



Caritas Cares Portugal Report November 2015

What this report is about

This report describes the main challenges related to poverty and social inclusion in Portugal and provides recommendations for policy makers to address these challenges. The recommendations are based on an analysis of the grass-roots experience of Caritas Portuguesa which is compared to official data.

About Cáritas Portuguesa

Cáritas Portuguesa is an official service of the Portuguese Bishops Conference. It is also a national union of 20 Diocesan Cáritas and several local grassroots groups that work in parishes and communities. This multilevel network covers the whole country. We are a member of Caritas Internationalis, Caritas Europa, The Portuguese Confederation of Volunteers, the Portuguese Platform of Development NGO, and the Non-Governmental Forum for Social Inclusion. Our Vision is to be a referential service of the social pastoral activity of the Church, enlightened by Faith and rooted in the social teachings of the Catholic Church. Our mission is to promote integral human development and the Common Good through Pastoral Animation, acting as agents of social change, fostering sharing of goods and providing assistance in emergencies.

In 2014, the organisation reached a total of 160,608 beneficiaries in Portugal.

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Austerity measures have weakened all active inclusion pillars and increased poverty and social exclusion in Portugal

Portugal's main challenges related to poverty and social exclusion:

❖ Fewer people have access to adequate income support

Changes to the award criteria of minimum income schemes have reduced the number of eligible beneficiaries.

❖ The labour market reform has worsened working conditions

The labour market reform has increased job precariousness and deepened the effects of in-work poverty.

❖ Territorial availability and affordability currently limit access to quality services

Budget cuts have made some services inaccessible to many poor people; inland rural areas are particularly affected.

Policy recommendations for the National Government:

Adequate income support:

1. Make minimum income schemes accessible to everyone in need of them by revising the criteria for means-testing, in particular by raising the maximum household income level eligible for minimum income support.

Inclusive labour markets:

2. Promote quality jobs, including pay and benefits; improve working conditions, health and safety, access to lifelong learning and career prospects.

Access to quality services:

3. Introduce a solid National Strategy to fight poverty and social exclusion which includes objectives and indicators of the accessibility of services in Portugal.
4. Introduce more levels of co-financing rates for social services so as to make them more accessible to low-income earners.

Other:

5. Improve the access to information on new policies, especially to policy measures affecting people experiencing poverty and social exclusion.

1. Poverty and social exclusion in Portugal: the reality behind the data

The problems of most concern in Portugal

- ❖ New forms of poverty
- ❖ In-work poverty
- ❖ Rural poverty

New forms of poverty

With the financial crisis, new forms of poverty have arisen, which now affect the former middle and lower class families. These new forms of poverty are related to unemployment, cuts in wages (mostly in the public sector), higher taxation, and loss of a second income due to unemployment of a partner. In 2013, the poverty risk of unemployed persons rose to 40.5% - a 0.3 percentage point increase compared to the previous year. 42.2% of all unemployed persons were unable to ensure immediate payments of their utilities.¹ Most of these middle class families were confronted at least once, and often several times, by such a situation which had serious consequences for them. One of these was that these families were not able to cover their basic living expenses (rent, food, gas, water and electricity).² Consequently, the accumulation of expenses, which includes the repayment of bank loans, has created high levels of over-indebtedness which has led many middle-class families, who used to have stable living conditions, to turn to charity to ask for help for food and to pay their bills. The Portuguese media has labelled this phenomenon “ashamed poverty”.

An employed couple with a three year old daughter, received little more than the national minimum wage each (€505 per person). Living in a family house, they did not have to pay any rent, only daily expenses for a normal family, and their income was enough to have a decent life. But one day, they discovered that their daughter had a rare disease which forced them to travel long distances for treatment three times a week. This situation contributed to a worsening of their social and economic circumstances. In treatment and travel costs alone, they now spend €650 per month and do not have any public support to help them with these expenses. Their current wages do not allow them to meet their daily costs, so they had to ask Caritas to support them in physical therapy and some expense costs.

--Cáritas Diocesana de Santarém

¹ Instituto Nacional de Estatística (INE), 2015. [O Risco de Pobreza Continuou a Aumentar em 2013.](#)

² <http://www.deco.proteste.pt>, 2015. [Sobreendividamento: Famílias pedem ajuda tarde demais.](#)

In-work poverty

In-work poverty is a major concern in Portugal because it reaches all age groups within the active age range. Between 2010 and 2013, in-work poverty in Portugal increased by 0.8 p.p. from 9.7% to 10.5%.³ In Portugal, workers are badly paid and temporary contracts have been increasing, especially within big companies.⁴ This problem is more frequent among people who started work at a young age, prompted by school dropout. Because of that, these individuals have lower educational and qualification levels and face greater exposure to in-work poverty risk, such as poor working conditions, temporary work and low wages.⁵ Moreover, children are affected by this problem indirectly, because of the low

income of their parents or families. People with higher levels of education and qualification –mainly young people – are also affected by in-work poverty, as they see themselves forced to accept low wages that do not match their educational level. In-work poverty has many consequences. Many workers are not covered by the regular social security network, because the majority of these workers do not have an employment contract or a regular work contract (most of them are hired through atypical employment measures, for example, as trainees) and consequently are not entitled to the same coverage of social protection, social benefits (in health, education, etc.) and unemployment benefits.

Rural poverty

People living in rural areas are even more affected by poverty and social exclusion because of the rural depopulation of some inner regions of the country. In these regions, there is a shortage of companies and therefore fewer jobs are created. Young people in rural areas are particularly affected by unemployment, which also has severe consequences on their health and well-being, and alcoholism and drug abuse have been observed to be more frequent among them.

A couple aged 30 and 25 have two children (aged 6 and 8). The husband, the only family member in employment, receives 525 euros per month. Their monthly rent is 270 euros and in fixed monthly expenses they pay 222 euros, so their per capita income per month for this family is 33.25 euros. With the income and expenses they do not have enough to cover all the living expenses of their family and asked Caritas for support for some food products and to help them to pay some additional domestic expenses.

--Caritas Diocesana de Santarém

³ Eurostat, 2015. [In-Work At-Risk-of-Poverty Rate](#).

⁴ EAPN Portugal, 2014. [Indicadores sobre a Pobreza: Dados Europeus e Nacionais](#).

⁵ Costa, A. Bruto da, Baptista, I., Perista, P. e Carrilho, P., 2008. Um Olhar sobre a Pobreza. Vulnerabilidade e Exclusão Social no Portugal Contemporâneo. Lisboa: Gradiva.

Groups at risk of poverty with the highest need for political action in Portugal

- ❖ Children
- ❖ Long-term unemployed
- ❖ People with disabilities
- ❖ People with greater care needs
- ❖ Young people

Children

The risk of poverty is higher among families with children, mostly families with two or more children (41.2%) and among single parents (31%).⁶ The risk of poverty has increased among all age groups; however, the increase was the highest for children, whose poverty risk rose from 24.4% in 2012 to 25.6% in 2013.⁷ There are many reasons to explain this situation. The number of unemployed couples rose from 1,530 in 2010 to 12,065 in 2013. Many other couples lost part of their income due to wage cuts.⁸ Moreover, between 2009 and 2012, more than 546,354 children lost their child benefits (i.e. “*abono de família*”). Due to changes to the thresholds, access to this provision became tighter and the amounts per child decreased. In 2009, the average child benefits were already lower than the Organisation for Economic Cooperation and Development (OECD) average and between 2010 and 2013 the social and financial support provided by the State to families was further reduced, accompanied by a tax hike.⁹ In 2012, 24% of children in Portugal lived in families facing material deprivation, such as the inability/difficulty to pay rent or to repay a loan or to afford meals and/or to deal with the unexpected expenses.¹⁰ Child poverty is more evident in families with lower education and lower qualification levels.¹¹

⁶ UNICEF Portugal, 2013. [As Crianças e a Crise em Portugal – Vozes de Crianças, Políticas Públicas e Indicadores Sociais.](#)

⁷ INE, 2014. [Rendimento e Condições de Vida 2014.](#)

⁸ See footnote 6.

⁹ Ibid.

¹⁰ Ibid.

¹¹ See footnote 4.

The long-term unemployed

Long-term unemployment, as a percentage of the unemployed population in Portugal, increased from 56.4% to 59.6% between 2013 and 2014 and was considerably higher than the EU-28 average of 49.5% in 2014.¹²

A single mother with three children, one boy (9 years old) and two twin-girls (3 years old), is long-term unemployed and struggling on €400 per month from social benefits such as the minimum income scheme (RSI – Rendimento Social de Inserção) and family allowances. She does not have any support from other family members nor is she in a position to use child care facilities, due to them being either unavailable or too expensive, and consequently, she has to take care of the three children full-time. With this amount she needs to cover education, health, clothing and housing expenses that include rent, electricity, water and gas. On housing costs alone she spends €225 per month and there is not much money left to buy food and medicines for her and for her three children. She is supported by Caritas with some food products and financial support for certain expenses. At the beginning of the school year, Caritas provided school materials but the relevant school books are not always available. She is registered in the National Employment Service, but she simply cannot find a job opportunity.

--Caritas Diocesana de Santarém

People with disabilities

In Portugal, people with mental and physical disabilities face additional challenges and difficulties in terms of social benefits and employment. The economic situation of people with disabilities or other incapacities has been aggravated since the beginning of the crisis and this represents, to them and their families, an increase in the cost of living. This trend is reflected in two ways:

- The programmes and support for work, education and social assistance are being reduced, resulting in longer waiting lists; and
- The promotion of independent living (such as personal assistance and accessibility) is being postponed, putting more pressure on their families and increasing their own risk of poverty.¹³

People with greater care needs

The risk group “care dependent people” (i.e. people with a very high dependency level and that require substantial service support) must be highlighted as one that is usually missing from the statistics but that suffers high levels of material deprivation and abandonment resulting in social exclusion in Portugal. Portuguese society is increasingly aging, which is a matter of concern, as this development generates

¹² Eurostat, 2015.

¹³ Bernard Brunhes Internacional, BPI Group, 2012. [Avaliação do Impacto dos Planos de Austeridade dos Governos Europeus sobre os Direitos das Pessoas com Deficiência: Relatório de Portugal.](#)

greater numbers of people in circumstances of dependency. As people get older, the risk of losing physical, mental or intellectual autonomy increases.¹⁴ In Portugal, the dependency index in 2014 was 53%, representing an increase of 1.6 p.p. compared to 2011 (51.4%). The index is higher among the elderly (31.10%), for whom it has increased more sharply since 2013.¹⁵ In this regard, the cuts in social benefits are of crucial concern, as they have worsened the social situation of these people and their families due to the fact that many of them cannot afford necessary treatments or specific care anymore.

Young people

Young people (18-25) who are studying have become another risk group facing new challenges and difficulties. Due to budget cuts in scholarships, they are not able to pay tuition fees, meals and/or accommodation. Caritas Portugal has observed an increase in the number of students asking for food and financial aid. Many students have left Portugal to study abroad due to cheaper (or no) tuition fees at foreign universities.

Emigration has become a solution to improve the student's education and living conditions. But not only students have emigrated. Between 2011 and 2014, 485,128 Portuguese left the country, of which 199,314 (41%) left permanently.¹⁶

The challenges in achieving active inclusion in Portugal

- ❖ Adequate income support
- ❖ Inclusive labour markets
- ❖ Access to quality services

Adequate income support

In Portugal, minimum income schemes are accessible but with limitations. Furthermore, they can be considered only moderately adequate in covering basic living needs. In general, there are two main measures regarding income support: the Minimum Income Scheme (*RSI – Rendimento Social de Inserção*) and the Solidarity Supplement for the Elderly (*CSI – Complemento Solidário para Idosos*). However, the amounts assigned to these schemes are not enough to cover all basic needs or to help people get out of their poverty situation. The RSI is low compared to the national minimum wage and the poverty threshold. The CSI was the first policy in Portugal to be linked to the poverty threshold and it had a great impact on reducing poverty among the elderly, for example, in 2013 the poverty risk rate for people over 65 years of age after social transfers was 15.9%, a decrease of 14.3 p.p. compared to

¹⁴ Ministério do Trabalho e da Solidariedade Social Gabinete de Estratégia e Planeamento, 2009. [A Dependência: o Apoio informal, a Rede de Serviços e Equipamentos e os Cuidados continuados integrados.](#)

¹⁵ Instituto Nacional de Estatística

¹⁶ Instituto Nacional de Estatística, 2014. [Em 2014 a população residente reduziu-se em 52,5 mil pessoas - 2014.](#) Observatório emigração, 2015. [Mais de 100 mil saídas pelo segundo ano consecutivo.](#) Portada, 2015. [Emigrantes: total e por tipo - Portugal](#)

2005 (the launch date of the policy).^{17 18} In 2011, the Social Emergency Programme (*PES – Programa de Emergência Social*) was created by the government to address the social, financial and economic crisis and this programme ran until 2014. The measures focused on 5 areas/groups:¹⁹

1. Families: higher unemployment benefits for families with children, a micro-credit programme, training and job support, a network of social restaurants, a social rental market, training for budget management, social energy tariffs, increase in capacity of the National Commission for the Protection of Children and Youngsters at Risk (CNPCJR);

2. Elderly persons: maintaining, if not increasing the lowest pensions, the medication bank, increasing the homecare network, phone assistance, night centres and long-term care);

3. People with disabilities: improve employability, have a network of dedicated teachers and promote better accessibility;

4. Volunteering: adopt a national plan of volunteering and volunteer insurance for younger people;

5. Social Institutions' services: legislative changes (changes in the financing of social institutions and how services are managed), training programmes for social institutions' leaders and workers, lower co-finance requirements to apply for operational programmes and a credit-line directed at social institutions.

A 30 year old single mother with a 2 year old baby son, receives an alimony (pensão de alimentos) of 150 euros per month and is entitled to 80 euros of minimum income scheme per month (a reduced amount due to being paid alimony). She has to pay rent as well as housing costs (gas, water and electricity) by herself. These expenses represent 150 euros per month. She has to live with only 80 euros per month to buy food, clothes, medicines, and other living costs for her and her baby son. She asked Caritas for help with some food products because what she receives from her minimum income scheme is not enough to cover some basic living expenses. She is registered in the National Employment Service, but she cannot find a job but attends training programmes, which allow her to have her baby in a day-care service during the training which is paid by the National Employment Service.

--Caritas Diocesana de Santarém

An evaluation of the effectiveness of these measures is still pending. However, Caritas Portuguesa has observed that many of them were just a “social pillow” and were not enough to cover people’s basic daily needs, as they were designed for emergency situations. They did not help to provide better access to resources and social assistance sufficient to lead a life that is compatible with human dignity, as per the definition of adequate income support of the European Commission’s Recommendation on active inclusion.

¹⁷ Nunes, A., 2013. Os Mínimos Sociais e a Pobreza entre os Idosos: Da Convergência das pensões mínimas aos complementos sociais, Dissertação de Mestrado em Políticas Públicas, ISCTE-IUL.

¹⁸ [Instituto Nacional de Estatística.](#)

¹⁹ Ministro da Solidariedade e da Segurança Social, 2011. [PES - Programa de Emergência Social.](#)

Therefore, minimum income schemes in Portugal are considered to be only moderately adequate in reducing poverty and social exclusion and in leading to the inclusion of people. This is due to the fact that the existing measures are only adequate in relieving the intensity of poverty but not in eradicating it. Moreover, last year's changes to the award criteria of means-tested minimum income schemes have reduced the number of eligible beneficiaries. This is perceived to be an inadequate decision considering the current time of crisis. Furthermore, it should be highlighted that the details and arguments of this change in policy were badly communicated to the public, who did not understand the objective of this move.

Inclusive labour markets

Employment policies were not at the top of the political agenda during the financial assistance programme as fiscal consolidation was the number one priority. This had a significant impact on the growing challenge of (un)employment. Recently some progress has been made to promote a more inclusive labour market in Portugal in terms of public policies and programmes. Most efforts are aimed at reducing unemployment rates in the country. However, there are several problems related to the way the labour market has evolved recently, which is mostly related to job quality, wages and promoting a safe and healthy working environment. Measures now focus on promoting access to employment and a simplification (de-regulation) of the labour market. For example, many of the employment measures created ignored the issue of quality jobs but rather served to increase temporary work and precarious jobs. These measures do not ensure dignified wages which have remained low and are responsible for in-work poverty.

Access to quality services

In recent years, access to quality services has become restricted due to budget cuts in all fields of public services, especially health, education and social services. Access to services has become particularly limited for people in the rural inland parts of Portugal.²⁰ In terms of access to healthcare services, there was a setback in the National Health Service due to the reduction in support payments to transport sick people to health care services; thus affecting vulnerable groups especially, such as elderly people, people with physical disabilities and people living in rural areas. Furthermore, several new barriers hamper access to health care services, such as long waiting lists for surgery and the waiting time increase in emergency care; the increased "users charge" (*taxasmoderadoras*) affecting mostly elderly people whose exemption from this fee was reduced; and the reduction of state reimbursement of medication costs. Changes in access to school social support reduced the number of eligible families. In terms of access to housing, *Cáritas Portuguesa* has observed a trend towards housing deprivation of families; a commonly observed phenomenon is "overcrowding" of families in social housing.

The revision of the eligibility criteria for some social benefits has limited access to quality services for many poor families. Nevertheless, it should be mentioned that

²⁰ Económico, 2014. [Mais de 6.500 Serviços Públicos Fecharam Desde 2000.](#)

the PES (*Programa de Emergência Social*), among other things, included several measures that have increased the number of social service users.

Access to rights is limited for people at risk of poverty and social exclusion in Portugal

- ❖ Right to a pension
- ❖ Right to housing
- ❖ Right to education
- ❖ Right to healthcare
- ❖ Right to fair remuneration and to just and favourable conditions of work
- ❖ Right to access justice

Right to a pension

Regarding the right to a pension it should be highlighted that there are many people affected by unemployment; most of them, such as young people, have never been employed or are in an atypical work situation which means that they are not covered by the normal social safety nets. In other words, there are people who have never contributed to the social security system, or who have worked for only a short period of time, and will not be able to have access to a dignified pension.

Right to housing

Many poor people and families survive on a very low income below the poverty line. They are unable to pay their rent which often results in evictions and homelessness²¹. The cost of housing, including rents, has been increasing since 2012 which has had a negative impact on the situation of many people, especially the most vulnerable groups, as housing prices have reached unaffordable levels.

Right to education

The recent reduction in school social support - relating to meals, education materials, transport and financial support for insurance - has restricted the number of families with access to this support. These cuts are likely to have a negative impact on early school leaving, as many poor families have to make increased efforts to support the education of their children.

Right to healthcare

The aforementioned introduction of user fees combined with the reduction in social benefits have limited access to health services to many people, especially poor people who cannot afford to pay for these services anymore.

Right to fair remuneration and to just and favourable conditions of work

²¹ Caritas Portugal has observed an increase in requests for support through their solidarity fund related to rent support.

As mentioned in the section on the inclusive labour market, Portugal continues to have a high rate of in-work poverty (10.5% in 2013²²), which is explained by persistent low wages, continued discrimination in the labour market and is aggravated by the increase of temporary work. Moreover, there is a mismatch between wages (low) and the level of education or professional qualification (often high). These circumstances directly limit the right to fair remuneration and the right to just and favourable conditions of work.

Right to justice

The right to justice has been unsatisfactory, even during the pre-crisis period. The increase in legal fees and the closure of local legal services²³ has diminished affordability as well as accessibility. At the same time, the long waiting times for a legal decision have not decreased.

2. How effective are Portugal's policies to fight poverty and social exclusion?

The Country Report for Portugal,²⁴ published by the European Commission in February 2015, partly reflects the main problems and reality of poverty and social exclusion in the country. However, the document fails to report on major issues of concern, such as long-term unemployment, and provides limited insight into youth unemployment. Also, the pension system is not a solved issue, especially as concerns the sustainability of the whole system. The Country Report also fails to address the issue of in-work poverty.

At the same time, the National Reform Programme²⁵ (NRP) published by the Government of Portugal, does not reflect the main problems nor the reality of poverty and social exclusion in the country. The document's greatest weakness is the fact that it proposes the same measures to solve the different problems without addressing their specifics. More precisely, the NRP's focus on job creation to solve the problem of poverty and social exclusion can be considered as inappropriate, as such an approach entirely leaves out the issue of low wages, in-work poverty or the precariousness of an increasing number of temporary jobs. Furthermore, the NRP does not propose any concrete measures to address long-term unemployment. Concerning measures to tackle poverty and social exclusion, the document lacks concrete proposals that would allow vulnerable groups to access healthcare services.

In general, it can be said that the current policies implemented in Portugal address some of the problems related to poverty and social exclusion. Nevertheless, the majority of measures focus on job creation and are therefore aimed at companies, in order to encourage them to hire people, rather than at the needs of people experiencing poverty and social exclusion.

²² Eurostat, 2015.

²³ For instance, in 2014, 20 courts were closed in the interior and 27 were turned into local sections.

²⁴ European Commission, 2015. [Country Report Portugal 2015](#).

²⁵ Government of Portugal, 2015. [National Reform Programme Portugal 2015](#).

For this same reason, policies implemented in recent years have been ineffective in addressing the problems of poverty and social exclusion as they merely provided ad hoc measures to alleviate some of the aforementioned problems and only sporadically. A strategy to eradicate poverty is not at the forefront of political action. According to recent calculations by the National Statistical Institute, if the poverty threshold had been maintained at the level of the 2009 median income, the at-risk-of-poverty rate would have been 25.5% in 2013 instead of 19.5%.²⁶

What policies are needed to address poverty and social exclusion more effectively?

In Portugal, policies are needed that ensure a solid strategy of minimum social support. The minimum income scheme must be made accessible, especially to those affected by poverty and social exclusion; the level of such minimum income schemes must allow beneficiaries to cover their basic living needs (i.e. housing, food, and to meet expenses like electricity, gas and water); means-testing must take into account realistic and fair criteria broader than a lack of income and that allow for effective coverage by these schemes. For instance, the most important minimum income criterion that needs to be revised is the income per person and per family, because the values are too low and do not even reach the poverty line threshold. This criterion deprives many poor people of access to a minimum income. For example, if someone lives alone, the sum of their income may not exceed €178.15 per month, so if a person has an income higher than this amount he/she is not entitled to minimum income support.

Additionally, effective measures are needed to discourage the issuing of temporary contracts, in order to avoid job precariousness. Lifelong learning programmes must be introduced in order to allow people to finish their studies and to complement them; and training programmes have clear and strong potential to reduce long-term unemployment.

In this context, the EU could support the Government of Portugal to address the problems of poverty and social exclusion more effectively by sending clear signals to prioritise the fight against poverty and social exclusion. Such signals could be expressed through policy guidance and financial instruments, such as the European Structural Funds²⁷ which could focus on tackling the problem of precarious jobs, especially for young people, as well as through grants or programmes that strengthen minimum income schemes to actually provide adequate income support for everyone in Portugal. Moreover, the EU could encourage social impact evaluations of Portugal's current and future social and labour market policies.

The impact of the financial assistance programme

²⁶ INE, 2014, *Rendimento e Condições de Vida 2013 (Dados Provisórios)*, p. 6.

²⁷ Note that the ESF could be used to support the design and implementation of minimum income schemes (but not for cash transfers) and accompanying measures (e.g. activities that support other active inclusion pillars).

The effects of the financial assistance programme (2010-2014) worsened the social situation in Portugal in many areas; the most affected areas include health, education, employment and social protection. The government focused on financial and budgetary measures, avoiding its social function and responsibilities. The budget cuts introduced as a consequence of this programme deteriorated people's access to health, education and employment, including fair working conditions and remuneration.

The impact of social protection system reforms

Social protection system reforms & modernisation in Portugal

- ❖ The reforms have focussed on budget cuts and several steps have been taken to partially reform some aspects of the social protection system.
- ❖ The people most at risk of poverty or social exclusion have more difficulty in accessing social protection services and benefits.

Recent reforms of the social protection system have had both positive and negative impacts on poverty and social exclusion in Portugal.

Example of an effective policy or programme related to the active inclusion pillar of adequate income support

An example of a policy measure with a positive impact on the reduction of poverty and social exclusion is the 2011 exemption of health fees and the 2014 Social electricity and gas bill for people with low incomes.

Example of an ineffective policy or programme related to the active inclusion pillars of adequate income support and access to services

The revision of the criteria to access social benefits can be considered a policy measure with a negative impact on the reduction of poverty and social exclusion.

The use of EU funds in Portugal

- ❖ A specific ESF Operational Programme focuses on the challenges of poverty and social exclusion in Portugal which includes active inclusion measures.
- ❖ The long-term impact of these measures is highly doubtful as no indicators are foreseen to measure their impact.

Cáritas Portuguesa has not been involved in the planning process of the European Structural and Investment Funds 2014-2020 in Portugal. However, Cáritas Portuguesa expects to be involved in the direct implementation of European Structural and Investment Funds 2014-2020.

In this programming period, Portugal has a specific European Social Fund Operational Programme (OP) that specifically addresses the challenges of poverty and social exclusion. This OP includes the following investment priorities:

- Active inclusion, including a goal to promote equal opportunities and active participation, and improving employability;
- Combating all forms of discrimination and promoting equal opportunities;
- Enhancing access to affordable, sustainable and high-quality services, including health care and social services of general interest; and
- Promoting social entrepreneurship and vocational integration in social enterprises and the social and solidarity economy in order to facilitate access to employment.

The planned measures of the OP regarding inclusive labour markets include improving access to employment and labour mobility support to decrease long-term unemployment and improve professional qualifications; specific measures focus on young people. Furthermore, the OP includes measures to improve the access to quality services, such as increasing the offer of social services and health care.

Generally speaking, some of the measures are adequate and important, but many of them are a duplication of former measures that did not produce the desired results. Furthermore, the OP foresees several structural measures, such as the RLIS,²⁸ that are financially dependent on future European funding which places their long-term perspective into question. Furthermore, these structural measures are not framed within a consistent strategy nor are any available indicators foreseen for them; they are also not in line with the EU2020 Strategy. It would be advisable that these measures (many are a continuation of the PES) should be framed into a national strategy to fight poverty and social exclusion and should be linked to poverty and social inclusion indicators in order to measure their impact. With regards to services, an objective on affordability – a determinant factor of accessibility – is entirely missing, as the OP merely focuses on an enlargement of the service network.

3. The response of Caritas: initiatives that have been effective when addressing poverty and social exclusion

The following initiatives run by Caritas Portuguesa have been demonstrated to have a positive impact on the reduction of poverty in Portugal:

FINANCIAL ASSISTANCE

<http://www.caritas.pt/fundosocial/>

Project “Fundo Social Solidário”

²⁸ RLIS – [Rede local de intervenção social](#)

Description

The solidarity fund is an initiative of the Portuguese Bishops' Conference; its objective is to contribute to resolving severe social problems caused by the crisis. It is managed by Caritas along with other church institutions. It supports people facing difficulties with issues like housing costs, health, education or jobs.

Problem addressed

This project addresses a challenge related to the "adequate income support" pillar of active inclusion with regards to the provision of resources and social assistance sufficient to lead a life that is compatible with human dignity.

Results

In 2014, this project supported 8,368 individuals and provided financial assistance totalling €553,617. Due to this financial assistance many families experiencing poverty and social exclusion were able to access some services from which they were previously excluded due to their own lack of resources.

Innovative features & success factors

This project created a communication network involving the entire Caritas national network (20 diocesan Caritas offices) which allowed the identification of various situations of people experiencing poverty and social exclusion in Portugal.

ONLINE PLATFORM FOR THE LONG-TERM UNEMPLOYED

<https://www.redeinspira.com>

Project "IN SPIRA – Rede de Competências"

Description

The project provides an online platform for job-seekers, mainly focused at people older than 45 years of age. The platform promotes the relationship between those who can offer jobs and those who needs them.

Problem addressed

This project addresses a challenge related to the "inclusive labour markets" pillar of active inclusion with regards to addressing the needs of people excluded from the labour market (mainly the long-term unemployed over 45 years of age) in order to facilitate their progressive reintegration into society and into the labour market.

Results

Since the platform's launch in 2013, 2,100 people in long-term unemployment have registered on the platform, while 15 companies have registered to offers jobs. 7 people have been hired to date.

4. Recommendations to address the described problems

Recommendation 1: Introduce a solid National Strategy to fight poverty and social exclusion which includes objectives and indicators for the accessibility of services in Portugal.

- **Problem addressed if implemented:** New forms of poverty; and limited access to quality services.
- **Governmental department that could lead this measure:** The Ministry of Solidarity, Employment and Social Security.
- **Policy framework:** The EC Recommendation on the active inclusion of people excluded from the labour market (the “access to quality services” pillar).
- **How the European Commission could support this measure:** By providing tailored policy guidance (e.g. Country Report, Country Specific Recommendations, etc.) that addresses the lack of an integrated anti-poverty strategy in Portugal.

Recommendation 2: Introduce more levels of co-financing rates for social services so as to make them more accessible to low-income earners.

- **Problem addressed if implemented:** Currently, there is only one income level which serves as a threshold below which users are exempted from paying a co-financing fee for using social services. Persons earning just above the minimum wage have to pay the full co-financing fee, which significantly reduces their total earnings and makes some services inaccessible to them (especially, if there is a high need for/usage of them).
- **Governmental department that could lead this measure:** The Ministry of Solidarity, Employment and Social Security.
- **Policy framework:** The EC Recommendation on the active inclusion of people excluded from the labour market (the “access to quality services” pillar).
- **How the European Commission could support this measure:** By providing tailored policy guidance (e.g. Country Report, Country Specific Recommendations, etc.) that addresses the limited access to available, quality services in Portugal.

Recommendation 3: Promote quality jobs, including pay and benefits, improve working conditions, health and safety, access to lifelong learning and career prospects.

- **Problem addressed if implemented:** In-work poverty due to low wages, job precariousness (temporary jobs), and the skills vs. job requirement mismatch.

- **Governmental department that could lead this measure:** The Ministry of Solidarity, Employment and Social Security.
- **Policy framework:** The EC Recommendation on the active inclusion of people excluded from the labour market (the “inclusive labour markets” pillars).
- **How the European Commission could support this measure:** By encouraging the government to conduct a social impact evaluation of Portugal’s current and future social and labour market policies, such as in the Country Specific Recommendations for Portugal in 2014 (recommendation 10).²⁹

Recommendation 4: Make minimum income schemes accessible to everyone in need of them, by revising criteria for means-testing, in particular by raising the maximum household income level eligible for minimum income support.

- **Problem addressed if implemented:** More than 10% of the population is not able to cover their basic needs (severe material deprivation); limited access to minimum income schemes; and inadequate criteria for means-testing to access these schemes.
- **Governmental department that could lead this measure:** The Ministry of Solidarity, Employment and Social Security.
- **Policy framework:** The EC Recommendation on the active inclusion of people excluded from the labour market (the “adequate income support” pillars).
- **How the European Commission could support this measure:** By providing tailored policy guidance (e.g. Country Report, Country Specific Recommendations, etc.) that addresses the lack of personal resources necessary to lead a life of dignity and to access available, quality services in Portugal.

Recommendation 5: Improve the access to information on new policy measures, especially to policies affecting people experiencing poverty and social exclusion.

- **Problem addressed if implemented:** Lack of information - many people experiencing poverty and social exclusion are not aware of policy changes (e.g. more or fewer services or subsidies available) and face challenges adapting to the changes these policies have on their lives.
- **Governmental department that could lead this measure:** The Government, and relevant Ministries in cooperation with Non-Governmental Organisations.
- **How the European Commission could support this measure:** By providing tailored policy guidance (e.g. Country Report, Country Specific Recommendations, etc.) that promotes transparency and access to information by the citizens of Portugal.

²⁹ http://ec.europa.eu/europe2020/pdf/csr2014/csr2014_council_portugal_en.pdf



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