market policies, but also at promoting conditions for adequate labour incomes (see strand 3).

However, considering the prevalence of in-work poverty and the challenges inherent to the above-mentioned objectives, it seems that the strategy could also consider the implementation of specific policies supporting the incomes of the most vulnerable households, e.g. through a tax credit for low-wage earners and/or in-work benefits, which have so far not been implemented in Portugal. Yet these have been largely absent from public discourse. The

inclusion, in the 2015-2019 government programme, of the goal of creating an annual income supplement through a tax credit with the aim of increasing the income of low-wage households – never implemented – represents one of the very few stands taken in this field.

Some contributions to the public consultation have been made public. EAPN Portugal considers the goal of lifting 360 thousand people from poverty or social exclusion (i.e. approx. 17.7%) to lack ambition and claims that the strategy should be preceded by and based on a national diagnosis. It also calls for a concrete action plan, including a clearer definition of some of the goals, of the pathways for implementation and for monitoring, as well as of the responsible parties.

The think-tank CoLABOR supports some of these considerations. It emphasises the need to assess past experiences of the fight against poverty and notes that although the strategy includes the objective of evaluating the impacts of public policies, it does not clearly identify either the mechanisms to be used or the entities responsible for the task. More generally, it considers that clear goals and indicators should be set for each of the objectives, along with an indication of the responsible parties and resources to be allocated. These same general considerations are addressed by the think-tank Economia de Francisco (EoF) Portugal, which considers that the strategy should be more than a long list of objectives.

Further reading

CoLABOR (2021), [Reação à Estratégia Nacional de Combate à Pobreza](#).

EAPN Portugal (2015), [Erradicar a Pobreza: Compromisso para uma Estratégia Nacional](#)

EoF Portugal – Economia de Francisco Portugal (2021): [Análise Estratégia Nacional de Combate à Pobreza](#).

Presidência do Conselho de Ministros (2021): [Estratégia nacional de combate à pobreza 2021-2030](#)

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