



European
Commission



EU Network of
Independent Experts
on Social Inclusion

Assessment of the implementation of
the European Commission
Recommendation on **active
inclusion**

A Study of National Policies

Portugal

Social Europe

This publication has been prepared for the European Commission by



© Cover illustration: European Union

Neither the European Commission nor any person acting on behalf of the Commission may be held responsible for use of any information contained in this publication.

The opinions expressed are those of the author(s) only and should not be considered as representative of the European Commission's or Member State's official position.

Further information on the Network of independent experts is available at: <http://ec.europa.eu/social/main.jsp?catId=1023&langId=en>

© European Union, 2013

Reproduction is authorised provided the source is acknowledged.

Assessment of the implementation of the
European Commission Recommendation on
active inclusion

A Study of National Policies

ISABEL BAPTISTA
CESIS – CENTRO DE ESTUDOS PARA A INTERVENÇÃO SOCIAL

COUNTRY REPORT - PORTUGAL

Table of Contents

Summary	7
1. Integrated Comprehensive Strategy	9
2. Description and assessment of the impact and cost effectiveness of measures introduced or planned under the 3 strands	13
2.1 Adequate Income Support	13
2.2 Inclusive Labour Markets	19
2.3 Access to quality services	23
3. Financial Resources.....	26
4. Monitoring and Evaluation.....	29
5. Recommendations	31
References.....	32
Summary tables	35

Summary

Portugal's commitment towards the implementation of the principles embedded in the EC Recommendation on the active inclusion of people most excluded from the labour market has been translated into a set of measures and policy initiatives, rather than into an integrated comprehensive strategy.

During the period under analysis it is possible to observe differentiated patterns in the governmental approach to policy developments relevant to the implementation of the three strands of the Commission's Recommendation on Active Inclusion.

The first period (2008-2010) was clearly marked by an attempt to face the emerging effects of the economic crisis and several temporary measures were adopted, while the continuity of existing social action supports, employment support measures and access to services was ensured and in some cases strengthened. The assessment of policy developments occurred between late 2010 and 2012 are, on the contrary, strongly shaped by the conditions agreed under the Memorandum of Understanding and by an almost exclusive concern to comply with the budget consolidation requirements. At the same time the political shift occurred in 2011 would bring about a different ideological approach to the role of the State in the design and implementation of social policies.

The weakening of the protective role of income related benefits (e.g. RSI, unemployment allowance, children and family benefits), the replication of professional insertion initiatives at a time of restrained job opportunities, the financial disinvestment in existing employment and training support measures, or the increased constraints imposed on the provision of services and their quality (e.g. education and health) occur at the same time as there is growing statistical and "empirical" evidence of the increasing difficulties faced by many families, particularly those with children. "Efficiency-driven" concerns cut-cross all areas in search for an exclusive maximisation of financial outcomes.

Monitoring and evaluation mechanisms – which have never been a strong dimension in the national context – seem to have been put to a halt, although some non-governmental evaluation exercises provide interesting outlooks on the evolution of different aspects related to the three strands of the Recommendation.

1. Integrated Comprehensive Strategy

Portugal's commitment towards the implementation of the principles embedded in the EC Recommendation on the active inclusion of people most excluded from the labour market has been translated into a set of measures and policy initiatives, rather than into an integrated comprehensive strategy.

The only area in which it is possible to identify a comprehensive policy design and an effort for an integrated implementation encompassing the three pillars and aiming at reinforcing synergies between them is the implementation of the Guaranteed Minimum Income (at present the Social Insertion Income).

In fact, early in 2007, the National Commission for the Social Insertion Income launched the Strategy for Active Inclusion which was clearly in line with the 1992 EU recommendations regarding the need to reinforce links between the minimum income component and the dimensions of training/employment and access to quality services.

This Strategy was a renewed attempt to reinforce the initial social insertion dimension of the minimum income scheme introduced in Portugal in 1996. Introduced as a tool to fight poverty and social exclusion, the Portuguese minimum income scheme was designed as a comprehensive policy initiative embracing this perspective of linkage between an income component and a social insertion dimension, which included initiatives in the areas of employment, training and access to services.

However, various constraints arising both from implementation practices, from organisational challenges and from political orientations would raise successive obstacles for the accomplishment of the desirable synergies between those strands.

Therefore, the launching in 2007 of the Strategy for Active Inclusion was a positive national development in the re-orientation of the Programme towards its initial goals and principles at a time when the benefit component of the Programme had reached a stable threshold and a consolidation status within the solidarity regime of benefits, in spite of the very low levels of income it provided.

The Strategy focused on three insertion dimensions:

- a priority intervention addressed at families with children and young people in order to ensure access to health care, social equipment and support, qualified school trajectories and support to family life;
- intervention in the mediation process regarding the professional insertion of the beneficiaries, ensuring the development of skills and of the personal, social and relational capacities necessary for and previous to professional integration; the definition of personalised job plans, and a continued monitoring process of the beneficiaries' trajectories;
- a participated intervention in the accompanying process of the families ensuring a personalised and systematic following of the families through their autonomisation trajectory, the responsabilisation and participation of all the relevant social local partners and the building up of insertion trajectories directly involving the civil society.

The Strategy for Active Inclusion was therefore aiming at strongly increasing the number of families with access to an agreed Insertion Programme, to ensure more continuous and closer accompanying procedures regarding the beneficiary families, and to ensure a more personalised and adequate insertion programmes.

This new strategy gave a reinforced focus on a more integrated intervention of the social security services and local employment centres and a stronger co-operation with social solidarity institutions, namely through the reinforcement of their role in the RSI protocols.

The implementation of the minimum income scheme in Portugal was in fact based on this partnership philosophy, involving the state, local partners, and welfare institutions which came together to increase resources and pool efforts so as to find responses to tackle poverty and social exclusion.

The recognition of flaws in the insertion component of the programme namely the lack of human resources to ensure an individualised and close interaction and monitoring of the processes led to the establishment of the RSI protocols and their reinforcement and redesign. These structures aimed to improve the efficacy of the contractualisation process between the beneficiary and the programme.

The protocols are established between the district delegation of the social security services and private social solidarity organisations or other non-profit making entities that develop social solidarity work located in the area of the Local Social Unit. These protocols take place whenever there is a recognised lack or insufficiency of qualified technical resources within the LSU territory.

The introduction of this new institutional arrangement has allowed a greater availability of resources and the possibility to improve the quality of the intervention within the social insertion component, namely by enabling the creation of multidisciplinary teams better equipped and better placed (e.g. closer relationship to the beneficiaries) to address the multiple needs of the families included in the Programme.

Throughout the years, several mechanisms and organisational structures were created at different levels. At national level a National Commission of the Social Insertion Income involving representatives of different Ministries (Education, Health, Labour and Welfare and Justice, the Secretary of State for Housing and representatives of the local authorities, private welfare institutions and trade union and employers' groups) was in place until 2011. Its central role was to assess the implementation of the measure. The Commission was extinguished in the second semester 2011 when the Government passed the Plan to Reduce and Improve the State's Central Administration (Plano de Redução e Melhoria da Administração Central do Estado, PREMAC) which extinguished several consultative bodies. The role of the Commission was to be undertaken by a new body: the National Council for Solidarity Policies, Volunteering, Family, Rehabilitation and Social Security. This Council was recently created but has still not initiated its activities. According to information provided directly by the Institute for Social Security discussion is undergoing regarding the way(s) this entity will actually work.

At the local level the Local Insertion Units continue to ensure the horizontal coordination among the different stakeholders. They comprise representatives of the four areas essential to the integration process: Social Security, responsible for administering the measure and granting the benefits and which also includes the social (or welfare) action services which are essential for the social integration of beneficiaries, Education, Health and Employment. The Local Units may also include the local authorities, private welfare institutions, employers and trade union groups and other non-profit-making organisations.

The attributions of the LSUs are generally linked to the regulation of the forms of application and functioning of the measure at local level, while defining partners' responsibilities; co-ordination of resources by channelling and optimising them in

order to implement beneficiaries' insertion programmes; and assessment of the insertion programmes.

In March 2009 the RSI Beneficiaries' Forum was officially launched during the European Seminar on Social Insertion Income – A Right to Social Integration. The Forum - composed by beneficiaries and former beneficiaries of the RSI – was presented as an important development in fostering the participation of the people directly addressed by the Programme at the level of policy design, implementation and evaluation.

However, this initiative which was an indirect outcome of a National Meeting of the teams involved in the implementation of the measure which took place in 2008 died in its infancy. Following a first meeting - held in order to present the idea and objectives of creating the Forum and the drawing up of a manifesto – and the public presentation of the Forum no more developments took place. This initiative might have constituted a good opportunity to learn directly from the experience of the people involved in the RSI programme fostering an effective participation of the RSI beneficiaries in the definition of the Programme's development both in the field (e.g. identifying potentials and obstacles) and in the policy making process (e.g. changes in legislation and in institutional arrangements).

Apart from the integrated and comprehensive approach embedded in the conception of the minimum income scheme, the Portuguese authorities have presented the national effort to implement the Commission's recommendations regarding Active Inclusion by resorting to different approaches.

In 2010 the Government's approach to Active Inclusion was presented as a policy mix addressing the three dimensions: "income support, professional integration support and provision of social services". According to the government the ultimate goal of this approach would be „the full inclusion of individuals, where employment would play a crucial role, but not the only one, within this inclusion process“.

The income support dimension was based on four main priorities:

1. A solid system of social protection ensuring every citizen social benefits;
2. A positive discrimination by the fiscal system;
3. The progressive increase of minimum wage;
4. The support and guidance needed to prevent poverty and ensure minimum income as long as necessary.

The support to professional integration was based on the development of active employment or professional training policies which would enable:

1. The activation of employment policies which would invest more efficiently in human capital;
2. The training and qualification of people, creating more employment opportunities and ensuring that work is an option available to everyone.

Finally, the concern regarding the provision of social services would be achieved by a strong effort to „expand and qualify the network of services and social and health equipment in terms of availability, quality and equity of their territorial distribution. This would be achieved by reinforcing:

1. Crèche and kindergarten facilities;
2. Support facilities for elderly dependent population;
3. Support facilities for handicapped people.

Since 2010, the evolution of the social and economic situation, the conditions agreed under the Memorandum of Understanding and the policy orientations of the government that came into power in June 2011 have put most of the above mentioned priorities under serious risk. These will be addressed in the next section under the assessment of measures.

The National Social Report directly refers to the response of the Portuguese government regarding the EU-level common principles on active inclusion and its three pillars. However, the measures to promote income are now restricted to the satisfaction of basic needs and to the achievement of goals that will only address poverty intensity and severity and deprivation. The logic beneath the “positive differentiation of benefits, giving more to those who most need it” seems to reintroduce a philosophy of the “fatherly” State “giving” to the deserving ones, in an apparent setback regarding the role of the State and of social policies in promoting a rights based approach in the fight against poverty and social exclusion.

As regards the government’s approach to social and professional insertion of the most vulnerable groups the NSR presents a set of measures that are basically a repetition of former measures and programmes (e.g. Insertion companies, Life-employment Programme, micro-credit) aiming namely at promoting short duration apprenticeships (e.g. Occupational Programmes), the support to firms accepting to hire or train unemployed people enrolled at the local employment centres and a new specific programme for the professional insertion of young people – Impulso Jovem – which is based on the promotion of the above mentioned short term apprenticeships or support to firms, now directly addressing younger population.

Although the NSR identifies the third pillar as one of the dimensions of active inclusion strategies, there is only piecemeal and dispersed information on some measures regarding the provision of services when addressing the needs of specific groups of population (e.g. the elderly). However, there is no systematic approach to the third pillar, contrary to what happens to the first and second pillar. The NRP document presented as annex to the letter sent to the Commission in May 2012 explicitly refers the government’s effort to improve home care services to the elderly and to continue the enlargement of the pre-school network.

At present, thus, the government’s approach to implementing the Commission’s Recommendation on Active Inclusion is clearly constrained by the negative evolution of the social and economic scenario, by the fiscal consolidation commitments assumed last year and inspired by a “new paradigm of social action embodied in the Social Emergency Plan” (PES). In our opinion, this has resulted in a piecemeal approach to the implementation of an integrated comprehensive strategy on Active Inclusion.

2. Description and assessment of the impact and cost effectiveness of measures introduced or planned under the 3 strands

The assessment of the measures introduced and planned under the three strands since 2008 will cover both the changes introduced in the minimum income scheme – given its strategic relevance – and the most relevant developments and changes which had an impact on any of the three strands under analysis. A special focus will necessarily be given to the impact of the crisis and of the conditions imposed by the Memorandum of Agreement signed between the Portuguese Government and the troika.

2.1 Adequate Income Support

The creation in late 1990's of the Portuguese Guaranteed Minimum Income (the present RSI) was probably the first global approach towards a new dynamics to social policy namely and the first measure simultaneously addressing the lack of a minimum subsistence income to those people who did not have resources and a multiplicity of needs in the domain of social and labour.

This programme is a main component of the Government's anti-poverty social policy in Portugal. Its aim is to reduce extreme poverty through the reduction of poverty intensity of the most vulnerable sectors of the population.

The RSI is composed of a monetary component (the cash benefit) which is a universalistic right, transitory and structured around established criteria. It is addressed at individuals and families who are in a severe situation of economic deprivation, e.g. whose individual income is lower than the amount of the Social Pension (non-contributory social security benefit) or whose household per equivalent adult income is below that threshold.

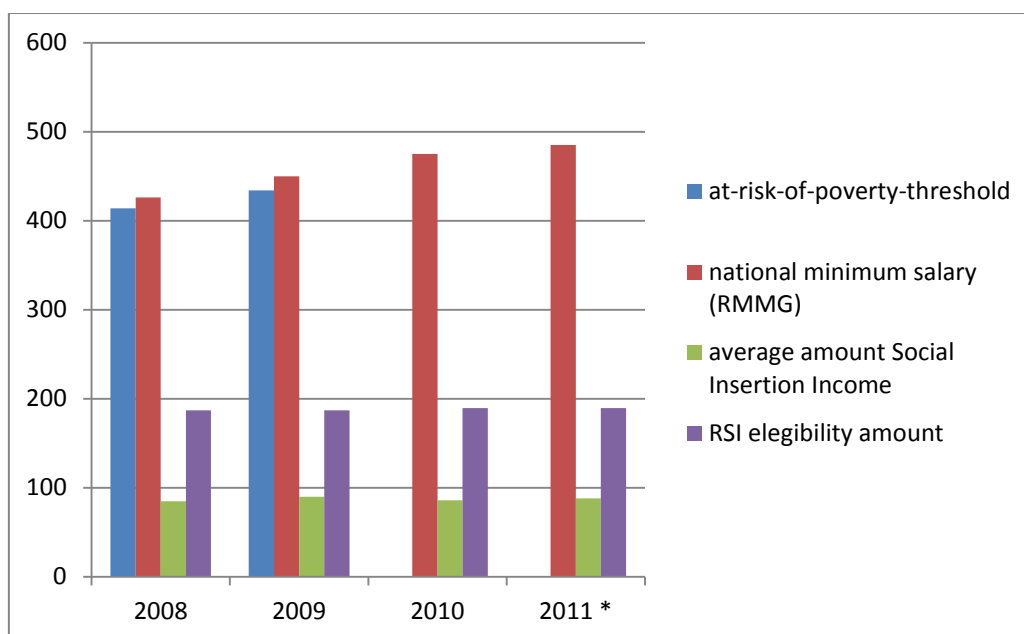
The low levels of the income provided by the cash benefit component of the RSI have, since the beginning, prevent it from achieving the goal of reducing poverty, rather enabling a reduction of poverty intensity among its beneficiaries. Early in 2002, an evaluation carried out by the services of the then Institute for Social Development (now Institute for Social Security) already highlighted the impact of the income provided in the perspective of the beneficiaries:

"I have already told them (professionals): The minimum income is the slice of bread I give to my children because I don't have anything else, I don't have a job", GMI beneficiary statement, in Castro et al, 2002.

A comparison between the average value of social insertion scheme, the at-risk-of-poverty threshold¹ and the national minimum salary shows that the average RSI values (paid to individual beneficiaries) are considerably below the other two indicators, meaning that this scheme contributes to alleviate the poverty intensity but not to eliminate it. Even if we consider the eligibility amounts for the first adult in the household, the figures for any of the years considered represent around half the amount of both the national minimum salary or the poverty threshold.

¹ The indicator is constructed through the transformation of the annual monetary net income of families into equivalent income by adult using the OECD's modified equivalence scale. The income by adult is obtained by the ratio of each family net income and the family dimension (number of equivalent adults).

Graph 1: Social Insertion Income (average and eligibility amounts) Vs At-risk-of-poverty threshold* and National Minimum Salary, 2008-2011, (monthly values; Euros)**



*Figures for 2011 regarding the RSI report to the first semester (only figures available).

** The reference values used in this table are individual based values (salary, beneficiary) except for the at-risk-of-poverty threshold which is based on the equivalent adult.

Sources: INE, ICOR;

This conclusion becomes clearer if we take into consideration the most recent figures available: in March 2012 the monthly average RSI amount was 91.7 Euros/per beneficiary and 245.4 Euros month/per family².

Given the relevance of the minimum income scheme as one of the strands of active inclusion it is important to refer the changes introduced to the Portuguese Social Insertion Scheme from August 2010.

In June 2010 a new Law was approved that introduced important changes in the legal dispositions of the Social Insertion Programme with direct impact on the net disposable income of RSI beneficiaries.

The announced aim of such reform was "the creation of an harmonized framework for the non-contributory benefits entitlement conditions (which) will, on the one hand, give more coherence in non-contributory social benefits granting and, on the other hand, significantly strengthen efficiency and accuracy, particularly at the level of contributory fraud and evasion control." (Institute for Social Security and Cabinet for Strategy and Planning, 2011: 1)

However, its main objective was clearly to restrain the growth of public expenditure by introducing reforms in the resources condition with a clear impact on the access to the

² Source: Strategy and Planning Department (GEP), Ministry for Labour and Social Security, available at: <http://www.gep.msss.gov.pt/estatistica/be/bemaio2012.pdf>

programme and on the level of income provided. The main changes introduced in the resources condition were:

- Increase in the categories of income considered in the evaluation of the resources of the beneficiaries. The relevant income categories now take into account some benefits in kind like housing benefits, financial and property income;
- The introduction of an enlarged concept of household, irrespective of their family situation (e.g. two families – married children living with their parents and respective children – sharing the same household are considered as one family) and therefore although there are different adults only one adult is entitled to the 100% benefit;
- Change in the equivalence scales, imposing the OECD scale as the reference scale: the previous equivalence scale assigned the value of 1.0 to each adult, for up to two adults, 0.7 to each adult, from the third adult onwards and 0.5 to each of the first two children and 0.6 to the third or more children. The new scale gives the weight of 1 to the first adult, 0.7 to each subsequent adult and 0.5 to each child;
- The end of the supplementary supports (up to 1023€/year) which could be used for different purposes according the identified needs of the individuals/families, namely for enhancing some practical conditions (e.g. transports) for enabling beneficiaries to attend work or training related activities agreed within the insertion programme;
- Re-enforcement of compliance and anti-fraud measures.

Several criticisms were voiced by organisations working on the field, regarding these changes and the impact they would have on the family living conditions at a period of serious deepening economic and social crisis. Increased social insecurity was answered by a decreasing importance of social protection.

During the first semester 2011 over 235 thousand RSI processes ended, which means an increase of more than 74 thousand processes compared to the same period last year (CNRSI, 2011). Income changes represented over 50% of the reasons for this termination. Some of these income changes may be directly related to the new rules regarding the new formula for calculating per capita incomes in order to determine eligibility of families to means-tested benefits and not to any actual improvement of the income of those families. It is important to refer that the average monthly amount of the income in the same period was 88 Euros per beneficiary and 243 Euros per family.

Moreover, a study carried out on the impact of this change in terms of efficacy and efficiency of the RSI showed that:

"The simulation of the changes introduced in the RSI fully corroborates the appreciation we made at the beginning of this paper about the main characteristics of the reform of the means-test conditions implemented in 2010. The aim of create a "harmonized framework for non-contributory benefits" was clearly subordinated to the objective of restraining the growth of public expenditure. The gains in efficiency that result from the changes in the entitlement conditions can hardly justify a strong reduction in its effectiveness in reducing poverty intensity and severity. The current economic and financial crisis imposes, undoubtedly, the need of a more rigorous implementation of the social policies, but it should also imply the strengthening of both their efficiency and effectiveness." (Rodrigues, 2011: 9)

On the 27th June 2012 Decree-Law 133/2012 introduced new changes to the RSI scheme, aiming at "a global revision of its juridical regime, in accordance with the objectives of its Programme, reinforcing its transitional character and the contractual

nature of the benefit, which is composed by rights and obligations for its beneficiaries, as a tool for insertion and social cohesion.”³

Although it has not been possible to make a very thorough analysis of this decree-law – entering into force in the beginning of August 2012 – the changes now introduced will deepen the impact referred to above as regards entitlement conditions to the RSI, introducing new restrictions.

In fact, the new legal dispositions introduce a new change to the equivalence scale adopted. The OECD scale is replaced by the modified OECD scale which means that it gives the weight of 1 to the first adult, 0.5 (and not the former 0.7) to each subsequent adult and 0.3 (and not the former 0.5) to each child. Once again, this reform will “administratively increase” the income of families, preventing access to the measure to households whose actual situation has not changed, but who from an “administrative perspective” are now “less poor”. Families with children will once again be particularly affected by these new alterations.

It is difficult to understand how these successive changes will contribute to the “adequacy of resources” announced in Portugal’s commitment towards the 2008 Recommendation, particularly when it clearly affects some of the most consistently and structurally vulnerable groups in the Portuguese society: children. The successive worsening of access conditions for families with children in a country where child poverty is a structural problem, which has not been tackled or even mitigated is hardly understandable.

As referred to in previous reports the situation of children and young people and of the elderly raises particular challenges as far as poverty is concern: they remain the two most vulnerable age groups (a poverty rate of 22.4% and 21% respectively⁴). Apart from several national studies (Bastos, 2011; Bastos et al, 2008; Bastos e Nunes, 2009; Costa et al, 2008), several international reports have highlighted the particularly risky situation of children and young people in Portugal, both as regards their vulnerability to poverty and deprivation (UNICEF Innocenti Research Centre, 2012) and also the low investment of the State in the support given to families (IPF, 2009).

The most recent changes to the RSI – together with the restrictions introduced in the eligibility criteria for the granting of the family allowance for children and young people – introducing further access restrictions to the Programme and penalising families with children in a particularly difficult economic and social context will continue to contribute to a disinvestment in children’s needs and in the country’s future.

Other access conditions have now been imposed by the new decree-law, which in our opinion hardly seem to address the “efficiency design” but rather promoting a moralising perspective of the Programme. Such is the case of some “socially high” visible criteria, like the ones that condition access to the RSI to individuals who have over 25000 euros either in bank accounts or in assets such as airplanes, cars or boats. In our opinion, the implementation of such conditions will have irrelevant practical outcomes since only very exceptionally will there be RSI beneficiaries in such conditions. Nevertheless, these measures will certainly attain its main objective: further reducing expenses and more dangerously disseminating the idea that there are many RSI beneficiaries with fortunes and that fraud is widespread.

³ Decree-Law 132/2012 of June 27th available at <http://dre.pt/util/getpdf.asp?s=diad&serie=1&iddr=2012.123&iddip=20121209>

⁴ The latest available statistical data on poverty which was released in July 2011 and still relate to 2009 incomes.

As regards the links between the income component and activation, the RSI philosophy has – since the beginning – privileged such an approach through the so-called Insertion Contract.

However, there is evidence – both through the annual reports on the RSI and through evidence collected at the local level – that the Programme needs to improve the overall results of the social insertion programmes, namely the ability to promote the integration of the beneficiaries into the regular labour market. A recent report by the Planning and Strategic Unit of the Ministry for Solidarity and Social Security (GEP, 2012) shows that between 2008 and 2011 the number of families which stopped receiving the benefit due to “labour market integration” decreased from 176 to 158, after reaching 235 in 2009 and 298 in 2010. These figures represent less than 0,2% of the total families receiving the benefit in any of the four years. Integration into the labour market is by far the least frequent cause for the termination of the benefit throughout the whole period.

The implementation of the measure and its ability to promote professional integration of the beneficiaries has faced some structural hindrances namely regarding the precarious nature of labour relationships; the lack of actual employment opportunities in specific territories; the very low salaries offered which block labour insertion as an alternative. On the other hand, there are also individual conditions which constitute an obstacle to a greater success of the RSI achievements in terms of professional integration, namely the very low education levels and the very low levels of training among a large number of the RSI beneficiaries.

The weak performance of the programme as regards the professional integration of the RSI beneficiaries has brought about the implementation of several measures which were put in place between 2008 and 2010 aiming at a diversification and a better adjustment of labour market opportunities to those people with more difficulties to accede the labour market (e.g. Employment-Insertion Contract, Employment-Insertion Contract Plus, Incentive to the Hiring of Vulnerable People)⁵.

The 2010 decree-law referred to above regarding the changes introduced in the Social Insertion Income Programme determined that from the beginning of 2011 the services should create the conditions that promote access of all beneficiaries aged 18-55 years old who are not in the labour market and who are able to work, to training programmes, educational measures or others that ensure a closer approach to the labour market, within a maximum period of 6 months after signing the insertion programme. Nevertheless, measures such as the ones referred to above (e.g. Employment Insertion Contract and Employment Insertion Contract Plus) are the ones that continue to adapt to the actual profiles of beneficiaries, rather than those which were introduced under the new Young Impetus Programme or the Stimulus Programme 2012. In fact, RSI teams working on the field report that the eligibility criteria which condition access to these new programmes are hardly compatible with the most common profiles of RSI beneficiaries (e.g. very low education levels).

Also relevant from the perspective of the commitment towards an “adequate income support” is the recent evolution of the national statutory minimum wage (RMMG). In June 2008, the government and the social partners signed the Tripartite Agreement for a New System of the Regulation of Labour Relations, Employment Policies and Social Protection in Portugal. Among other measures this governmental initiative of a tripartite agreement with all social partners included the progressive increase of the Minimum Monthly Guaranteed Remuneration (national minimum wage) above the expected growth of prices and salaries every year until 2011. The goals were set at a

⁵ Created respectively by Resolution 128/2009 and by Resolutions 130/2009 and 125/2010.

national minimum wage reaching 450 Euros in 2009, 475 Euros in 2010 and 500 Euros in 2011.

Following the worsening of the economic crisis and the recommendations of the Memorandum of Understanding this agreed evolution of the RMMG was frozen: the national statutory minimum wage never reached the agreed target of 500 Euros/month by the end of 2011. It stayed at 485 Euros/month in 2012 and in several occasions there were attempts by the employers' organisations to prevent the successive increases agreed.

It is important to highlight that in Portugal wages are the income component that most contributes to the high inequality levels that still persist, explaining about two thirds of total inequality (Rodrigues, 2007).

Moreover, there has been a consistent increase in the share of workers receiving the minimum salary, particularly relevant since 2008: from April 2008 to April 2011 the share of workers receiving the RMMG rose from 6.8% to 10.9%, particularly affecting women workers (from 9.7% to 14.7%)⁶.

These trends occur in a country where in-work poverty has been a consistent and persistent phenomenon (Perista and Cabrita, 2008; Costa et al, 2008; Baptista, 2010). The persistence of low-quality employment in Portugal translated into low salaries, low-qualified jobs, insecure labour relationships and a high proportion of atypical jobs is one of the well-known structuring characteristics of the Portuguese labour market which has a strong and direct impact on the characteristics of poverty in Portugal.

Finally, the low levels of pensions may continue to contribute to high vulnerability to poverty and social exclusion. In January 2011, there were a total of over 2 million pensioners (old-age and invalidity). The average pension of these individuals was 391,62 Euros which is below the poverty threshold for 2009 (434 Euros). The updating at the inflation level of the rural and social minimum pensions – although positive – hardly contributes to the goal of the first pillar of the Recommendation. In fact, these are the lowest pensions in the whole system which provide an income of 195,40 Euros per month.

Several measures taken recently will introduce further challenges to Portugal's commitment to implement the 2008 Recommendation as regards the need "to recognise the individual's basic right to resources and social assistance sufficient to lead a life compatible with human dignity": the new eligibility criteria for acceding social support benefits and the additional stricter administrative procedures; the step backwards in relation to the political commitment to increase the National Minimum Salary; the overall increase of VAT categories, namely the change introduced in many goods and services (e.g. energy and water supply) from the lowest VAT category to the highest VAT category (from 6% to 23%); the lowering of the reference amount for calculating the specific deductions to the Income Tax, by replacing the minimum salary by the Social Support Index (IAS) (i.e. lowering the official levels of "survival"); the freezing of the IAS up to 2013, which means a freezing for three years of the whole of the social supports and a consequent loss of purchasing power; the suspension of extension of the social unemployment benefit; the introduction of a 75% limit (of the net reference wage) to the unemployment benefit; restricted access to several social benefits introducing "savings" for the sake of budgetary consolidation at a time of increased need for social support (compared to 2010, the State spent less

⁶ Source: Strategy and Planning Department (GEP), Ministry for Labour and Social Security available at <http://www.gep.msss.gov.pt/estatistica/be/bemaio2012.pdf>

563 million euros in family allowances, unemployment benefits, social action benefits and social insertion income during 2011).

On the positive side: a) the temporary increase of 10 percent of the unemployment benefit amount in situations where both members of the couple receive unemployment benefits and there are dependent children. This measure also covers single parent families⁷; b) the non-application of the suspension in the payment of Christmas and holiday allowances in pension amounts below 600 Euros; c) minimisation of impacts of the tax increases on the very lowest incomes.

Although positive – from a social inclusion perspective – these measures only mitigate the impacts of an overall deterioration of the available income of families and do not contribute to improve the actual adequacy of income support or to reduce inequalities. In fact, according to EU-SILC data the level of inequality increased from 2010 to 2011⁸ (from 5.7 to 5.8), widening the gap between the share of population with the highest income levels and those in the lowest deciles of the income distribution. Between 2003 and 2010 the inequality indicators had been (slowly) but persistently shown signs of decrease. This trend was reverted in 2011.

In fact, a comparative study (Callan et al, 2011) explores the effects of policy changes introduced in several countries under the label of “austerity measures”. One of the outcomes of this comparative analysis confirms some of the concerns voiced before: “The distribution of the burden of austerity on disposable income is clearly and strongly regressive in Portugal (...)” (Callan et al, 2011:28)

2.2 Inclusive Labour Markets

The deterioration of labour market conditions registered in 2011, particularly in the fourth quarter, was translated into an employment reduction similar to the one registered in the previous year and to a very significant increase of the unemployment rate (Banco de Portugal, 2012). Employment is expected to reduce 3.6% in 2012 and 0.7% in 2013.

Figures released by the National Statistics Institute (INE) on May 16th, regarding the first quarter of 2012 reveal further aggravation of unemployment indicators and the persistence of serious constraints, regarding the achievement of “sustainable and better jobs”:

- The number of unemployed persons reached a total of 819,3 thousand people representing an unemployment rate of 14.9% and an homologous increase of 18.9%;
- The quarterly increase (6.3%) in unemployment particularly affected women, people aged 35 or more, those with secondary, post-secondary and 3rd cycle school levels;
- Long-term unemployment reached a total of 416,2 thousand people, which represented an homologous increase of 14%; the long-term unemployment rate reached 7.6% which represented an homologous increase of one per cent point;
- An unemployment rate among young workers (15-24 years) of 36.2%, representing a homologous increase of 8 per cent points;
- One in every five employees had either a fixed term contract or other atypical form of labour contract.

⁷ Decree-Law no. 64/2012 of 15 March

⁸ Income data relates to 2009 and 2010, respectively.

These are just some of the contextual (and structural) constraints facing Portugal's commitments to promote inclusive labour markets.

Since 2008 several changes have been introduced aiming at addressing the "radical changes in the labour world". Such was the goal of the new Labour Code⁹ which came into force in February 2009 and which was one of the major reforms of the Socialist Government, presented as an essential tool to modernise labour market relationships.

The New Labour Code was the object of major criticisms by the left-wing parties and trade unions that criticised the increased flexibility for the dismissal of workers, the increased mobility of workers and the weakened participation of trade unions in the collective contracts agreements.

In a context of growing competitive pressure brought about by recent globalisation processes, the issue of labour security is faced with new challenges: job security and ensured rights are now being replaced by instability and threat or in other words by increased vulnerability and risk (Hespanha e Carapinheiro, orgs. 2001).

Specific measures in the area of labour market insertion were put in place during the period under analysis, among which we would like to highlight those that were specifically aiming at improving the complementarity between active employment measures and the insertion programme of the RSI, such as:

- The Employment Contract Insertion Plus which was launched in January 2009 aiming at improving the employability skills of the beneficiaries and stimulating reinsertion into the labour market. Unemployed beneficiaries of the RSI are one of the groups targeted by this measure which supports projects promoting "socially relevant work", through which unemployed beneficiaries of the RSI have access to a labour contract of a maximum duration of 12 months;
- The exceptional measures for job support approved in January 2009 taken in order to minimise the effects of the crisis on employment include specific dispositions that favour the employment of particularly disadvantaged groups, namely the beneficiaries of the RSI. These measures include an exemption from contributions to social security granted to employers who establish permanent labour contracts with RSI beneficiaries for a period of at least 36 months.

The "Employment Initiative 2009"¹⁰ aiming at addressing the employment challenges brought about by the economic crisis included specific measures fostering the hiring of young people and long-term unemployed by exempting/reducing the payment of social security contributions up to 3 years, of the part regarding the employer, in permanent contracts (exemption) or fixed term contracts (50% reduction). The same exemptions/reductions applied to those employers hiring RSI beneficiaries, invalidity pension beneficiaries, former drug addicts, and former inmates.

Other relevant measures regarding the promotion of inclusive labour markets – already existing before 2008 – which continued during the period under analysis include:

- Insertion companies aiming at the professional (re)insertion of long-term unemployed or particularly vulnerable groups as regards labour market insertion;
- Life-Employment Programme which specifically addresses the insertion and reinsertion of former drug addicts or those under rehabilitation;

⁹ Law 7/2009 available in <http://dre.pt/pdf1sdip/2009/02/03000/0092601029.pdf>

¹⁰ Included in the "Initiative for Investment and Employment", approved in December 13, 2008.

- Microloans which aim at creating self-employment for people having integration difficulties in the labour market;
- Sheltered employment aiming at enlarging the scope of occupational programmes (replaced by Employment Contract Insertion) to people with disability, at implementing the rotativity of workers under sheltered employment and at creating the sheltered employment model in companies;
- Training for Inclusion (financed by POPH) aiming at promoting the development of personal, social and professional skills among socially excluded groups, which will enable them to complete educational or training paths which will provide certification and/or facilitate reintegration into the labour market;
- Support to job placement and on job monitoring and support addressed at disabled people and aiming at promoting their insertion in the labour market as well as their job continuity and professional progression.

The NAP 2008-2010 implementation report regarding 2009 and 2010 (Rodrigues, 2011) shows that most of the above mentioned measures did not fully reach the established targets, namely:

- Insertion companies – a total of 6 554 persons were covered which represented around 50.5% of the established target for the two years under analysis;
- Life-Employment Programme – a total of 2 332 beneficiaries were covered, representing 64% of the target for the two years;
- Sheltered employment – the target established to cover 2 000 people during until 2010 was not reached; only 56.4% of the total number was covered.

Some new measures aiming at the promotion of active employment have been put in place since the new government came to power in June 2011. These include: Stimulus 2012 (Estímulo 2012) and Young Impulse (Impulso Jovem).

Estímulo 2012¹¹ aims at “enhancing the labour market return of long-term unemployed individuals presenting higher insertion difficulties, providing them the training and the skills adequate to their job and, at the same time, to promote the increase of companies’ productivity and competitiveness”. A financial support is given to employers who hire – on a full time basis and for at least 6 months – unemployed individuals registered at the local employment centres for at least 6 months.

Impulso Jovem was launched as a strategic programme to address the increasing trend of youth unemployment. The programme is structured around three main types of measures: a) professional apprenticeships; b) support to hiring, training and entrepreneurship; c) investment supports. The professional apprenticeships – named Employment Passport – are a continuity of the existing programme of professional apprenticeships. These short term apprenticeships include compulsory vocational training and an integration prize (in case a permanent contract follows the end of the apprenticeship period). The support to hiring, training and entrepreneurship targets young unemployed people and consists of a support given to employers for a maximum duration of 18 months, corresponding to 90% of the total amount to be paid to social security. Support to entrepreneurship initiatives by highly qualified young people is also included under this strand.

¹¹ Created by Resolution 45/2012 of February 13 available at <http://dre.pt/util/getpdf.asp?s=dip&serie=1&iddr=2012.31&iddip=20120290>.

In a context where competitiveness, mobility, deregulation, flexibility and reduced legal labour protection seem to be the key drivers for change in the employment domain, the announced measures for enhancing the social and professional integration of the most vulnerable groups are basically a repetition of former measures and programmes. Their scope is limited (namely the continuity of short duration apprenticeships), and do not introduce any significant change to already implemented measures. It would be vital to understand how the same kind of measures will produce different professional insertion outcomes, particularly taking into account the increased difficulties faced by vulnerable groups in accessing job opportunities that are increasingly disappearing.

Several criticisms have been raised by trade unions and some civil society movements (of young unemployed people) regarding these new programmes. The major concerns regard the fact that these type of measures are promoting “precarity, low salaries and unemployment”, “making it easier for employers” to hire high qualified youngsters at very low salaries and with the financial support of the State. At the same time, short-term apprenticeships are seen as another temporary measure – existing for a long time – that will continue to have little effect on the rise of youth unemployment.

An increased investment in human capital has been a major challenge politically embraced by several governments, particularly during the former political period which ended last year. Precarious labour trajectories and vulnerability to in-work poverty are often associated to low-qualifications and to the presence of short and interrupted school trajectories and early entrances into the labour market.

The need to overcome the low level of education of the labour force and to meet one of the challenges of the renewed European Employment Strategy, led the former government to launch some major initiatives in the field of vocational training, including youth and life-long learning for adults.

The “New Opportunities” Initiative was a joint responsibility of the Ministries of Education and of Labour and Social Solidarity launched in 2005 and which was implemented by a specialized body: the National Agency for Qualification. The programme combined enhancing the system of recognition of qualifications acquired during working life (CRVCC) with the reinforcement of lifelong access to vocational training.

As regards the adult population involved in this initiative in July 2010 around 400.000 certifications had been completed, through the New Opportunities Centres, the Courses for the Education and Training of Adults and the Secondary Education Pathway (exams).

Following the election of the new government last year, a vivid public debate arose between the two major political parties regarding the actual impact of the New Opportunities Programme. The new Education Minister considers the evaluation previously undertaken very limited not allowing for a rigorous analysis of whether the programme has had an actual impact either on the professional progression of its beneficiaries or on their increased potential to enter the labour market. A new evaluation was made and the results publicly presented in May 2012. According to the Ministry the evaluation results show a limited impact in terms of employment and no impact in terms of remuneration progression and therefore a new model for the qualification and training of adults will be implemented, taking into account the scarce available resources. The existing New Opportunities Centres – a total of around 450 centres employing a total of around 7600 professionals – are now being extinguished. Several reactions from the Teachers Trade Unions and from National Associations of Education and Training Professionals followed the announcement of the closure of these centres. Criticisms are raised to the extinction of the Centres and the dismissal of thousands of professionals and to the lack of alternatives for adults and young

people wanting to invest in their qualification trajectories since no other measure has been announced or proposed¹².

As regards efforts to tackle labour market segmentation several governmental initiatives were launched since 2008, although most of them were only temporary measures (e.g. incentives to decrease the number of precarious jobs by granting benefits to firms transforming false independent work in full-time open-ended contracts) and others were halted following the commitments made under the signature of the Memorandum of Understanding (e.g. rise of the national minimum wage).

The assessment of policy developments occurred in 2011 and 2012 are strongly shaped by those commitments and by an almost exclusive concern to comply with the budget consolidation requirements, and the response to the rising (un)employment challenges are focused on fostering access to employment at any cost. Concerns on ensuring quality jobs, on tackling labour market segmentation, on providing supportive working environments are totally absent from the present orientations and measures in this field.

2.3 Access to quality services

The issue of access to quality services is a difficult topic to address in a national context where an "efficiency-driven" concern is cut-crossing all areas in a search for an exclusive maximisation of financial outcomes.

Nevertheless, it is possible to identify some measures which have tried to foster this access to quality services in different areas in the period 2008-2010, namely:

- The enlargement and consolidation of the PARES programme, aiming at the creation increased availability of social services and their territorial distribution; during the period under analysis an increased focus was given to the reinforcement of the availability of crèche facilities in territories where the need for this type of services was stronger (Lisbon and Porto metropolitan areas); between 2009-2010 a total of 4 498 new places were created;
- Support to the extension of the working hours in crèches whenever there was an expressed need from at least 30% of children's parents for a working schedule of more than 11 hours/daily; between 2009-2010 a total of 537 crèches were providing this extra-support;
- The reinforcement of the local commissions for the protection of children and young people at risk (CPCJ) which increased from 284 in 2008 to 300 in 2010;
- The reinforcement of the number of available places within the National Network of Continued Integrated Care (RNCCI) aiming at the continued and integrated health and social support of dependent people; between 2008 and 2010 the number of places increased from a total of 2 905 to 4 625, distributed by all districts;
- The re-orientation of special education schools into Resource Centres for Inclusion aiming at supporting disabled or handicapped children/young people attending state schools;
- The reinforcement of the state financial to private institutions for social solidarity in order to allow for the reinforcement of the enlargement of the key support services (e.g. social equipment) and also to increase their capacity to face the rising requests for help as a consequence of the crisis.

¹² <http://www.educare.pt/educare/Atualidade.Noticia.aspx?contentid=BFAA9E884519CEE6E0400A0AB8002B34&opse1=1&channelid=0>

The worsening of the crisis and the impact of the fiscal and budgetary consolidation measures in the daily lives of families brought about an increasing demand for support and a consequent pressure on services providing them. Reports from NGO's during this period have highlighted this increase in the demand and many have voiced their concern regarding their difficulty in meeting this sudden growth in the number of people in need. This situation is being registered all over the country, both in urban areas and in the more rural regions of inland Portugal and also in Madeira and Azores. The rising unemployment is referred to as the most important trigger for people's request for help, particularly among most of the newcomers to the NGO's services.

Most of the media discourse produced during this period has focused on the delivery of NGO's services in the area of basic support, with a particular emphasis on food needs. In fact, different services report that most of the requests are related to food support and to the payment of rents, medicines, and to meet other basic needs. According to a national survey (CESOP/CESS, 2010) addressed at a total of 3279 NGO's working with the Food Bank and presented in November 2010, there were around 5 000 families on a waiting list to receive support and one in every five organisations claimed they were lacking the resources to respond to all the requests. One in every four stated that requests for support have increased in the previous 3 years.

According to the NGO's this increasing demand of social support requests by individuals and families triggered mostly by the fast rising unemployment but also by low salaries and more job precarity has been worsened by the recent reductions or restructuring of several social benefits (e.g. family allowance, social insertion income, unemployment allowance).

Since 2011 most of the measures introduced in the area of the provision of health, education and access to other social services have mainly been driven by the need to optimise costs and expenses, complying with the conditions imposed by the Memorandum.

Some examples of this "efficiency-driven" concern may be found in the following examples: increase of the user charges in health services (e.g. medical exams and medical appointments); introduction of changes regarding access to social school support in order to reduce the number of eligible families; elimination of special and complementary supports within the RSI programme; reduction of the State's co-funding in medicines for the beneficiaries of the Solidarity Complement for the Elderly (CSI); the reduction of the number of teachers and other education professionals in schools and education/training services; the increase in the number of children per classroom (up to 30 children/young people); the reduction of the school (basic and secondary levels) offer with the elimination of two subjects and a corresponding reduction of around 4 hours in the daily school schedule; the "release" of a large number of temporary workers ensuring "proximity services" in the field of drug abuse and dependency; the simplification of legislation aiming "to take full advantage of the installed capacity in day care centres and homes for the elderly, in safety" has brought about an actual increase in the number of users per room which can hardly be classified as a quality improvement in the provision of these services.

In the specific field of the provision of health care, the latest report produced by the National Observatory of the Health System (ONSS, 2012) raises serious criticisms to the impact of the conditions imposed by the Memorandum in the deterioration of the National Health System, both in terms of accessibility and quality of the services provided. Although recognising that some of the measures proposed by the Memorandum are positive and should had long been implemented, the document considers that: "The set of measures included in the Memorandum implemented compulsively in such an short period of time and without the necessary health policy

framework represents a serious threat to the future of the health system.” (ONSS, 2012: 37).

The same report highlights some relevant trends directly influencing the access to quality services in the field of health care, such as:

- The restraint of the strong impulse given in previous years to the development of the family health units (USF), which was expected, given the good results achieved in terms of the satisfaction of the users and professionals involved and the cost reductions achieved;
- The slow-down of the implementation of the Community Care Units (UCC) following a strong evolution between 2009 and 2011 (from 14 to 82 units); during the first five months of 2012 only 6 UCC started their activity. This regression is happening at a time of increased demand for support as a result of the effects of the economic crisis but also of the increasing ageing of the population and associated health problems;
- The increased reduction of the payment by the National Health Service to support the transport of sick people to health care services, which particularly affected the most vulnerable populations, not only in terms of their income, but in terms of their geographical location;
- The apparent inversion of the trend registered during the last decade of a sustainable reduction of the waiting lists for surgeries, from 2011 onwards, although the high priority situations continue to improve or at least to maintain the waiting time;
- The decrease of the number of users and of the medical appointment rates of the national health service (local health centres) in all the regional health districts;
- The strong reduction of the number of elderly people covered by the exemption of the moderating tax for acceding health care services.

A final comment should be made as regards access to services and the recent evolution registered in this domain. The approval of the Social Emergency Plan (PES) is the most recent governmental initiative directly aiming at “the promotion and protection of the rights of the most excluded ones and of many who are living in a situation of such inequality, that an exceptional social response is required.¹³” The PES programme is based on a reinforcement of the role of the NGO’s, in the provision of focused solutions addressing risk groups and in maximising existing structures. The Government estimates an allocation of 400 million Euros for the first year of the Programme (starting in 2011) and it will be submitted to an evaluation after the first 6 months.

We would like to comment on the specific aspect relating to the relationship with NGO’s since it has a direct impact in the provision of services. The role of these organisations has been a crucial one in providing support at the most different levels for people living in poverty and social exclusion. Some of them have also played an important role in highlighting the insufficiencies of more consistent interventions from the State in addressing the structural nature of the phenomenon (e.g. low pensions, salary inequality).

However, the approach taken by the PES is drifting away from the development of a cooperation model which should be based on well-defined aims and within a strategy defining mutual responsibilities and encompassing clear guidance, monitoring and

¹³ Minister for Solidarity and Social Security’s speech in the presentation of the Social Emergency Plan (PES) available in http://www.mtss.gov.pt/tpl_intro_destaque_iies.asp?2554

assessment of the services supported under this cooperation. Rather, the PES seems to be fostering a step backwards as regards the achievements which have been made regarding the nature of that cooperation and the need for integrated interventions within the framework of local intervention strategies driven by the needs of the populations (translated into local diagnosis), rather than by the ability of the organisations (and their leaders) to influence the financing bodies (e.g. the Ministry for Solidarity and Social Security) according to their organisational needs (which, of course, should also include their clients' needs). Although such a shift had not been fully achieved there was a path being made and at the present moment, evidence from the local services is that the much of the work achieved in this domain is being progressively lost.

The decision on the establishment of contracts with the NGO's for providing social canteens, for example, seems to be dependent on a selection process carried out by the Ministry according to criteria which we were not able to identify, and which several NGO responsible whom we contacted could not either explain. The way the Protocol seems to be engaging the State in a new relationship with the social providers represents, in our opinion, a serious cut-back towards traditional forms of unregulated cooperation, fostering assistencialist and discretionary philosophies and practices. Moreover, this emblematic measure of the PES is currently under strain: according to NGOs representatives many of the social canteens which have been established are now struggling with financing difficulties arising from the State's delay to channel payments to NGOs and therefore deepening their already precarious financial situation.

3. Financial Resources

It is extremely difficult to provide an evidence-based assessment on the financial aspects of the measures which are being implemented within the three strands of active inclusion. There are no available studies or reports on which we could draw and the available financial information is scarce and only provides an incomplete picture on the amounts spent in some areas.

Thus, we will try to provide a brief analysis of the available information which should be read within the constraints mentioned.

As regards the minimum income programme (RSI) it is possible to observe a clear reduction in the State's expenses between 2010 and 2011: from 519.9 million euros to 414.6 million euros. This reduction represents a decrease of 20% and is related to the decreasing number of beneficiaries between the two years (from 547 564 to 475 211 individuals). As referred to before in this report this decrease of the number of beneficiaries occurred not because of any improvement in the living conditions of the families, but rather because of the changes introduced in August 2010, namely the new concept of household and the change in the equivalence scale used which pushed many families out of the Programme and reduced the benefits for many others, particularly those with children. These would be further affected by the relevant cut in the children and family allowance – arising from the introduction of new rules – on which the State managed to cut down 30% of the expenses from 2010 to 2011.

From the State's perspective – and according to the conditions imposed by the Memorandum – these savings may represent a "gain in efficiency and accuracy". From our perspective, however, these changes introduced at a time of clear deterioration of the living conditions of families and of increased social insecurity only represent political insensitivity to the role of social protection and a total submission to budgetary impositions. One might understand the need for a more rigorous implementation of social policies, but this should also imply the strengthening of both their efficiency and effectiveness. As we have seen in section 1.1. the latter are far

from being achieved by the “savings” introduced in the Social Insertion Income Programme. The scenario will even become worse following the approval of the new changes in late June 2012 which will enter into force in August.

The same logic of “savings” has also been applied to other social benefits, namely as regards unemployment. The State’s expenses with the unemployment allowance and the social unemployment allowance had a reduction of 5.3% in 2011 (compared to the previous year) although the total number of unemployed people between the two years increased from 619 to 771 thousand individuals. The changes introduced at the end of 2010 regarding the new resource conditions rules and the changes to the unemployment allowance were the main responsible for this drop. At the same time the number of people receiving any kind of unemployment allowance only represents 41% of the total unemployed people (48% in 2010), a percentage which in 2006 was 75%. Once again, the “savings” achieved represent a weaker social protection at a time of stronger need for support.

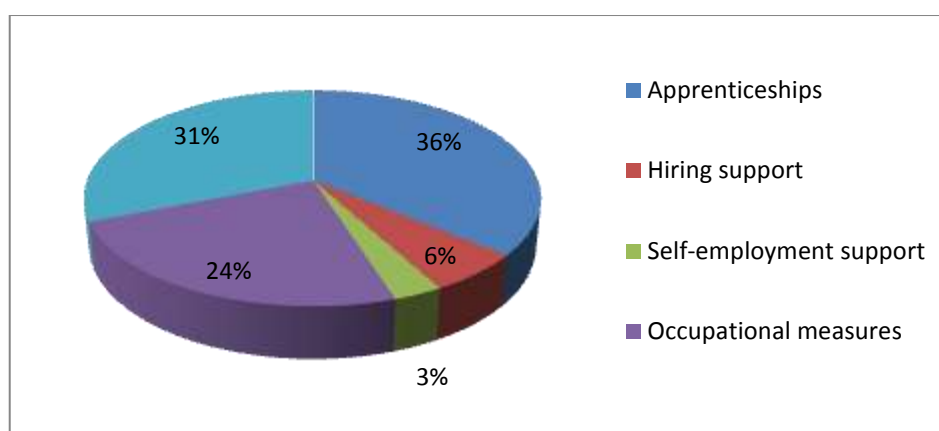
While this trend towards a weakening of social protection is being achieved “imposed by the need of budgetary efficiency”, financial resources are being channelled towards the implementation of Programmes clearly focusing on the provision of emergency measures underpinned by an assistance-oriented philosophy (e.g. PES Programme). Although recognising that it is important for the State to support organisations that play a vital role in the provision of services to families and individuals in difficult situations, the apparent replacement of the State’s role as a guardian of citizens’ rights by that of a minimal State “providing for those who need more” is a dangerous ideological and political shift. The PES Programme will be implemented up to 2014 and it will cost 630 million euros.

As regards active employment measures a report (Dias & Varejão, 2011) ordered by the Institute for Employment and Vocational Training (IEFP) provides some relevant information on the financial resources used to support the implementation of these measures.

This report aims at assessing the effects of the active employment measures implemented in the last 12 years in Portugal. The information relevant for our purposes derives precisely from one of its objectives: “to quantify the relative importance of the different measures from the perspective of the number of unemployed individuals exposed to each measure, as well as the amount of public expense used for its financing”. (Dias & Varejão, 2011: 5)

According to the authors a total of 1.04 million participations were registered between January 2000 and August 2011 in the group of active employment measures included in the IEFP registers. Apprenticeships and occupational measures (replaced by Insertion Contracts and Insertion Contracts Plus) accounted for three in every four participations. The largest share of the expenses with these active employment measures regard apprenticeships (36% of the total), whereas entrepreneurship support represents 31% and occupational measures 24%. During this period the total public expense made with these measures was around two thousand million euros. The following graph shows the distribution of expenses during the period analysed.

Graph 2 - Public expenses with active employment measures, by type of measure 2000-2011



Note: The figures presented refer to payments made by the IEFP, irrespective of the source of funding.

Source: IEFP data (Dias & Varejão, 2011)

The evolution registered shows an increasing trend in the number of participations in active employment measures between 2003 and 2010 (a slight decrease in 2008), when it reaches a total of almost 120,000 participations and then a sharp drop to 70,000 participations in 2011 (figures up to August 2011). In terms of public expense, there is also a significant decrease from 2009 (210 million euros) to 2011 (around 60 million euros).

According to the authors "the counterpoint to this significant increase in the use of employment measures during the first years of the rise of the unemployment rate is the sharp drop which followed and which is explained by the reduction of the amounts of the individual supports provided within several measures (which accompanied the revision of the legal framework of many of them), but also of the number of participations." (Dias & Varejão, 2011: 50)

A closer look into those measures which are particularly focussed on those individuals facing specific insertion difficulties in the labour market (e.g. Social Insertion Income beneficiaries) shows that the number of participations dropped from its highest peak registered in 2009 (over 60,000 participations) to less than 40,000 participations in 2011. The public expense drop during this period was around 25 million euros (from around 33 million euros to 8 million euros).

A final mention to the recently announced "Impulso Jovem" Programme – already mentioned under section 2.2. – regarding the financial targets foreseen and the respective sources of financing. According to the information made available by the Government¹⁴, this Strategic Programme to foster youth employment is expected to cost a total of 932 289 647 Euros (22% financed by ESF and the remaining 78% financed by ERDF). The Programme is expected to cover a total of 89,510 young people, and includes the above mentioned apprenticeships and hiring and entrepreneurship support as well as investment targeting firms.

¹⁴ <http://www.portugal.gov.pt/pt/os-ministerios/ministro-adjunto-e-dos-assuntos-parlamentares/documentos-oficiais/20120606-impulso-jovem.aspx>

4. Monitoring and Evaluation

There are no specific arrangements in place to monitor the implementation of the Active Inclusion Recommendation. It is however possible to identify some initiatives regarding each of the three strands, although no integrated information system to produce comparable information across them.

As regards the Social Insertion Income Programme regular reports (annual and semester reports) are produced by the Institute for Social Security¹⁵ on the implementation of the Programme. The latest available report regards the first semester 2011. The information provided is mainly descriptive and includes data both on the income component of the measure (total number of beneficiaries, the average amounts provided by the income component, the number of benefits terminated and respective reasons) and on the insertion component (number of contracts signed and insertion domains). The annual reports follow the same structure of the semester reports, although the analysis made is more thorough. At the present moment, only the 2010 annual report is available. The extinction of the Social Insertion Income National Commission (CNRSI) last year will certainly weaken the regular monitoring of the measure, particularly as regards the participation of different stakeholders in this exercise. The Commission which is expected to take over the responsibility of the former CNRSI (and of several others also extinguished) is still not working.

Given the importance of the Social Insertion Programme within the Portuguese social action field, several evaluation studies have been produced over the years trying to assess the impact of the Programme and its main virtualities and constraints¹⁶. More recently, a report (Rodrigues, 2011) produced for the Peer Review Exercise on "Improving the efficiency of social protection" provides an interesting analysis based on a simulation of the impact of the changes - introduced by the already referred law 70/2010 - in the means tested conditions in the implementation of the RSI, and in its effectiveness and efficiency in reducing poverty and social exclusion. The main overall results of this impact assessment are summarised by the author:

"The overall evaluation of the reform in the non-contributory social benefits entitlement conditions implemented in 2010 can be summarised as: an alteration that was needed, implemented at the worst possible moment due to the economic and financial crisis, and lead mainly by the need to cutting costs. The potential efficacy and efficiency gains that could be achieved were clearly eliminated by the intension to keep unchanged the benchmarked values, leading instead to a reduction in the efficacy of most benefits with minimum gains in terms of their efficiency."(Rodrigues, 2011: 2)

The report ordered by the IEFP on active employment measures (Dias & Varejão, 2011) also provides an evaluation of the implementation of these measures in the last 10 years, focussing on apprenticeship, measures to promote job creation in the private sector and subsidized employment measures in the public sector and in not-for-profit NGO's. The main conclusions of this study highlight:

- the wide range of measures created during this period which went through several changes – "many measures, highly diversified and in constant change";
- the overrepresentation of women (2/3) among the participants of all the measures under analysis (with the only exception of entrepreneurship support);

¹⁵ http://www.cnrsi.pt/preview_documentos.asp?r=1086&m=PDF

¹⁶ See on this matter Baptista & Cabrita (2009) *Portugal – Minimum Income Schemes: a study of national policies*. Lisboa: CESIS/EC DGEmployment and Social Affairs available at www.peer-review-social-inclusion.eu

- the average age of the participants in the total measures is 34.4 years old, the younger ones overrepresented in apprenticeships (24.9 years old average) and the older ones in the occupational measures (39.1 years old average);
- most participants only use one measure and reincidence is more frequent in the occupational measures although these individuals are the ones that move less frequently between different types of measures;
- the average duration of each participation is 282.4 days, although occupational programmes have a shorter average duration and a high incidence of very short durations which “indicates the importance of early drop-out”;
- high employment rates in the period post-participation for all measures (in comparison to the employment rate for the same period of individuals of the same sex who have started an unemployment episode in the same month), although entrepreneurship support, self-employment support and apprenticeships are the ones associated to lower employment rates.

A final mention should be made to the annual reports produced by the Portuguese Observatory on Health Systems (OPSS)¹⁷ which although are not specifically evaluating active inclusion measures, provide an interesting analysis of important aspects of access to health care. The last two Spring report give special emphasis to the impacts of the crisis and of the implementation of the conditions imposed by the Memorandum of Understanding.

The increasing difficulties faced by Portuguese families in their access to regular treatments, to medicines, to specific medication, the strategies used to face the lack of resources are some of the aspects coming out of the direct consultation to health professionals and users:

“...one sees that they stopped doing some therapeutics, because they used to be free... and the co-payment was 100% in many of the products... and then after that cut, from January... you see that they stopped buying the medication.”

“...talking about this crisis and how it can influence... the way patients do their treatments and even their regularity to medical appointments... is a difficult question, because there are different types of behaviours.”

“...I did not exactly stop taking my pills. I buy them but instead of taking them every day, I don't. I take it every second day... today yes, tomorrow no.”

Other concerns highlighted by the above mentioned reports relate to the changes introduced in the medicines policy and in the non-urgent transport of patients, which for certain patients may hamper their ability to buy medication, to have access to medical appointments or treatments they need to have: “Beyond jeopardizing the equity principle and the continuity of treatments, by patients, which may generate in the medium term increased costs for the NHS”.

The lack of a monitoring system on the effects of the crisis in terms of health is one of the criticisms voiced by the 2011 and the 2012 reports. According to the authors, such monitoring system should include early alert indicators and it should focus on dimensions such as: “the impact of unemployment (or the fear of losing one's job) and of sudden impoverishment, such as depression and suicidal tendencies, the worsening of risk behaviours (alcohol and other drug addictions), the abandonment of preventive measures and therapeutical processes which are not causing immediate danger, access restrictions to health care and health technologies.” (OPSS, 2012: 41).

¹⁷ Available at www.observaport.org/

Our assessment of progress regarding monitoring and evaluation arrangements regarding either the active inclusion recommendation or even Portuguese commitments regarding the objectives to achieve within the European Strategy to reduce poverty and social exclusion is strongly negative. Some of the structures in place in previous periods (e.g. during the NAPinclusion process) which provided some potential for the monitoring and evaluation of measures have either been extinguished or are under profound modification. The NSR does not provide any information on the monitoring and evaluation arrangements and the NRP annex delivered with the letter to the Commission totally fails to report on this aspect. Consultation mechanisms with different stakeholders have also suffered a clear pushback¹⁸.

5. Recommendations

As regards the development/strengthening of an integrated comprehensive active inclusion strategy, it would be vital to:

- restore the rights based approach embedded in the National Insertion Income Programme and prevent the erosion of the (limited) potential of the income benefit provided in the fight against poverty;
- restore/reinforce former participation and coordination mechanisms at different levels (central and local) in order to ensure an integrated implementation across the three strands of the active inclusion strategy.

The following actions should be taken in order to strengthen policies/ measures which contribute to the implementation of the Recommendation:

- An impact assessment of any measure proposed should be provided and enhanced, particularly when there is evidence of the negative impacts of previous similar measures in terms of efficiency and efficacy as regards poverty reduction;
- Activation measures addressing the most vulnerable groups should benefit from existing experiences on successful/unsuccessful practices, namely the investment in tailored support to professional integration and job maintenance;
- Ensure continuity in human capital investment, assessing actual outcomes of initiatives developed, preserving and enhancing positive achievements and correcting negative developments, avoiding the successive dismantling of entire structures and the building up of new ones;
- Improve the quality of the public employment services and their ability to promote labour insertion trajectories through personalised services, avoiding exclusive quantitative target setting approaches;
- Reinforce the development of local collaborative strategies (namely between health and social support services) in order to tackle some of the increasing challenges faced by the most vulnerable populations in terms of access to health care provision.

The reinforcement of the active inclusion recommendation by Member States which have been confronted to the need to comply to a Memorandum of Agreement and to strict budgetary targets and control is a challenge difficult to overcome. It would be important that the monitoring of the compliance to the commitments agreed under these stability programmes could – since the beginning – include indicators regarding their commitment to achieve the objectives included in the 2008 Recommendation. Such an ambition does not seem to have been present and therefore the investment

¹⁸ See on this respect Baptista, I. (2012) Assessment of progress towards the Europe 2020 objectives – a study of national policies. Lisboa: CESIS/CEPS/DGEmployment, Social Affairs and Inclusion.

either in promoting adequate income support, quality jobs and the development of personalised services or the availability of integrated and quality services promoting user involvement seems to be clearly undermined by the objectives of budgetary consolidation. It is important to be aware that the way the priorities are set at the European level will exert a strong influence on the way they will be adopted at the national level. At least in Portugal.

References

Banco de Portugal (2012) *Boletim Económico Primavera 2012*, vol. 18, número 1. Lisboa: Banco de Portugal available at http://www.bportugal.pt/pt-PT/EstudosEconomicos/Publicacoes/BoletimEconomico/Publicacoes/bol_primavera_p.pdf

Baptista, Isabel & Cabrita, Jorge (2009) Portugal – Minimum Income Schemes: a study of national policies. Lisboa: CESIS/EC DGEmployment and Social Affairs available at www.peer-review-social-inclusion.eu

Baptista, Isabel (2010) *In-work poverty and labour market segmentation*. Lisboa: CESIS/Peer Review in Social Protection and Social Inclusion.

Baptista, Isabel (2012) *Assessment of progress towards the Europe 2020 objectives – a study of national policies*. Lisboa: CESIS/CEPS/DGEmployment, Social Affairs and Inclusion.

Bastos, A.(coord.), Machado, C. & Passos, J. (2011) *Números com Esperança - Abordagem Estatística da Pobreza Infantil em Portugal: Da Análise às Propostas de Actuação*. Coimbra: Almedina.

Bastos, Amélia, Fernandes, Graça Leão, Passos José e Malho, Maria João (2008), *Um olhar sobre a pobreza infantil: Análise das condições de vida das crianças*. Coimbra: Almedina.

Bastos, Amélia e Nunes, Francisco (2009), "Child Poverty in Portugal – Dimensions and Dynamics", *Childhood*, Vol. 16, nº 1, pp. 67/87

Callan, Tim et al (2011) *The distributional effects of austerity measures: a comparison of six EU countries*. Research Note 2/2011. Brussels: Social Situation Observatory/Employment, Social Affairs and Inclusion.

Castro, Alexandra et al (2002) *Os beneficiários do RMG: trajetórias de vida, vivências e impactes diferenciados(avaliação de impactes do RMG*. Lisboa: Instituto para o Desenvolvimento Social.

CESOP/CESS (2010) *Caracterização das Instituições de Solidariedade Social e das Famílias carenciadas*. Lisboa: Banco Alimentar.

CNRSI (2007) *Estratégia para a Inclusão Activa* available at http://www.mtss.gov.pt/preview_documentos.asp?r=803&m=PDF

CNRSI (2011) *Relatório Semestral – Rendimento Social de Inserção 1º Semestre de 2011*. Lisboa: CNRSI available at http://www.cnrsi.pt/preview_documentos.asp?r=1086&m=PDF

Costa, Alfredo Bruto da, Baptista, Isabel, Perista, Pedro e Carrilho, Paula (2008) *Um olhar sobre a pobreza: vulnerabilidade e exclusão social no Portugal contemporâneo*. Lisboa: Gradiva.

Dias, Mónica Costa & Varejão, José (2011) *Estudo de avaliação das políticas activas de emprego – 1º relatório de progresso*. Porto: Centro de Economia e Finanças da Universidade do Porto available at http://www.qren.pt/news_detail.php?lang=0&id_channel=2&id_page=70&id=692

GEP (2012) *RELATÓRIO - Sistema de Proteção Social de Cidadania – Subsistema de Solidariedade Eventualidades: Insuficiência de recursos, Invalidez, Velhice e Morte*. available at <http://www.gep.msss.gov.pt/edicoes/outras/outras.php>

Hespanha, Pedro e Carapinheiro, Graça (orgs.) (2001) *Risco Social e Incerteza. Pode o Estado Social recuar mais?* Porto: Afrontamento.

Institute for Family Policies (2009) *Report on the evolution of the family in Europe - 2009*. Madrid: IPF available at <http://pt.scribd.com/doc/22418149/Report-Evolution-on-the-Family-in-Europe-2009>

Institute for Social Security and Cabinet for Strategy and Planning (2011) *Improving the efficiency of social protection – Host country paper* available at <http://www.peer-review-social-inclusion.eu/peer-reviews/2011/improving-the-efficiency-of-social-protection>

Instituto da Segurança Social (2010) *Rendimento Social de Inserção - Relatório Anual de Execução 2010*. Lisboa: ISS.

OPSS (2011) *Relatório de Primavera 2011 - Da depressão da crise Para a governação prospectiva da saúde* available at <http://www.observaport.org/rp2011>

OPSS (2012) *Relatório de Primavera 2012 Crise & Saúde Um país em sofrimento* available at http://www.observaport.org/sites/observaport.org/files/RelatorioPrimavera2012_OPS_S_2.pdf

Perista, Heloísa and Cabrita, Jorge (2008) *Portugal: Flexible forms of work: 'very atypical' contractual arrangements* available in <http://www.eurofound.europa.eu/ewco/studies/tn0812019s/index.htm>

Rodrigues, Carlos Farinha (2007) *Distribuição do Rendimento, Desigualdade e Pobreza. Portugal nos Anos 90* (col Económicas, Série II, nº 5). Coimbra: Almedina.

Rodrigues, Carlos Farinha (2011) *Minimum Income in Portugal: changing the rules in times of crisis – Host country independent expert paper* available at <http://www.peer-review-social-inclusion.eu/peer-reviews/2011/improving-the-efficiency-of-social-protection>

Rodrigues, Fernanda (2011) *Plano Nacional de Acção para a Inclusão 2008-2010 – Relatório de implementação e resultados*. Porto: Coordenação do Plano Nacional de Acção para a Inclusão (unpublished document).

UNICEF Innocenti Research Centre (2012), 'Measuring Child Poverty: New league tables of child poverty in the world's rich countries', *Innocenti Report Card 10*. Florence: UNICEF Innocenti Research Centre, available at <http://www.unicef-irc.org/publications/660>

Veiga, Fátima (2007) "RSI e as Políticas da Activação Social" in *ANÁLISE 14* available at http://www.reapn.org/documentos_visualizar.php?ID=40

Relevant websites

Agência Ecclesia - <http://www.agencia.ecclesia.pt/cgi-bin/noticia.pl?id=84756>

AMI - <http://www.ami.org.pt/>

Bank of Portugal - www.bportugal.pt

CGTP – General Confederation of Portuguese Workers - <http://www.cgtp.pt/>

Conselho Nacional de Educação - [_www.cnedu.pt](http://www.cnedu.pt)

EAPN - <http://eapnimprensa.blogspot.pt/>

Fundação Francisco Manuel dos Santos - <http://ffms.pt/>

Ministry for Labour and Social Solidarity – <http://www.mtss.gov.pt>

National Statistical Institute – www.ine.pt

Observatório das Desigualdades - <http://observatorio-das-desigualdades.cies.iscte.pt>

Observatório Português dos Sistemas de Saúde - www.observaport.org/

Quadro de Referência Estratégico Nacional - <http://www.qren.pt/>

Social Security – <http://www.seg-social.pt>

Social and Economic Council – www.ces.pt

Press

Diário Económico - <http://economico.sapo.pt/>

Diário de Notícias – www.dnoticias.pt

Dinheiro Vivo - <http://www.dinheirovivo.pt/>

Expresso – <http://aeiou.expresso.pt/>

LUSA – National Press Agency – <http://lusa.pt>

Público - <http://jornal.publico.pt/>

TSF - www.tsf.pt

Visão – <http://visaonline.clix.pt>

Summary tables

Table 1

To what extent has an integrated comprehensive active inclusion strategy been developed in your Member State?												
	Comprehensive policy design			Integrated implementation			Vertical policy coordination			Active participation of relevant actors		
	Yes	Somewhat	No	Yes	Somewhat	No	Yes	Somewhat	No	Yes	Somewhat	No
For those who can work		X			X				X		X	
For those who cannot work		X			X				X		X	

Table 2

To what extent have active inclusion policies/measures been strengthened, stayed much the same or weakened since 2008 in your Member State?									
	Adequate income support			Inclusive labour markets			Access to quality services		
	Strengthened	The same	Weakened	Strengthened	The same	Weakened	Strengthened	The same	Weakened
For those who can work			X			X			X
For those who cannot work			X			X			X

