

## Recent debates on poverty and inequality

*A Special issue in memory of Leonor Vasconcelos Ferreira (1960-2008)*

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THE SCIENTIFIC CONTRIBUTION OF LEONOR VASCONCELOS FERREIRA

**CARLOS FARINHA RODRIGUES/  
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MONETARY POVERTY, MATERIAL DEPRIVATION AND CONSISTENT POVERTY  
IN PORTUGAL

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SOCIAL INSERTION INCOME: THE CONTRIBUTION  
OF THE ASSOCIATION *QUALIFICAR PARA INCLUIR*

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The best recognition that can be given to the work of a scholar who is no longer among us is to make good use of her/his contribution to science. This is done in two ways. On the one hand, by disseminating her/his work and by highlighting the added value in broadening our knowledge of reality. It is assumed that whoever does so has interpreted it according to the demanding criterion of assessing the value created. Another way to do this is to expand the lines of research that were interrupted upon their disappearance, or that at a later time reality showed they were on the right track, because the object of study and/or the research methods employed were appropriate. This special issue of the journal *Notas Económicas* fulfils this double role in relation to the work of Leonor Vasconcelos, who has left us so early in life, bringing together a collection of papers presented at the seminar held at the Faculty of Economics of Porto in 2010, in honour of her memory.

The best-known work by Leonor Vasconcelos focused on the reality of poverty in Portugal, a reality usually dealt with by various scientific disciplines, often in jointly following multidisciplinary approaches, in particular within Economics and Sociology. As an economist and teacher of Economics at the Faculty of Economics of the University of Porto, Leonor Vasconcelos used Economic Science to study this problem, which, although social, has strong economic dimensions in both the field of causal factors and their manifestations, and in the nature of the variables of social policy aimed at its eradication. The article *The scientific contribution of Leonor Vasconcelos Ferreira*, by Aurora Teixeira, Sandra Silva, and Pedro Teixeira, gives the reader an updated critical and complete view of her work on the study of poverty in Portugal. This article clearly points out and documents four aspects or dimensions of that study in which the work of the Leonor Vasconcelos stands out. One, perhaps the most central and transversal to the approaches addressed in the article is the one that measures poverty. Leonor Vasconcelos was concerned with concepts (quite varied and not always unanimous among the scientific community, and always of a normative nature), with methods (also quite varied and constantly developing), and with the sources of statistical information (again diverse and of a complementary, almost mandatory, use in empirical analyses). The abundant empirical analysis work accomplished and published by the author clearly shows the methodological care that should be taken in the study of this social phenomenon, and how its measurement, of vital importance, is a difficult and scientifically demanding task. Another aspect that the author was concerned with was the spatial analysis of the phenomenon of poverty. There are geographically different manifestations of the magnitude and type of the phenomenon, and also of its causes. One may grasp from this that perhaps the variables of political action may also have to be spatially differentiated, and that these variables may have different effects in different regions of the country. A third aspect, in addition to the regional dimension of the phenomenon, is its temporal dimension. While it is important to know the number of the poor in a specific region or country, and their socio-economic characteristics, it is also important to estimate for how long they will remain poor. It is different to be poor temporarily (with the means to be able to escape the situation, or being in a society that is able to provide the means for that purpose) or, instead, to be poor permanently. The nature of the policy measures aimed at eradicating poverty will necessarily be different in both situations. The fourth relevant dimension that was central to Leonor Vasconcelos's concerns with regard to the study of poverty is the manner in which social policy is applied. It is shaped differently throughout Europe, where we find different types, or regimes, of government interventions. Portugal belongs to a type of welfare state, Mediterranean or Southern European, with special characteristics which have to be examined and compared with other parts of Europe if we want to determine the possible range and effectiveness of the known instruments of social policy.

It is precisely in these fields of analysis in which the remaining articles included in this special issue can be found. In the article *Monetary Poverty, Material Deprivation and Consistent Poverty*



*in Portugal*, by Carlos Farinha Rodrigues and Isabel Andrade, the authors analyse the extent to which the two criteria for identifying the poor population coincide: the criterion of deprivation of living conditions (direct identification from living condition indicators) and the criterion of monetary poverty (indirect identification, based on a specific income threshold, of the poverty line below which a human being in Portugal does not have decent living conditions). These are two distinct forms (and the authors conclude that the results do not coincide) of measuring poverty, now made possible by the information sources available (the EU-SILC, EUROSTAT). The concept of «consistent poverty» is used by the authors to refer to the group of population that is poor, measuring it directly (according to the deprivation indicators) and indirectly (according to the monetary poverty line). One cannot help acknowledge the importance, also for social policy, of this difference, through the distinct nature of the policy instruments used in both situations.

The other articles deal with two different ways of addressing the fight against poverty. One is to help the poor population, with the ability to work, to participate in the economic activity, and for that, access the banking system to finance investment projects that will materialize their business ideas. The use of micro-credit is one of the forms already tried in less developed countries, with successful results in many parts of the world. The article *Micro-credit and Territory – Portugal as a case-study*, by Joana Afonso, Isabel Mota, and Sandra Silva, is an important contribution to gather insights into this reality in Portugal. The scope of analysis of this work is regional, aiming to identify the territorial idiosyncrasies in the use of micro-credit in Portugal. It is a case, then, of introducing the regional dimension in the analysis of successful, or unsuccessful, factors in an economically interesting way to combat a social problem: the promotion of economic entrepreneurship.

Another way of combating poverty is through subsidies, following modern paths of action, based on modes of activating the integration mechanisms provided for in the «Rendimento Social de Inserção» (income support allowance). In the article *Social Insertion Income: the contribution of the association «Qualificar para Incluir»*, by Maria Cidália Queiroz and Marielle Gros, the author analyses the implementation of this policy measure aimed at a number of poor people whose integration actions were implemented by a local association. This is an area of analysis in which the relational dimensions of poverty have an increasing importance compared to the distributive dimensions (of resources), and in which the relationship between the users of such a measure and the institutions, and in particular, the social service workers, are particularly relevant. This area of analysis does not, in general, fit into the sphere of economic analysis. In areas like this (and of undeniable relevance to the study of poverty and of the effectiveness of actions that are addressed to them), economic science must give way to other social sciences (such as Sociology) or to other less identifiable approaches in the spectrum of the social sciences in mono-disciplinary terms, as is the case of social work. This was (also) an aspect introduced by Leonor Vasconcelos.

This special issue of the journal *Notas Económicas*, edited by Aurora Teixeira, Sandra Silva, and Pedro Teixeira, is an excellent academic tribute to the scientific work of Leonor Vasconcelos. It is also a significant repository of relevant and current contributions to the study of poverty in Portugal.

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**Artigos**





## The Scientific Contribution of Leonor Vasconcelos Ferreira \*

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abstract

resumo / résumé

**Despite her sadly short academic life, Leonor Vasconcelos Ferreira has left us a set of publications of noticeable scientific quality and explicitly social relevance, focusing on the study and measurement of poverty and income inequality. The present article briefly summarises the outcome of her work and the concerns underpinning it.**

Não obstante a sua curta vida académica, Leonor Vasconcelos Ferreira deixa-nos um conjunto de publicações de óbvia qualidade científica e relevância social, centradas no estudo e mensuração do fenómeno da pobreza e da desigualdade do rendimento. O presente artigo resume o resultado do seu contributo científico e das suas preocupações.

Cependant sienne vie académique, Leonor Vasconcelos Ferreira nous laisse un ensemble de publications de qualité scientifique et une importance sociale évidente, qui sont centrés dans l'étude et la mensuration du phénomène de la pauvreté et de l'inégalité du revenu. Le présent article résume le résultat de sa contribution scientifique et de ses préoccupations sous-jacentes au même.

**JEL Classification:** A10, D63.

\* The present text is based on a previous text in Portuguese published in the book «*O Que Sabemos Sobre a Pobreza em Portugal?*», organized by Teixeira *et al.* (2010). We thank Vida Económica for the permission to publish the present version.

*«Questions are expressions of our interest in the world;  
they are at bottom valuations.»*

Gunnar Myrdal, 1976: 13

*«Few people have studied poverty in Portugal better  
than Leonor Vasconcelos Ferreira. (...) Her articles (...)  
fruit of decades of work, and that statistical work,  
always marked by 'objectivity' and couched in academic  
jargon, tried to explain why Portuguese poverty is so  
'chronic' and persistent and why it has handed down  
from parents to children. When we read Leonor Ferreira  
writings, we understand that at the core of the problem  
(...) are human development policies that can lead  
groups of particularly vulnerable poor people to  
assimilate values of education, social learning and  
preparation for the future.»*

Pedro Lomba *Diário de Notícias*, August 14, 2008



## 1. Introduction

Remembering the work of Leonor Vasconcelos Ferreira and her contribution to the science of economics in Portugal, provides an opportunity to revisit her main research themes and to a brief reflection about research on poverty and inequality in Portugal.

Even a cursory analysis of Leonor Ferreira work highlights the fact that she sought throughout her career to consider, investigate, and analyse the issues she regarded as relevant, not only intellectually but also in terms of her convictions and beliefs. The quotation from Gunnar Myrdal at the top, written by that Leonor Vasconcelos in the introduction of her PhD thesis, is particularly enlightening. Despite her sadly short academic life, Leonor has left us a set of publications of obvious scientific quality and social relevance, focusing on the study and measurement of poverty and income inequality. In this text, we shall be looking at the outcome of this work and the concerns underpinning it.

## 2. The complexity of poverty in Portugal – Measuring to improve understanding

After several decades of divergence with the leading Western European economies, in the turn to the 1960s Portugal entered in a period of rapid economic growth that lasted until the 1990s, despite the turbulence caused by the democratic revolution of 1974 (Franco, 2008). This process was significantly boosted by the membership of the EU (in 1986) and promoted a significant catch-up in levels of per capita income, alongside major structural transformations that brought the Portuguese economy much closer to the level of its European counterparts.

Nevertheless, the belated spurt of economic growth and the pre-1970s emphasis on fiscal stability has delayed the development of the welfare state and redistribution policies. Thus, Portugal has lagged as regards the wave of inequality redistribution that characterised most of the Western world in the postwar decades (Atkinson, 2008). These themes became increasingly relevant in the Portuguese political and economic context of the late 1970s in which Leonor Ferreira started her training as an economist.

The scientific rigour and innovative nature of her work in measuring poverty are common threads running through all of Leonor Ferreira's studies and writings, stemming from the research begun in 1991 when she submitted a draft for her PhD thesis in economics to the Instituto Superior de



Economia e Gestão of the Lisbon Technical University. Having concluded her thesis in 1997, the scientific and public importance of this work was recognised when she was awarded the Economic and Social Council (CES) prize in 1998, later published in book form under the title «A Pobreza em Portugal na Década de Oitenta» (Ferreira, 2000a).

As the author stated, the purpose of the study was to «systematically examine the methods of measuring income poverty» (Ferreira, 2000a: 305). Her perspective was to consider poverty in terms of the right to a minimum level of income, leading to a definition of the poverty line as the minimum income able to meet basic needs in Portuguese society at some point in time. This poverty line should, therefore, be regarded as a benchmark for the minimum income that the state could take as the right to citizenship and the minimum safety net for people unable to achieve a minimum level of resources from their own efforts.

The first results of this research were published in two articles in the journal *Estudos de Economia* in the early 1990s. The first one (Ferreira, 1992) examines the problems associated with measuring poverty. She discusses the relevance of three broad measures (headcount poverty rate, relative income gap and Foster's measure) to identify the incidence, depth and severity of poverty in Portugal in the 1980s. Using data provided by the Portuguese Statistical Office (INE) through household income and expenditure surveys (1980-81) and household budget surveys (1989-90), she found that there was a small decline in the poverty indicators and that a particularly high level of poverty persisted in Portugal in comparison with Western Europe. These results were especially worrying in light of the good performance of the country's economy in the second half of the decade.

The purposes of the study also allowed for the breakdown of the groups affected by poverty and thus the main socio-economic characteristics related to poverty could be singled out. Thus, in a second study (Ferreira, 1994), she concentrated on the issue of child poverty and sought to find the mechanisms by which poverty is transmitted in Portuguese society. Using the same statistical sources, the author confirmed the existence of severe poverty problems, now affecting the population under eighteen. This type of poverty is clearly linked to poor housing conditions and, above all, to school dropout rates and early working life, which contribute to the persistence of inter-generational poverty.

The final outcome of her PhD work was presented publicly in 1997 (and published in 2000). Leonor Vasconcelos started by explaining both the relevance of the economic study of poverty and its complexity. Thus, although she recognised that her study was confined to measuring poverty in monetary terms (inadequate income), she highlighted the relevance of robustly documenting the scale of this monetary poverty, given moreover its high correlation with other aspects of poverty and its impact on the related phenomena of inequality and social exclusion.<sup>1</sup>

Leonor Vasconcelos then examined the different ways of measuring poverty, paying particular heed to its representativeness in relation to the different aspects of monetary or income poverty and their possible input to building poverty indices. These measures had had significant developments based on the contributions of Amartya Sen, who had put forward a number of alternative proposals (for an overview, see Sen, 1982). Leonor Vasconcelos focused on the methodological problems associated with the different measures proposed and on their efficacy in gauging the concept of poverty adopted. Among the main issues discussed was the question of the concept of income, the unit of reference, and the scales of reference, and whether they were appropriate to the case of Portugal.

1. The experience gained with her Master's thesis played a part in her concern with rigour, in which Leonor Vasconcelos undertook a formalised analysis of the problems associated with measuring in spatial analysis (Ferreira, 1987).

These methodological concerns were to feature prominently in Leonor Vasconcelos' analysis of the statistical information available in Portugal, on the basis of which monetary poverty could be studied. The author highlighted the quality and range of the surveys on household budgets, noting especially that they were countrywide and yielded a wealth of information about the living conditions of families, providing a better understanding of the social dynamics associated with monetary poverty.

Analysis of the data confirmed the preliminary results presented in 1992, in particular the existence (and persistence) of significant income poverty issues in Portugal throughout the 1980s. The detailed region-by-region study showed that the North came off worst, a result that was to have significant resonance in Leonor's later work. The breakdown by social groups also indicated that the incidence of poverty was worse in older age groups and households with very low education levels.

The importance of the connection between poverty and education was underscored in the study's conclusions. Leonor Vasconcelos stressed the strategic role of education and skills in combating poverty and social exclusion, insofar as they encourage better social integration through stable and successful inclusion in the labour market. She further noted that «the fight should concentrate essentially on the mechanisms whereby poverty and social exclusion are generated and transmitted, so as to achieve a deeper, regenerating transformation of the modus operandi of the social system», and to do so required the «mobilisation of public powers, of citizens and civil society, as well as of the poor themselves» (Ferreira, 2000a: 311).

This thorough study on poverty in Portugal would be further pursued in an analysis of low-paid employment, one of the factors most intricately linked to the incidence of poverty. In a jointly authored article with Graça Leão Fernandes (Ferreira and Fernandes, 1999), published in *European Research in Regional Science*, Leonor Vasconcelos studied the incidence and structure of low-paid work (where pay was only slightly above half the average wage of all wage earners). The study is based on *Quadros do Pessoal*, which have been an excellent source to examine a wide range of dimensions of Portugal's economic situation, including labour market trends, returns to skills and training, and wage discrimination.

The analysis covered the period from 1982 to 1992 and showed an increase in the incidence of this type of employment in the Portuguese economy, reaching almost 15 percentage points. The authors also concluded that, on average, women were nearly twice as affected as men. The groups with poor formal education and younger people seemed to be the most affected by high rates of low-paid work (with an upward tendency). This outcome was even more worrying since it contrasted with an increase in formal qualifications over the same period, especially in the younger age groups. But the authors concluded that this result was derived from increasing wage disparity in these age groups and between the more and less skilled workers. In both instances, formal qualification emerged as a successful personal strategy to reduce the risk of low wages.

The study involved a wide-ranging analysis of the microeconomic data underlying *Quadros do Pessoal* and revealed a complex picture of the incidence of low-paid work in Portugal. The analysis involved a comparison among firms and depicted a particularly unfavourable situation for very small firms. The breakdown by business sector revealed that the agriculture, forestry and fishing sector was the most affected by low wages, indicating that its incidence, already very high in 1982, at 69%, had risen 7 percentage points. At the other extreme, the sectors with a low incidence were generally capital intensive and technologically advanced (transport and communications; banking and insurance). Regionally, low-paid work accounted for nearly half the jobs in the North and Alentejo regions, although both regions with very distinctive features. The North is characterised by labour-intensive, low-tech industrialisation, whereas Alentejo suffers from a high level of desertification and low industrialisation.





### 3. Poverty and socioeconomic disparity – A regional viewpoint

One of the main features of Portugal's belated and irregular process of economic development has been the persistence of strong regional disparities regarding income and welfare indicators. The increasing awareness of this problem has stimulated significant academic and political interest, and in recent decades we have observed various attempts to promote a better understanding of these regional inequalities and to formulate policies that could redress effectively those inequalities, notably through government expenditures and EU-funds (for an analysis see Pereira and Andraz, 2009).

The regional dimension on poverty and inequality, which had been exploited in Leonor Vasconcelos' earlier works, was to become more central in the following years. Her interest in regional issues was not new, otherwise Leonor would not have taken a master's in regional and urban planning at UTL (Ferreira, 1987), under supervision of Prof. Carlos Silva Ribeiro. Nor was this increasing focus on regional topics unrelated to her move from Lisbon to Porto, and her interest in studying local economic and social circumstances and the questions raised by poverty in the Porto area and the North Region.

Thus, in the early 2000s, Leonor developed a study with Carlos Farinha Rodrigues on the social situation in Portugal's North Region, which was supported by the North Regional Coordination and Development Commission (CCDRN). The preliminary results of this work were presented in 2001, and the final work was published in 2003. In addition, she collaborated in two of the most comprehensive and detailed studies in recent decades on the issue of housing in Porto, especially the social and urban problems of the municipal social housing neighbourhoods, where Leonor paid particular attention to the relationship between poverty and social housing. Both studies were undertaken in cooperation with the Porto City Hall (Pimenta, Ferreira, and Ferreira, 2001; and Pimenta et. al., 2001).

In the first work on *A Distribuição do Rendimento, a Pobreza e o Papel das Políticas Redistributivas na Região do Porto* (Ferreira and Rodrigues, 2003), which was part of a larger study on the social situation in the North Region of Portugal, Leonor Vasconcelos Ferreira and Carlos Farinha Rodrigues developed several approaches to assess and analyse the origin and composition of income. In particular, they gathered and organised evidence on the evolution of disparities in income distribution. This study also described the most pressing situations of deprivation and assessed the effects of state taxes and transfers on the inequality of income distribution, as well as the impact of implementing the guaranteed minimum wage (GMW) on reducing the extent and depth of poverty. Yet again we see the convergence of the two main features of her work: the concern with analysing urgent social issues, on the one hand; and the concern with tackling these complex topics with methodological rigour, on the other.

The analysis was based on the surveys of household budgets for 1989/90 and 1994/5. Examining the period 1990-95, the authors noted that poverty had worsened in the North Region, although not as markedly as for mainland Portugal overall. This is largely explained by the disparity in employment income. The study also showed that social transfers were the main factor in reducing inequality, with direct taxes also playing an important part. The recently introduced GMW also helped to equalise incomes and greatly improved the living conditions of the most vulnerable groups.

The authors found that the incidence and depth of poverty decreased during the period analysed, although they noted that the average intensity and severity of poverty had in fact worsened. Mapping the groups most affected by poverty in the North to some extent resembled what Leonor Vasconcelos had observed in previous work on mainland Portugal as a whole. Incidence was thus most significant in the rural and semi-urban areas, in the elderly, in large families, in single-parent families and in families with lower educational attainment.



This research was also meant to support the establishment of social intervention strategies in the North Region. Leonor Vasconcelos and Carlos Farinha concluded emphatically from this 'poverty mapping' of the North Region that «only a profound intervention in training human resources, motivating education and training in younger generations, and the acquisition of new skills and qualifications in adults would make it possible to break with the poverty cycle and cut the chains by which intergenerational poverty is transmitted.» (Ferreira and Farinha, 2003: 75).

These conclusions converged with the results of the work carried out at the same time on the city of Porto. One study, in which Leonor Vasconcelos collaborated with Manuel Pimenta and José António Ferreira (Pimenta, Ferreira, and Ferreira, 2001), reported that here the poverty rate was very high, with 38.6% of the resident families being affected at that time. The authors highlighted the multiple effects – economic, cultural, psychological – of poverty and the fact that poverty goes hand-in-hand with multiple problems, whose effects steadily build up. They noted the need for a multidimensional approach to the problems and solutions of poverty.

The analysis of the socioeconomic conditions of Porto's social housing neighbourhoods led them to press for a multidimensional view of poverty and social exclusion. They recommended multi-sectoral actions on the factors that impede integration, from prejudice and stigmatisation to scarce housing; from lack of qualifications to lack of opportunities; from stagnating in marginal lifestyles to overcoming such behaviour. The authors believed that profound changes in institutional practices were needed, involving the collective deployment of people, institutions and their agents to ensure the success of programmes to combat poverty and promote local social development.

Another study by these three authors, together with Alexandra Faria and Paula Pimentel, also looked at the problems of poverty in Porto (Pimenta, *et al.* 2001). A socioeconomic study was conducted on '*ilhas*'<sup>2</sup> of Porto, producing a detailed portrayal of a population living in extremely precarious housing conditions. The study quantified and characterised this group of people, their income patterns and housing, and their problems, needs and aspirations. The section of the study developed by Leonor Vasconcelos (Chapter 5: «Income levels and the incidence of poverty») showed that, despite their meagre incomes, the residents in '*ilhas*' (and other kinds of housing, also analysed) were, in social and economic terms, fully integrated in the employment and social security systems at the time. Again stressing the multidimensional nature of poverty, Leonor Vasconcelos Ferreira noted that vulnerability to poverty is linked to exclusion from the labour market and to unskilled jobs, generally associated with poor qualifications. She argued that «... facilitating access to decent housing (...) is a weapon in the fight for integration, and in the efforts for urban regeneration and cohesion.» (Pimenta, *et al.*, 2001: 55).

The regional scale of her studies on poverty is apparent in two other works she published at the start of the 2000s. One of these studies, co-authored with Graça Leão Fernandes (Ferreira and Fernandes, 2000), analysed the trend in wage differences by gender in the labour market in the North, and compared it with the overall average. Once again using the data from *Quadros de Pessoal*, the authors found that there was a significant wage difference between men and women throughout the 1992-1997 period. Women were still over-represented in jobs with poorer social recognition and lower pay, for several reasons, particularly since they tended to have lower formal qualifications. But such differences persisted, even for identical skills and educational attainment, which led the authors to conclude that there were significant issues related with wage discrimination in the Portuguese labour market.

In 2002, Leonor Vasconcelos co-authored a paper with Jorge Bateira that looked at issues of regional policy and innovation in which social concerns were a feature. In their work «Questioning EU cohesion policy in Portugal: A complex system approach», published in

2. *Ilhas* (literally: islands) are the typical working class houses of Porto's industrial period, similar to England's *back-to-back* houses and also identifiable in other industrial cities in countries such as Spain, France, the US and Brazil.



*European Urban & Regional Studies*, (Ferreira and Bateira, 2002) the authors examined the strategic behaviour of small and medium enterprises (SMEs) in their response to direct funding via Structural Funds for the North Region. They found that the firms' ability to develop their own capabilities independently is crucial for the development of depressed areas, rather than the provision of financial help. In terms of innovation policy, therefore, it would be particularly important for government authorities and firms to work together to make SMEs competitive and boost territorial development.

#### 4. The role of social policies in fighting poverty – the specific characteristics of Portugal

One of the most significant features of Portugal's recent economic trajectory has been its growing European integration. This has had multiple and complex effects at the economic, political, cultural, and social levels. It has certainly played a role in the way research and policies regarding poverty have been developed in recent years, notably by adopting a much more comparative approach and by exploring the experiences of other European countries dealing with similar problems and policy aims (see Amaral and Neave, 2011). The growing internationalization of Portuguese research networks, with increasing short and long-term mobility of Portuguese researchers has also contributed significantly in this respect (see Patrício, 2010).

This growing international comparative approach has also become increasingly present in Leonor Vasconcelos's research on poverty, leading her to pay more attention in the final years of her academic activity to the specifics of Portugal from a European perspective, especially in comparison with other Southern European countries. Following on from her previous work, Leonor looked at the trend in other European countries and thus became particularly interested in analysing the dynamics of poverty and income inequality, and the most important factors in explaining their greater or lesser incidence in the Portuguese context.

In this context, her first work discussed vulnerability and poverty in Portuguese society in the 1990s (Ferreira, 2000a; Ferreira, 2002). Here Leonor used a longitudinal database produced by Eurostat that enabled her to use figures for Portugal in a comparative context, with other EU countries. The paper used the same approach as her earlier works and those of Carlos Farinha Rodrigues in their studies of material poverty and income disparity. The analysis suggests that conditions improved for the Portuguese with the lowest incomes in 1994-97, and this result was confirmed by the indicators employed to gauge dispersion, inequality, poverty and well-being.

A disaggregated analysis of the data allowed the impact of those improvements on the relative trend of certain groups to be evaluated. The elderly, for instance, seem to have benefited from the improvements, even though they tended to be more deprived than the population as a whole. Despite this positive tendency, the study indicated the persistence of significant regional differences, considerable income mobility (slightly in favour of descending relative mobility), and «a strong and enduring differentiation of income among the various socioeconomic categories» (Ferreira, 2000b: 16)

These somewhat conflicting trends led her to undertake a fresh study that examined the dynamics of income mobility and monetary poverty in Portugal and compare those results with the current state of policies against poverty and social exclusion (Ferreira, 2005). In this study, Leonor Vasconcelos once more used comparative figures for Europe, this time from the European Community Household Panel. The analysis indicated that income distribution in Portugal at the end of the 1990s was highly asymmetric in comparison with the data from the 15 countries belonging to the EU at the time. In addition, inertia in income distribution, the incidence of low incomes and the risk of poverty reached their highest levels in Portugal for the period, within the EU.

These results prompted the author to question the effectiveness of benefits systems in reducing inequality and poverty in Portugal. This problem was also seen in the persistently high number of chronic poor, i.e., those people who have simply never been able to overcome their lack of

monetary resources. It also seems to have had a significant impact in terms of the intergenerational transmission of material poverty, which is another urgent and complex challenge for social policies.

In her last published works, Leonor Vasconcelos (Ferreira, 2008) tried to provide new tools to construct and legitimise social policies. This work recovers her multi-dimensional vision of poverty, set out in her doctoral thesis, based on an in-depth analysis of the social systems which sought to combine the measurement of inequality and material poverty with an analysis of social attitudes and values. Portugal tended to stand out for the wrong reasons as the country in the EU 15 with the highest and most persistent levels of poverty; it was also top among the Mediterranean countries, which as a group were characterised by poor social support within a weak and imperfect public system.

Leonor Vasconcelos Ferreira focused on the causes of the inefficiency of the 'Mediterranean system'. Some useful conclusions were drawn from the statistical analysis: the existence of relatively low levels of social spending and a prevalence of generous benefits for those in work. But she also observed that there were systems offering minimal, fragmented protection and social benefits, as well as fairly scarce and inefficient pensions that were badly targeted in terms of reducing poverty. Finally, these countries exhibited marked social and political inertia in relation to poverty and inequality. Given these cultural and institutional features of the Southern European countries, Leonor Ferreira clearly stressed the need to foster the conception of social policies, the building of security networks and the promotion of a fairer and more effective social security system; actions that would not merely rely on importing the better developed welfare measures in operation in northern Europe.

In this article, Leonor Ferreira also pursued the task of systematising the causes of and seeking solutions for the phenomena of poverty. This was essential, as the author made clear, so as to place the issue of poverty at the heart of the social concerns that demanded political priority. The research focus here was to analyse how social policies address the enduring phenomenon of poverty observed in southern European countries in general, and in Portugal in particular. The author believed that studying public social systems in the relatively less economically-developed European nations (Greece, Italy, Portugal and Spain), whose systems are more recent than the European Union (15) average, could be very important for both the countries in question and new members of the EU.

## 5. Final remarks

For nearly twenty years, Leonor Vasconcelos was devoted to the theoretical and empirical study of issues related to income dynamics, persistent poverty and social policies in Portugal, concentrating particularly on the methods of measuring poverty. Her unremitting interest in these topics led her to produce a significant body of work on poverty and income disparity in Portugal, and this has proved a relevant contribution to both economics and to other related social sciences.

Even though economics is often criticised today for being too abstract and formalised, with a tendency to distance itself from socially and politically relevant issues, the work of Leonor Vasconcelos is remarkable for its constant concern with connecting with the surrounding economic and social reality and for the attempt to find answers to the questions raised by that reality. This hallmark is equally obvious, whether more globally in the study of poverty in Portugal and in the analysis of the effectiveness of the social measures that aimed to alleviate the problem; whether more focused at regional and urban level, with her growing interest in studying poverty in the North Region and the city of Porto, areas which, although not her native territory, steadily became the priority regions for her intellectual and social focus.

This interest in studying problems relevant to the economic and social surroundings also led her to undertake research that was quite often based on cooperation with political and institutional





actors. They recognised in Leonor an exceptional interlocutor to analyse and appraise the problems of poverty, inequality and housing, at national, regional and municipal level. The work of Leonor Vasconcelos prioritised discussion with such public authorities so as to provide a better insight into the realities and thus be able to devise policies better suited to minimising the effects of poverty and inequality.

There are, without any doubt, differences between scientific discourse and public intervention or social reflection, and Leonor Vasconcelos saw to it that the intellectual rigour she brought to her work retained these two independent, yet interlinked, aspects. We think, however, that she believed that scientific discourse could not be constructed on the presumption that individuals can neutralise their convictions and subjectivity. Maybe it would have been easier to make this distinction if she had chosen other research topics, but she chose to study, as an economist, topics that tried to respond to her intellectual and ethical concerns.

Finally, a noteworthy aspect of Leonor Vasconcelos's intellectual legacy is that she went against the tacit and tactical thinking that a university neither can nor should be a place where political, philosophical and religious convictions are assumed. Leonor tried to do so in a manner that respected the differences coexisting in the university, but without self-inhibition. In doing so, she made her loyalty to her principles abundantly clear and showed that a university can be a place where we can live the fullness of who we are, without constraint or intolerance.

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## Monetary Poverty, Material Deprivation and Consistent Poverty in Portugal\*

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### resumo

**Neste artigo utilizamos os dados do Inquérito às Condições de Vida e Rendimento (EU-SILC) para definir uma medida de pobreza consistente para Portugal. É consensual que ser pobre não se reduz a não ter rendimentos monetários suficientes. A pobreza inclui também a falta de acesso aos recursos necessários para desfrutar de um nível de vida de qualidade mínima e participar activamente na sociedade a que pertencemos. A coexistência de privação material e pobreza monetária leva à definição do conceito de pobreza consistente. A avaliação da privação material e a identificação das famílias e indivíduos que vivem em situações de pobreza consistente podem tornar-se elementos fundamentais da estratégia nacional anti-pobreza e instrumentos cruciais na definição dos grupos alvo da política social.**

### résumé / abstract

Dans cet article nous utilisons le composant Portugais de L'enquête EU-SILC pour développer une mesure de la pauvreté consistante au Portugal. Il est généralement accepté qu'être pauvre n'est pas limité à l'absence de ressources monétaires suffisantes. Pauvreté signifie aussi n'avoir pas l'accès aux ressources nécessaires pour jouir d'un niveau de vie de qualité minimum et engager à la vie en société. La coexistence de privation matérielle et pauvreté monétaire résulte dans le concept de pauvreté consistante. L'évaluation de la privation matérielle et l'identification des ménages et individus qui vivent en situation de pauvreté consistante peuvent devenir un élément essentiel de la stratégie nationale anti-pauvreté et un instrument crucial dans la définition des groupes plus vulnérables de la population.

In this paper we use the Portuguese component of the European Union Statistics on Income and Living Conditions (EU-SILC) to develop a measure of consistent poverty in Portugal. It is widely agreed that being poor does not simply mean not having enough monetary resources. It also reflects a lack of access to the resources required to enjoy a minimum standard of living and participation in the society one belongs to. The coexistence of material deprivation and monetary poverty leads to the concept of consistent poverty. The assessment of material deprivation and the identification of the households and individuals living in consistent poverty could become essential parts of the national anti-poverty strategy and crucial instruments in the definition of the target groups in social policy.

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## 1. Introduction



The use of both income and deprivation criteria to identify the most vulnerable sectors of the society has become increasingly popular in both the poverty and social policy literature. The adoption by the Indicators Sub-Group of the Social Protection Committee of the European Union in 2009 of a new broader indicator of material deprivation also contributed to the recent increase in the discussion on multidimensional measures of poverty, deprivation and social exclusion.

This broader definition of poverty as the lack of both monetary and non-monetary resources became more pertinent after Ringen's (1988) criticism of exclusively using income to identify poverty. This criticism was clearly inspired by Townsend's (1979) definition of poverty:

*«Individuals, families and groups in the population can be said to be in poverty when they lack the resources to obtain the type of diet, participate in the activities and have the living conditions and amenities which are customary, or at least widely encouraged, or approved, in the societies to which they belong. Their resources are so seriously below those commanded by the average individual that they are, in effect, excluded from ordinary living patterns, customs and activities (p. 31)».*

At European level, the limitations of a monetary-only definition of poverty gathered a new emphasis with the enlargement of the EU into Eastern Europe and consequent increase in the heterogeneity of the standards of living of the enlarged EU population.

In this paper we analyse the implication of the simultaneous use of monetary poverty and material deprivation indicators to characterise the most vulnerable individuals and households in Portugal. We use the micro-data of the Portuguese component of the 2008 wave of the EU-SILC, made available by INE-Statistical Portugal, to develop measures of monetary poverty and material deprivation for Portugal<sup>1</sup>. Their joint usage will achieve a much more thorough and detailed analysis of the multiple dimensions of poverty and will lead to a more efficient design and implementation of policies to fight poverty.

The first aim of this paper is to examine the methodological issues concerning the construction of a measure of material deprivation using the multiple material deprivation indicators available. The second aim is to characterise material deprivation in Portugal and to identify the households which suffer from higher deprivation levels. The relationship between the national level of monetary poverty and the extent and depth of material deprivation experienced by the population is also analysed. Finally, the identification of the sectors of the population which are consistently poor will allow a detailed analysis of multidimensional poverty in Portugal and contribute to highlight the relationship between income poverty and material deprivation.

## 2. Poverty and Material Deprivation

Studies of poverty generally concentrate their efforts on the description of the population that is poor, how many are income poor (poverty incidence) and how poor they are (poverty intensity) using measures of the monetary dimension of poverty. In 2007, 18.5% of the Portuguese were poor, i.e., the annual disposable equivalent income of about 1.97 million people was below €4886, the poverty line<sup>2</sup> in that year (see Table 1). The poverty intensity<sup>3</sup> was equal to 23.2%.

1. We acknowledge the INE-Statistical Portugal for allowing us access to the data (Protocol INE/MCES, process 237).

2. The poverty line is defined as 60% of the median of the equivalent disposable income.

3. The concept of «poverty incidence» used in this paper is equivalent to Eurostat's «people in risk of poverty».

**Table 1 – Monetary Poverty**

	Value	95% Confidence Interval	
		Lower	Upper
Poverty Incidence	18.5 (0.9)	16.7	20.3
Poverty Intensity	23.2 (1.2)	20.8	25.6

Notes: Standard errors in parenthesis. Source: 2008 Portuguese EU-SILC

However, this analysis can and should be furthered by investigating the material dimension of poverty, i.e., the inability to attain certain basic standards of living and consumption. It is widely agreed that being poor does not simply mean not having enough monetary resources: it also reflects a lack of access to the resources required to enjoy a minimum standard of living and participation in the society one belongs to. If individuals are both poor and materially deprived they are defined as consistently poor.

In order to implement these concepts, the EU has defined nine indicators of material deprivation. They include a wide range of items that are listed in detail in the first column of Table 2<sup>4</sup>. The 2<sup>nd</sup> column of the table gives the percentages of 'enforced lack', i.e., the percentages of individuals that would have like to possess each item, but could not afford it, and were therefore deprived of it. The first EU agreed measure of material deprivation is defined as the enforced lack of at least (any) three of the nine items, and therefore is a measure of the deprivation incidence. The second is a measure of its intensity, and is defined as the mean of the number of items the deprived individuals are deprived of.<sup>5</sup>

**Table 2 – Deprivation Indicators**

	Value	95% Confidence Interval	
		Lower	Upper
I1. Inability to face unexpected financial expenses	26.2 (1.2)	23.9	28.5
I2. Inability to afford paying for one week annual holiday away from home	64.3 (1.3)	61.8	66.7
I3. Arrears (mortgage or rent payments, utility bills or hire purchase)	6.5 (0.6)	5.3	7.6

(cont.)

«Poverty intensity» is defined as Eurostat's «relative at risk-of-poverty gap», the difference between the median income of those below the poverty line and the value of the poverty line itself, expressed in relation to the poverty line. The usage of the Eurostat poverty indicators, instead of the more traditional indicators suggested by Foster, Greer e Thorbeck (Foster *et al.* (1984)), is justified by the objective of comparability with the «official» indicators used at European level. For a study of Portuguese poverty using the Foster, Greer e Thorbeck indices see Rodrigues, C.F. (2010).

4. These indicators distinguish between households who do not own items 6 to 9 because of a lack of financial capacity from those who do not own them because of a lack of interest or necessity.

5. See, for example, Guio, Fusco and Marlier (2009) and Guio (2009) for a discussion of these measures and choice of threshold (3 or more items).

**Table 2 – Deprivation Indicators (cont.)**

	Value	95% Confidence Interval	
		Lower	Upper
14. Inability to afford a meal with meat, chicken or fish every second day	4.0 (0.6)	2.8	5.3
15. Inability to keep home adequately warm	34.9 (1.5)	31.9	37.9
16. Enforced lack of a washing machine	2.5 (0.3)	1.9	3.0
17. Enforced lack of a colour TV	0.5 (0.1)	0.2	0.7
18. Enforced lack of a telephone	4.5 (0.5)	3.5	5.5
19. Enforced lack of a personal car	9.4 (0.7)	8.0	10.8

Notes: Standard errors in parenthesis. Source: 2008 Portuguese EU-SILC

According to the EU-SILC 2008 23.0% of the Portuguese, just over 2.4 million people, were materially deprived (Table 3). The intensity of their deprivation, i.e., the average number of items they were deprived of, was 3.6. It should be noted that 30.3% of the whole population were not deprived of any item at all.

**Table 3 – Material Deprivation**

	Value	95% Confidence Interval	
		Lower	Upper
Deprivation Incidence	23.0 (1.1)	20.8	25.1
Deprivation Intensity	3.6 (0.0)	3.6	3.7

Notes: Standard errors in parenthesis. Source: 2008 Portuguese EU-SILC

Crossing monetary poverty and material deprivation in Table 4 gives a much more detailed picture of the standards of living of the Portuguese: 7.1 million Portuguese (67.0% of the population) were 'neither poor nor deprived', 1.5 million (14.5%) were 'not poor and deprived', 1 million (10.0%) were 'poor and not deprived', and 900 thousand (8.5%) were 'both poor and deprived'. The latter are the consistent poor, the most vulnerable group of the population<sup>6</sup>.

6. The calculated percentage of poor and deprived individuals (8.5%) is very close to that of persistently poor individuals calculated by Eurostat, using the longitudinal data of EU-SILC. The connection between consistent poverty calculated each year and persistent poverty computed longitudinally is clearly one of the avenues of future development of our research.



**Table 4 – Monetary Poverty versus Material Deprivation**

	Not Deprived	Deprived	Total
Not Poor	67.0 (1.2)	14.5 (0.8)	81.5 (0.9)
Poor	10.0 (0.7)	8.5 (0.6)	18.5 (0.9)
Total	77.0 (1.1)	23.0 (1.1)	100.0

Notes: Standard errors in parenthesis. Source: 2008 Portuguese EU-SILC

The recent evolution of these measures in Portugal and the EU27 is summarised in Table 5. The Portuguese were poorer and more intensely poorer than the average EU27 citizen, though their situation has been improving. They were also more deprived than the EU average.

**Table 5 – Monetary poverty versus Material Deprivation**

		2005	2006	2007	2008
Poverty Incidence	PT	19.4	18.5	18.1	18.5
	EU27	15.9	16.1	16.7	16.5
Poverty Intensity	PT	26.0	23.5	24.3	23.2
	EU27	22.4	22.5	23.0	21.9
Deprivation Incidence	PT	21.2	20.0	22.4	23.0
	EU27	17.4	17.4	17.8	17.4
Deprivation Intensity	PT	3.7	3.7	3.7	3.6
	EU27	3.8	3.8	3.9	3.8

Source: Eurostat EU-SILC – Values for poverty indicators based on data of previous year.

Another way of looking at the results in Table 4 is that 45.8% of the Portuguese poor were also materially deprived (consistent poor). However, it should be pointed out that most (63.0%) of the deprived were not poor, and that most (54.2%) of the poor were not deprived. This perhaps surprising result needs to be discussed in more detail.

This result is put in evidence in Table 6 where the two deprivation measures<sup>7</sup> are reported by equivalent income decile. Whereas poverty is situated by construction in the 1<sup>st</sup> and 2<sup>nd</sup> deciles of the distribution, material deprivation is spread throughout the income deciles. Only just over half (50.8%) of the poorest individuals were deprived, with an average deprivation of 2.7 items. It is the highest value of deprivation index by decile, but still below the threshold 3+ items. On the opposite end of the distribution, 1.2% of the wealthiest individuals (10<sup>th</sup> decile) considered themselves deprived of 3+ items, and were therefore materially deprived.

7. As the measure of deprivation intensity is only defined for the deprived, an equivalent deprivation *index* is defined for all population, deprived or not.

The index of deprivation of the whole population (deprived or not) was equal to 1.5, meaning that, on average, each Portuguese was deprived of 1.5 items, and fell consistently through the deciles. Nevertheless, the incidence of the deprivation was still quite significant in the 6<sup>th</sup> and 7<sup>th</sup> deciles (about 15% of the individuals in these deciles were deprived).



**Table 6 – Material Deprivation by equivalent income decile**

	Deprivation Incidence	Deprivation Index
1 <sup>st</sup> decile	50.8	2.7
2 <sup>nd</sup> decile	39.6	2.3
3 <sup>rd</sup> decile	41.2	2.2
4 <sup>rd</sup> decile	29.9	1.9
5 <sup>th</sup> decile	22.6	1.7
6 <sup>th</sup> decile	14.7	1.4
7 <sup>th</sup> decile	14.4	1.3
8 <sup>th</sup> decile	9.7	1.0
9 <sup>th</sup> decile	5.7	0.6
10 <sup>th</sup> decile	1.2	0.2
Total	23.0	1.5

Source: 2008 Portuguese EU-SILC

It is possible to analyse the deprivation levels by item (Table 7). The most deprived item was 'I2' (hereafter denoted 'holiday'): 64.3% of the Portuguese answered they could not afford a week holiday away from home (57.9% of the Not Poor and 92.1% of the Poor). It was followed by 'I5' (hereafter denoted 'homewarm') with 34.9%, and 'I1' (hereafter 'expenses') with 26.2%. By far, in all groups and in the same relative order, these 3 items were the ones most Portuguese were deprived of<sup>8</sup>. The (distant) fourth placed item was 'I9' (hereafter 'car') of which 9.4% of the Portuguese were deprived of. The least deprived items were (in increasing % order)

**Table 7 – Deprivation Indicators (Poor versus Not Poor population)**

	Not Poor	Poor	All
I1. Inability to face unexpected financial expenses	21.5	46.7	26.2
I2. Inability to afford paying for one week annual holiday away from home	57.9	92.1	64.3
I3. Arrears (mortgage or rent payments, utility bills or hire purchase)	4.9	13.2	6.5
I4. Inability to afford a meal with meat, chicken or fish every second day	2.8	9.8	4.0
I5. Inability to keep home adequately warm	30.2	55.8	34.9
I6. Enforced lack of a washing machine	1.4	7.0	2.5
I7. Enforced lack of a colour TV	0.4	0.8	0.5
I8. Enforced lack of a telephone	3.6	8.5	4.5
I9. Enforced lack of a personal car	7.0	20.2	9.4

Source: 2008 Portuguese EU-SILC

8. The choice of the threshold 3+ items models the characteristics of the data particularly well: there is a marked difference between the levels of deprivation of the three most deprived items (holiday, homewarm and



'17' (hereafter 'TV') with 0.5%, '16' (hereafter 'washingmachine') with 2.5%, '14' (hereafter 'meal') with 4.0%, '18' (hereafter 'phone') with 4.5%, and '13' (hereafter 'arrears') with 6.5%. The only difference in the relative ordering of the items is that the poor were more deprived of 'meal' than of 'phone', unlike the rest of the population.

The poor were much more likely than the not poor to be deprived of washingmachine (5 times more), meal (3.5), car (2.9), and arrears (2.7). The smallest difference was actually recorded in the most deprived item, holiday (1.6), reflecting its widespread lack. A staggering 92.1% of the poor could not afford it.

It is possible to study poverty and material deprivation in more detail by analysing its impact on different socio-economic characteristics of the population, which is the aim of the next section.

### 3. Poverty and Material Deprivation by categories of the population

The EU-SILC data allows for a detailed analysis of the different socio-economic categories of the Portuguese population. Four of these categories were retained in this study: age group, household type, economic status (individuals older than 16) and degree of urbanisation.

**Table 8 – Monetary poverty versus Material Deprivation**

	Poverty Incidence	Poverty Intensity	Deprivation Incidence	Deprivation Intensity
<b>Gender</b>				
Men	17.9	22.5	22.3	3.7
Women	19.1	23.6	23.6	3.6
<b>Age Group</b>				
Age <= 17	22.8	26.2	24.8	3.7
18 <= Age <=64	16.3	23.6	21.1	3.6
Age >= 65	22.3	17.7	27.8	3.6
<b>Household Type</b>				
Single - age < 65	25.0	37.0	35.4	4.2
Single - age >=65	34.5	26.9	37.9	3.6
Two adults younger than 65 years	16.5	23.6	20.0	3.7
Two adults, at least one aged 65 years and over	21.7	15.7	26.7	3.7
Three or more adults	7.6	18.8	18.9	3.4
Single parent with dependent children	38.9	31.3	46.9	3.8
Two adults with one dependent child	17.0	18.7	20.3	3.6
Two adults with two dependent children	20.6	24.8	16.7	3.7
Two adults with three + dependent children	31.9	36.4	35.8	3.9
Other Households with dependent children	18.2	22.9	23.0	3.6

(cont.)

expenses) and the remaining six. Therefore, calculating 'measures of deprivation' for all possible thresholds (1+ to all 9 items), a significant drop was recorded from 23.0% of the population being deprived of 3+ items, to 9.7% deprived of 4+ items, and 3.5% deprived of 5+ (incidentally, 45.4% were deprived of 2+). Full results are available from the authors. These results complement that of the deprivation intensity (3.6 items).

**Table 8 – Monetary poverty versus Material Deprivation (cont.)**

	Poverty Incidence	Poverty Intensity	Deprivation Incidence	Deprivation Intensity
<b>Economic Status</b>				
Working	12.3	21.7	17.8	3.6
Unemployed	29.3	27.5	38.4	3.9
In retirement	19.7	18.1	26.4	3.6
Other inactive person	29.5	25.5	28.7	3.7
<b>Degree of Urbanisation</b>				
densely populated area	13.4	23.4	24.9	3.6
intermediate area	22.2	22.4	22.8	3.7
thinly populated area	23.4	23.5	19.5	3.6
Total	18.5	23.2	23.0	3.6

Source: 2008 Portuguese EU-SILC.

They give the analysis a sufficient degree of detail to identify the sectors of the population which were in a more vulnerable situation. The incidence and intensity of both poverty and deprivation by categories are reported in Table 8 and they prove to be important factors to understand how they both affected the Portuguese population.

Women recorded higher poverty and deprivation rates than men and slightly higher than the global average. By age group, the young and the elderly recorded higher poverty and deprivation rates than the rest of the population: 22.8% of the children (aged 17 and under) and 22.3% of the elderly (people aged 65 and above) were poor. The poverty intensity for the children (26.2%) was higher than that for those between 18 and 64 years old (23.6%) and particularly the elderly (17.7%). Given the similar poverty rates of the children and the elderly, the difference in their poverty intensities reveals a less difficult situation of the latter.

The difference between the poverty incidence and intensity of the elderly is a clear indication of the need to complement the analysis of the former with the latter. The elderly have long been identified as one of the groups of the Portuguese population with highest poverty incidence. They have been the focus of social policies, such as Minimum and Social Pensions and, recently, the Solidarity Supplement for the Elderly<sup>9</sup>, that have clearly worked in decreasing their poverty intensity.

The situation was more similar in terms of deprivation: 24.8% of the children and 27.8% of the elderly were deprived, compared to 21.1% of the rest of the population. The deprivation intensity was virtually unaffected.

By household type, 38.9% of the households of 'Single parents with children' were poor, followed by 'Single aged ≥65' (34.5%) and 'Two adults with 3+ children' (31.9%). The lowest poverty incidence was in households of 'Three+ adults' (7.6%). The highest intensities were recorded for 'Single aged <65' (37.0%) and 'Two adults with 3+ children' (36.4%), and the lowest for 'Two adults at least one 65+' (15.7%).

The highest deprivation rate was recorded for 'Single parents with children': 46.9% of them were deprived. Living alone was also an important factor: 35.4% of those 'Single aged <65' and 37.9%

9. The Solidarity Supplement for the Elderly, gradually introduced since 2006, is a means-tested benefit that has the explicit objective of reducing the incidence of poverty on older people. Its threshold is defined at the level of the poverty line.





of those 'Single aged  $\geq 65$ ' were deprived. The former recorded the highest deprivation intensity (4.2 items). The least deprived were 'Two adults with 2 children' (16.7%), followed by 'Three+ adults' (18.9%), who also recorded the lowest deprivation intensity (3.4 items).

The economic status of the population aged 16 and above was also an important factor: those at work recorded the lowest poverty (12.3%) and deprivation rates (17.8%), followed by those retired (19.7% and 26.4%, respectively). About 30% of both unemployed and inactive groups were poor. The intensity of poverty was highest for the unemployed (27.5%), but being at work still meant a high value of 21.7%. The unemployed also recorded the highest deprivation rate (38.4%) and intensity (3.9 items).

Finally, by level of urbanisation, those living in densely populated areas had lower poverty rate (13.4%) whereas the intermediate and thinly populated areas recorded similarly higher results (just above 22%), all with high intensities. The situation changed completely in terms of deprivation: 19.5% of the individuals living in thinly populated areas were deprived compared to 24.9% and 22.8% of those living in densely or intermediate populated areas, respectively.

To summarise, single parent with dependent children, couples with three or more dependent children, single persons, unemployed, other inactive person and children were the more vulnerable categories of the population as they tended to have the highest poverty and deprivation rates and intensities. Households with 3+ adults, two adults with one dependent child and those at work were the categories 'better off' with the lowest rates and intensities.

Furthermore, if all individuals living in households with children were selected, they represented 60.4% of the total number of poor, though they were only 54.4% of the whole population, emphasising the connection between households with children and poverty. However, these households represented 53.1% of the total of deprived individuals, very close to their national proportion, and suggesting an 'average' incidence of deprivation.

Having identified and characterised the Portuguese who were poor and/or deprived, it is possible to study in the next section those of them who were most vulnerable and socially excluded: the consistent poor.

#### 4. Consistent Poor

The consistent poor, i.e., those individuals who were both poor and materially deprived, represented 8.5% of the Portuguese population (Table 4 above). Their deprivation levels by item (Table 9) show the same relative ordering as for (all) poor, but with much higher percentages. The highest increases were in TV and meal (2.3 and 2.2 times more than the poor, respectively) and the least in one week holiday away from home (1.1). The most deprived item, holiday, was lacked by an alarming 99.6% of the consistent poor. They were 6 times more deprived of washingmachine than the whole population and 10.7 than the not poor. They were 7.6 times more deprived of meal than the not poor.

**Table 9 – Deprivation Indicators (Consistent Poor)**

	Cons. Poor	Poor	Deprived	All
I1. Inability to face unexpected financial expenses	82.6	46.7	83.7	26.2
I2. Inability to afford paying for one week annual holiday away from home	99.6	92.1	98.2	64.3
I3. Arrears (mortgage or rent payments, utility bills or hire purchase)	25.2	13.2	21.1	6.5

**Table 9 – Deprivation Indicators (Consistent Poor) (cont.)**

	Cons. Poor	Poor	Deprived	All
14. Inability to afford a meal with meat, chicken or fish every second day	21.3	9.8	15.6	4.0
15. Inability to keep home adequately warm	85.0	55.8	82.9	34.9
16. Enforced lack of a washing machine	15.0	7.0	10.4	2.5
17. Enforced lack of a colour TV	1.8	0.8	1.7	0.5
18. Enforced lack of a telephone	15.7	8.5	16.4	4.5
19. Enforced lack of a personal car	37.9	20.2	33.9	9.4

Source: 2008 Portuguese EU-SILC

The incidence and intensity of those in poverty and deprivation by categories are given in Table 10 and reveal a much bleaker situation. By age group, 12.0% of the elderly and 10.9% of the children were consistently poor, the same as just above a quarter (25.4%) of 'Single parents with children' and 22.7% of 'Two adults with 3+ children'. Children were the age group with highest poverty intensity (34.2%), and households with many children (two and three or more) recorded the second highest poverty intensities (36%).

Living alone was again an important factor: 20.8% of 'Single aged  $\geq 65$ ' and 15.0% of 'Single aged  $< 65$ ' were consistently poor, recording poverty intensities of, respectively, 26.1% and 40.0%. The latter was the highest recorded poverty intensity and was coupled with the highest deprivation intensity (4.4 items).

Even those at work were affected: 4.3% of them were consistently poor, recording an intensity of poverty of 22.8% and of deprivation of 3.7 items. The situation of the unemployed was much worse, with 17.8% of them consistently poor and intensities of 31.3% and 4.2 items.

The rate of consistently poor of the elderly is 12.0%. However, they have lowest poverty and deprivation intensities, in line with the results of those 'in retirement'.

By area, the differences were not very substantial, though those living in intermediate areas were less likely to be poor (7.9%), but with higher intensities (31.2% and 4.0) than those living in thinly (9.7%, 26.2% and 3.7, respectively) and densely populated areas (8.3%, 23.4% and 3.8).

Once again, households with 3+ adults, two adults with one dependent child and those at work were the categories presents lower levels of consistent poverty and lower poverty and deprivation intensities.

All these consistent poor households lived in very difficult conditions, but, in particular, 55.7% of all consistently poor individuals lived in households with children and 14.0% lived alone.

In all calculations of measures of deprivation so far, all items have been considered equally essential, i.e., have been given the same relative importance or weight. However, it can be argued that the relative importance to the individuals of lacking or being deprived of a week of holidays away from home or of having a good meal every other day or a washing machine are very different. In the next section a weighted measure of deprivation will be calculated and discussed.



**Table 10 – Consistent Poverty**

	Consistent Poverty	Poverty Intensity	Deprivation Intensity
<b>Gender</b>			
Men	8.0	24.2	3.9
Women	9.0	27.1	3.8
<b>Age Group</b>			
Age <= 17	10.9	34.2	3.9
18 <= Age <=64	6.8	27.5	3.9
Age >= 65	12.0	18.4	3.6
<b>Household Type</b>			
Single – age < 65	15.0	40.0	4.4
Single – age >=65	20.8	26.1	3.7
Two adults younger than 65 years	7.9	26.4	3.9
Two adults, at least one aged 65 years and over	10.4	17.2	3.8
Three or more adults	3.6	19.5	3.3
Single parent with dependent children	25.4	31.3	3.8
Two adults with one dependent child	6.6	18.7	3.7
Two adults with two dependent children	6.6	36.3	3.9
Two adults with three + dependent children	22.7	36.4	4.0
Other Households with dependent children	6.9	22.3	4.0
<b>Economic Status</b>			
Working	4.3	22.8	3.7
Unemployed	17.8	31.3	4.2
In retirement	10.6	18.6	3.6
Other inactive person	14.4	28.4	4.0
<b>Degree of Urbanisation</b>			
densely populated area	8.3	23.4	3.8
intermediate area	7.9	31.2	4.0
thinly populated area	9.7	26.3	3.7
Total	8.5	26.2	3.8

Source: 2008 Portuguese EU-SILC

## 5. Material Deprivation versus Weighted Material Deprivation



There is a growing body of literature that addresses the issue of weighted deprivation: should all items be considered equally important, how and who should decide their relative importance, how can this information be incorporated in the analysis and what is its impact in each country and across the EU.

A measure of the intensity of deprivation  $u_i$  of individual  $i$  ( $i = 1, 2, \dots, n$ ) can be written as:

$$u_i = \sum_{j=1}^m w_j x_{ij}$$

where  $x_{ij}$  is the non-negative level of deprivation of individual  $i$  on item  $j$  ( $j = 1, 2, \dots, m$ ) and is equal to either 0 (individual possesses the item) or 1 (lacks it) and all weights,  $w_j$ , are normalised to sum one. So far, all weights were considered to be the same and equal to 1. Therefore, the measure of deprivation intensity used in the previous sections was a simple count of the number of items individual  $i$  was deprived of, aggregated over the whole population, and using a threshold of 3+ items to define deprivation. Although there are advantages to this method, such as simplicity of calculations and interpretation of the results, no meddling by the researcher or need of extra information, its advantages can become drawbacks as, for example, it implies equal importance and substitutability between the items.

An improvement to the methodology is to consider the possibility of weighting each item differently in order to reflect the different impact of its enforced lack on the standard of living of the individuals. The ratio of each pair of weights can then be seen as a substitution rate between the two items they refer to. Different methods of weighting have been suggested and discussed in the literature<sup>10</sup>.

Decqanc and Lugo (2010) discuss the relative merits of different types of weights such as: data driven weights (like prevalence weights<sup>11</sup>), normative weights (like equal weights or arbitrarily set weights), and hybrids (like survey based weights). The latter have a strong advantage over the other two types of weights because they avoid the argument between the 'is' and 'ought to be' methods: survey based, or consensus, weights are «based directly on the opinions of a representative group of individuals in the society». They are (exogenous) weights based on the social perception of the importance of each item for the achievement of a minimum standard of living.

The option in this paper for the consensus weighting method is made possible by the existence of the Eurobarometer survey of 2007 on «Poverty and Exclusion». This survey was done in all EU countries to support the choice of deprivation items included in the EU-SILC. The Portuguese results of the survey relevant to the 9 items are summarised in Table 11.

10. For a general discussion on weights see, for example, Decanq and Lugo (2010), and for applications Guio *et al.* (2009) and Bossert *et al.* (2009).

11. Prevalence weighting is an endogenous, frequency based method: the weight of each item is calculated from the data as the normalised percentage of the individuals that possess that item. It rests on the assumption that the most possessed item is the most valued by the individuals, and therefore an individual who does not possess it will feel most deprived of (subjective perception of deprivation). In this case, the weights were calculated from column 4 (All) of Table 7. The normalised weights of the 9 items varied between 0.0724 for holiday (the least possessed item) and 0.1246 for TV (the most possessed). By construction, these weights will vary every year, and may therefore introduce extra variability in the analysis.

**Table 11 – Eurobarometer answers – Portuguese results (in row %)**

Ability to have:	Absolutely necessary	Necessary	Desirable, but not necessary	Not at all necessary	Deprivation % (total population)
Expenses	45	38	16	0	26.2
Holiday	17	44	32	7	64.3
Arrears	70	26	3	0	6.5
Meal	76	22	2	0	4.0
Home warm	59	37	4	0	34.9
Washing machine	65	30	4	1	2.5
TV	35	52	12	1	0.5
Phone	17	41	29	14	4.5
Car	29	38	27	6	9.4
Total	413	328	129	29	–

Source: several tables in the Appendix of Eurobarometer 279 «Poverty and Exclusion» and Table 6 (last column).

As in Bossert *et al.* (2009) and Guio (2009), the weights were calculated as the normalised proportions of the 'absolutely necessary' answers (2<sup>nd</sup> column of Table 11), as these were the proportions by which each item was considered essential for a «decent standard of living». <sup>12</sup> It is immediately noticeable that the most deprived item, holiday, was considered the least essential (together with phone): only 17% of the Portuguese respondents considered it absolutely necessary. Of the items the respondents considered most essential: meal (76%), arrears (70%) and washing machine (65%), only 4.0%, 6.5% and 2.5% of the Portuguese population were deprived of, respectively. Perhaps not by coincidence, washing machine, meal and arrears were the items that the consistent poor were found to be lacking much more than the not poor in the previous section.

It is necessary to define the threshold of material deprivation: when and how is an individual considered to be deprived? The definition of deprivation moves from a simple count of items to the normalised weighted sum of items. Therefore, an individual deprived of holiday, phone and car (the least weighted items, adding to 0.1526) will be considered less deprived than an individual deprived of either one (or one only) of the most valued: meal (0.1840) or arrears (0.1695). It is not the number of items, but their relative (weighted) consensual social importance that defines deprivation.

Guio (2009) argues that the threshold should be chosen as the sum of the two highest weights (here equal to 0.3535) so that an individual could lack more than two (lower weighted) items and not be deprived, but could not lack the two highest weighted items plus any other item and not be deprived. In other words, the sum of the two highest weights acts as a lower bound of the previous 3+ threshold as it is the upper bound of being deprived of exactly two items. This definition of weighted material deprivation and threshold will be used in the next section to analyse the Portuguese data.

12. When the summation of both 'absolutely necessary' and 'necessary' individual percentages was used to calculate the weights, the results were very close to the equal weighting method used earlier (correlation between the two measures of deprivation equal to 99.9%).

## 6. Weighted Material Deprivation



In this section the concept of weighted material deprivation is used and the results compared with those obtained using the concept of material deprivation. As discussed above, the consensus weights were calculated from the 'absolutely necessary' answers of the Eurobarometer survey, and the threshold is defined as the sum of the two highest weights.

The impact of the definition of weighted deprivation (hereafter *wdeprivation*) is evident in Table 12: the *wdeprivation* rate is equal to 9.8%. Comparing with Table 3, 13.1% of that population, almost 1.4 million individuals that were materially deprived are no longer considered (weighted) deprived. This result is mainly a consequence of the reclassification of almost 9.2% of the population from being 'not poor and deprived' to being 'neither poor nor deprived'.<sup>13</sup>

**Table 12 – Material Deprivation (weighted)**

	Value	95% Confidence Interval	
		Lower	Upper
Deprivation Incidence	9.8 (0.8)	8.2	11.5
Deprivation Intensity	0.5 (0.0)	0.5	0.5

Notes: Standard errors in parenthesis. Source: 2008 Portuguese EU-SILC

The category of 'not poor and deprived' shrunk from 14.5% of the population to 5.3% (Table 13), a result that seems more reasonable. The inverse happened to the 'poor and not deprived', which increased by over 400 thousand individuals (4.0% of the population) from the consistent poor, which became 4.5% of the population.

**Table 13 – Monetary Poverty versus Weighted Material Deprivation**

	Not Deprived	Deprived	Total
Not Poor	76.1 (1.1)	5.3 (0.6)	81.5 (0.9)
Poor	14.0 (0.8)	4.5 (0.5)	18.5 (0.9)
Total	90.2 (0.8)	9.8 (0.8)	100.0

Notes: Standard errors in parenthesis. Source: 2008 Portuguese EU-SILC

Fewer of the high income individuals were considered deprived (Table 14): around 3% of the individuals in any decile above the 5<sup>th</sup> were deprived, a much lower percentage than in Table 6 discussed before. Nevertheless, 0.7% of the individuals in the highest decile were still deprived.

13. The definition of poverty remains unaltered.



The results of wdeprivation so far point to a marked decrease in the number of individuals that, though not poor, were considered deprived, particularly those in high deciles of the income distribution. This alteration is due to the fact that to be wdeprived, one needs to be deprived of really essential items, and not solely of whichever three.

**Table 14 – Weighted Material Deprivation by equivalent income decile**

	Deprivation Incidence	Deprivation Index
1 <sup>st</sup> decile	29.8	0.2559
2 <sup>nd</sup> decile	17.1	0.2154
3 <sup>rd</sup> decile	16.8	0.1977
4 <sup>rd</sup> decile	12.2	0.1649
5 <sup>th</sup> decile	6.8	0.1477
6 <sup>th</sup> decile	5.3	0.1180
7 <sup>th</sup> decile	6.1	0.1129
8 <sup>th</sup> decile	2.8	0.0806
9 <sup>th</sup> decile	0.8	0.0485
10 <sup>th</sup> decile	0.7	0.0191
Total	9.8	0.1360

Source: 2008 Portuguese EU-SILC

These results are confirmed in Table 15, where the percentages of individuals who were wdeprived by each item are compared to the national percentages.

**Table 15 – Weighted Deprivation Indicators (Consistent Poor)**

	Cons. Poor	Poor	Deprived	All
I1. Inability to face unexpected financial expenses	86.9	46.7	86.9	26.2
I2. Inability to afford paying for one week annual holiday away from home	99.4	92.1	98.0	64.3
I3. Arrears (mortgage or rent payments, utility bills or hire purchase)	37.1	13.2	37.8	6.5
I4. Inability to afford a meal with meat, chicken or fish every second day	38.7	9.8	34.8	4.0
I5. Inability to keep home adequately warm	94.1	55.8	89.3	34.9
I6. Enforced lack of a washing machine	23.0	7.0	18.4	2.5
I7. Enforced lack of a colour TV	3.4	0.8	3.4	0.5
I8. Enforced lack of a telephone	20.7	8.5	21.1	4.5
I9. Enforced lack of a personal car	51.1	20.2	52.1	9.4

Source: 2008 Portuguese EU-SILC

There was a noticeable increase in the percentage of the deprived individuals that were deprived of each item, particularly in the three highest items (holiday, homewarm and expenses). There was also a much more significant increase in the deprivation rates of the items considered most essential (meal and washingmachine). This is a consequence of the weighting: to be deprived the individuals have to be deprived of the more basic items which are socially perceived to be essential or to be deprived of many more of the less weighted items.

Another consequence of the weighting deprivation definition is that there was much less difference in the indicators of Table 15 between (all) the deprived and the consistent poor (deprived who were also poor).



**Table 16 – Monetary poverty versus Weighted Material Deprivation**

	Poverty Incidence	Poverty Intensity	Deprivation Incidence	Deprivation Intensity
<b>Gender</b>				
Men	17.9	22.5	9.5	0.4663
Women	19.1	23.6	10.2	0.4689
<b>Age Group</b>				
Age <= 17	22.8	26.2	12.2	0.4686
18 <= Age <=64	16.3	23.6	9.0	0.4646
Age >= 65	22.3	17.7	10.3	0.4766
<b>Household Type</b>				
Single – age < 65	25.0	37.0	21.3	0.4883
Single – age >=65	34.5	26.9	13.9	0.4947
Two adults younger than 65 years	16.5	23.6	8.8	0.4721
Two adults, at least one aged 65 years and over	21.7	15.7	11.0	0.4755
Three or more adults	7.6	18.8	5.7	0.4328
Single parent with dependent children	38.9	31.3	24.9	0.4364
Two adults with one dependent child	17.0	18.7	7.7	0.4744
Two adults with two dependent children	20.6	24.8	6.1	0.4994
Two adults with three + dependent children	31.9	36.4	23.1	0.4593
Other Households with dependent children	18.2	22.9	12.0	0.4610
<b>Economic Status</b>				
Working	12.3	21.7	7.1	0.4532
Unemployed	29.3	27.5	21.2	0.4870
In retirement	19.7	18.1	10.1	0.4672
Other inactive person	29.5	25.5	12.0	0.4876
<b>Degree of Urbanisation</b>				
densely populated area	13.4	23.4	11.6	0.4613
intermediate area	22.2	22.4	9.0	0.4802
thinly populated area	23.4	23.5	7.7	0.4665
<b>Total</b>	<b>18.5</b>	<b>23.2</b>	<b>9.8</b>	<b>0.4677</b>



Analysing the wdeprived by categories (Table 16) shows the general decrease in the number of deprived. However, by age group this reduction was relatively smaller for the children (12.2% of them were wdeprived) particularly versus the elderly (10.3%) which were the more deprived age group. By household type, almost a quarter of the single parents were deprived (24.9%), followed by 'Two adults with 3+ children' (23.1%) and 'Single <65' (21.3%). The percentage of all other households that were deprived was below 14%, much lower than the above.

**Table 17 – Weighted Consistent Poverty**

	Consistent Poverty	Poverty Intensity	Deprivation Intensity
<b>Gender</b>			
Men	4.3	30.2	0.4848
Women	4.7	28.4	0.4901
<b>Age Group</b>			
Age <= 17	6.7	36.4	0.4749
18 <= Age <=64	3.7	29.5	0.4918
Age >= 65	4.9	18.8	0.4945
<b>Household Type</b>			
Single – age < 65	10.3	40.0	0.5094
Single – age >=65	8.5	25.9	0.4861
Two adults younger than 65 years	4.5	21.4	0.5140
Two adults, at least one aged 65 years and over	4.7	18.6	0.5118
Three or more adults	1.0	14.7	0.4307
Single parent with dependent children	14.4	38.4	0.4464
Two adults with one dependent child	3.1	20.4	0.4665
Two adults with two dependent children	3.5	40.6	0.4867
Two adults with three + dependent children	17.1	44.9	0.4615
Other Households with dependent children	4.3	34.2	0.5252
<b>Economic Status</b>			
Working	2.2	23.6	0.4721
Unemployed	12.2	34.2	0.4999
In retirement	4.4	18.6	0.4852
Other inactive person	7.6	32.4	0.5174
<b>Degree of Urbanisation</b>			
densely populated area	4.5	29.5	0.4838
intermediate area	4.4	30.2	0.5087
thinly populated area	4.5	27.1	0.4678
<b>Total</b>	<b>4.5</b>	<b>29.8</b>	<b>0.4876</b>

Source: 2008 Portuguese EU-SILC

The elderly seem to have done relatively better with 10.3% of them wdeprived and 10.1% of those in retirement. This percentage is well below that of the unemployed (21.2%) and is closer to those at work (7.1%).

The consistent poor (both poor and wdeprived) represented 4.5% of the population. By age group, again a higher percentage of children (6.7%) were consistent poor than any other age group (Table 17). Those at work (2.2%) and retired (4.4%) were much less likely to be consistently poor than the unemployed (12.2%). The tendencies detected for the wdeprived were much replicated for the consistent poor, suggesting a closer relation than before between the two groups. The level of urbanisation had little impact in the poverty rate, but again showed that those living in intermediate areas had higher poverty and deprivation intensities.

The stronger incidence of poverty and deprivation on households with children detected earlier is also felt: 62.0% of all consistent poor lived in households with children when they represented only 54.4% of the whole population.

Wdeprivation seems to give interesting results in the reduction of the number of individuals who were not poor and deprived (identifying them as not poor and not deprived instead) and in identifying the individuals who were truly deprived of the essential items. This contributes to the large reduction in the deprivation rate.

However, the method also, but in much smaller degree, reduces the number of poor who were deprived (consistent poor). As the answers the latter gave to the 'lack of item' questions follow very much the same pattern as the other groups of society, even giving more weight to the essential items they are more likely to be deprived of is not enough for the method to give results that would 'reinforce' the number of consistent poor. Only 24.3% of the poor were wdeprived and only 45.8% of the wdeprived were poor. It is not possible for the method to overcome the fact that, from the answers they gave to the questions, they perhaps did not perceive themselves to be deprived of those items or had no such expectations or simply had what they considered access to them (the elderly had virtually no arrears, for example).

## 7. Conclusions

In this paper, though still in a preliminary form, we analysed the implication of the simultaneous use of monetary poverty and material deprivation indicators to characterise the most vulnerable individuals and households in Portugal.

Townsend's (1979) broader concept of poverty was used: it is based on the exclusion of the individuals from the regular standard of living of the society they live in due to the lack of monetary and non-monetary resources. This definition allows for a more detailed characterisation of who the poor are and of the depth of their poverty. The joint analysis of the incidence and intensity of both monetary poverty and material deprivation allows for a more rigorous identification of poverty in Portugal.

The information available in EU-SILC was used to discuss different methods of combining these two poverty dimensions. We started with the methodology adopted by the EU, but then discussed and evaluated alternative methods of identification and aggregation of the deprivation indicators.

A first conclusion of this study is that using the concept of material deprivation leads to a significantly deeper understanding of what is known about poverty in Portugal and of which sectors of the population are more affected.

A second conclusion is that the methodology used to define and aggregate the deprivation indicators has a strong influence on the results. However, these differences are limited to the levels of poverty and deprivation detected: the identification of the more and less vulnerable groups remains unchanged. A thorough discussion of the methodology used to study this new poverty dimension is clearly necessary.





The EU methodology for the construction of deprivation indicators is a significant step towards the use of the non-monetary dimensions of poverty at European level. However, it needs to be improved so that the inconsistent groups, particularly the highest income households that show significant levels of deprivation, can be better understood. The fact that about 10% of the Portuguese households with adult equivalent income above the median were considered to be deprived has to be worrying. Further research is required into their true standards of living.

The consideration of alternative weights for the different dimensions of deprivation based on the Eurobarometer results reduces significantly the number of deprived households and of consistent poor. It can be seen as a way to merge the two poverty dimensions and to identify situations of extreme poverty.

Three social groups were found to be particularly vulnerable, whatever methodology: single parent households, extended households with children, and the unemployed. These groups combine high levels of incidence and intensity of both monetary poverty and material deprivation. Therefore they are the sectors of the population where consistent poverty is most prevalent.

The analysis of the different poverty dimensions by age group is particularly enlightening. Although the children and the elderly record higher poverty and deprivation rates than the rest of the population, their relative situation is significantly different in terms of poverty intensity, especially monetary poverty. As a result of existing different social policies specifically targeted at the elderly population, the monetary poverty intensity of this age group is lower than that of the rest of the population, and their material deprivation is virtually equal to the national average. It is then very revealing that when the analysis switched from the usage of the EU (non-weighted) deprivation indicators to the weighted indicators, the elderly consistent poverty rate was significantly reduced. The same result does not occur in the children's age group, particularly in the case of children that live in single parent or large households, where high poverty and deprivation rates are always combined with high intensity rates and levels of consistent poverty.

The analysis of both monetary and material poverty by age group, together with the identification of the three most vulnerable social groups identified above, reveals children's poverty as one of the most worrying features of Portuguese society.

Last, but not least, a note on the scope and depth of the analysis of deprivation in this paper. Although different methodologies of construction and aggregation of the deprivation indicators were discussed and implemented, the analysis was restricted to the nine items selected by the EU methodology. Further and more thorough discussion of deprivation indicators must include a discussion on whether the nine indicators selected are the most adequate to achieve a meaningful analysis of deprivation in Portugal and in Europe.

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## Micro Credit and Territory: Portugal as a case study

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abstract

resumo / résumé

**This paper studies the relations between micro credit and territory, assuming that micro credit is an important instrument for fighting against poverty and social exclusion. Based on a micro-level database provided by ANDC (Associação Nacional de Direito ao Crédito), a statistical and econometric study has been undertaken in order to identify the territorial idiosyncrasies associated with the employment of micro credit in Portugal. Focusing on the survival of micro credit projects during the period 2006-2009, our study demonstrates the significance for a firm's survival of variables such as population density, value added growth in each activity and promoters' qualifications, as well as two regional dummies.**

Este trabalho tem como objectivo o estudo das relações entre o microcrédito e território, admitindo que o microcrédito é um instrumento importante de combate à pobreza e à exclusão social. Com base numa base de dados a nível micro fornecida pela ANDC (Associação Nacional de Direito ao Crédito), foi desenvolvido um trabalho estatístico e econométrico tendo por fim identificar as especificidades territoriais associadas ao emprego do microcrédito em Portugal. Focando a atenção na sobrevivência dos projectos de microcrédito no período de 2006-2009, o estudo demonstra a importância de variáveis como a densidade populacional, o crescimento do valor acrescentado por sector de actividade, e as qualificações dos promotores, para além de duas *dummies* regionais, para a sobrevivência dos projectos de microcrédito em Portugal.

Cet article rapproche les relations entre le microcrédit et le territoire, en supposant que le microcrédit est un instrument important pour combattre la pauvreté et l'exclusion sociale. Fondé sur une base de données-micro prévu par l'ANDC (Associação Nacional de Direito ao Crédito), nous avons développé un travail statistique et économétrique afin d'identifier les particularités territoriales liées à l'emploi de microcrédit au Portugal. Nous nous concentrons sur la survie des projets de micro crédit dans la période 2006-2009, et nous avons pu conclure sur l'importance de la densité de population, la croissance de la valeur ajoutée de chaque activité et les qualifications des promoteurs, en plus de deux variables indicatrices régionales, pour la survie des entreprises.

## 1. Introduction



Micro credit has gained considerable attention among economists and institutions over the last two decades. The growth of the micro credit sector across the world and the recognition of its importance, especially in developing countries, are clearly demonstrated in two main events: the 2005 International Micro Credit Year and the attribution of the 2006 Nobel Peace Prize to Muhammad Yunus and the Grameen Bank. The Nobel Committee considered micro credit as a tool for upholding economic and social development, contributing in this way to the fight against poverty and to the promotion of human rights (Mjos, 2006).

The evolution of the micro credit sector and its geographical dissemination has not been homogeneous. Additionally, there are different perspectives regarding the economic and social impact of this instrument on the beneficiaries and its ability to reduce poverty. However, the empirical evaluation of the micro credit sector and its effects is quite difficult, firstly because there are strict data limitations, secondly because data collection is very expensive, and thirdly because the most adequate methodological procedure is not clearly defined. Therefore, research into this topic is far from exhausted and there is still a lot of work to do as far as research into the micro credit sector is concerned (Rosenberg, 2010).

The aim of this paper is to make a small contribution to this difficult task, using a territorial approach which, as far as we know, has not been adopted at this level. The territory is expected to play an important role, since poverty and social exclusion are geographically diverse and these differences must be taken into account when designing and implementing social policies. Our main goal is to identify territorial idiosyncrasies associated with the use of micro credit in Portugal and to propose explanations for the potential differences.

This study is organised as follows. After the Introduction, Section 2 reviews the concept of micro credit, its evolution and dissemination all over the world, as well as micro credit in Portugal. Section 3 presents the main methodological considerations of our study concerning the relationship between micro credit and territory, based on Portuguese territorial idiosyncrasies. In Section 4 the results are discussed and in Section 5 the main conclusions and ongoing research are presented.

## 2. The conceptualization and evolution of micro credit

Micro credit consists in providing small loans to poor and socially excluded people, allowing them to become entrepreneurs. Through self-employment, people are expected to become professionally integrated and to be able to earn sufficient income to support themselves and their families (Sengupta and Aubuchon, 2008; Microcredit Summit Campaign, 2010).

From this perspective, micro credit is an instrument for fighting against poverty and social exclusion, and this was the main motive for the first experiments in the 1970s in some Asian and Latin American countries. The most famous and successful of these experiments was the one conducted by Muhammad Yunus in the village of Jobra, Bangladesh (Gutiérrez-Nieto, 2005). In 1983, the Bangladesh government created a special charter to allow the foundation of the Grameen Bank, an independent formal financial institution dedicated to micro credit (Sengupta and Aubuchon, 2008).

The Grameen Bank experiment demonstrated that poor people benefit from the opportunity to access capital and that institutions achieve high repayment rates from these credits. This success was the reason for a fast dissemination to other countries, some of them replicating the Grameen Bank programme. The sector's evolution also demonstrated that besides the act of providing credit, many of the institutions started offering a wider range of financial products and services, including savings and insurance. This enlargement is reflected in the use of the term microfinance (Sengupta and Aubuchon, 2008).



Nowadays, across the world, there is an attempt to scale up microfinance with a market-based approach. As a consequence there is growing concern about the sustainability of the microfinance institutions and an increasing tendency towards the transformation of non-governmental organizations into financial institutions.<sup>1</sup> The evolution of the microfinance sector in recent years has raised some concerns about whom micro credit is really helping, while questioning whether the micro credit programmes are managing to assist the extremely poor or the more geographically isolated. Marcus *et al.* (1999) pointed out that most micro credit schemes do not address the poorest for several reasons. One of these reasons is the way the schemes are designed in terms of loans and saving conditions, namely the interest rates and grace periods applied and the liquidity conditions of the savings. Another is the group lending mechanism, which has many advantages but also some disadvantages, as it discourages the poorest who have difficulties in joining or forming a group.

In spite of these considerations, the demand for financial services by the financially excluded is enormous, and this fact has been translated into the numbers of the microfinance sector. The 2009 Annual Report of the Microcredit Summit Campaign presents, for the year 2007, almost 155 million clients and more than 3 550 microfinance institutions worldwide (Daley-Harris, 2009). This report also illustrates the difference between developing and developed countries, with North America and Western Europe representing an almost insignificant proportion in relation to the total numbers.<sup>2</sup>

The growth of the microfinance sector in developing countries has brought attention to this type of programme and encouraged people in developed countries to try to adapt micro credit to their own situations. The first experiments in Europe began in the 1980s but the sector is still young, as most institutions started their lending operations after the second half of the 1990s, including ANDC (Associação Nacional de Direito ao Crédito) in Portugal (Jayo *et al.*, 2008; ANDC, 2010b).

The adaptation of micro credit to developed countries, namely Western European countries, is founded on the belief that it is based on universal principles, *i.e.* that being unemployed or receiving welfare contributions does not mean that people lack capabilities or the will to change their lives by creating their own jobs (Nowak, 2008). Frequently, these individuals are not able to acquire the financial capital needed to implement their projects as the banking system does not consider them credit worthy – these potential market segments are generally considered too small and less lucrative. Micro credit in Europe aims to close this market gap (Evers *et al.*, 2007). This is one of the main reasons for the growing interest in it, including at the European Union level.<sup>3</sup> The current economic crisis and the evolution of European labour markets cannot be dissociated from the structural reforms needed to address the long term challenges of globalisation and demographic and climate change. The massive unemployment growth in the last few years and the clear perception of the need to retain and bring more people into the labour market, especially women, older workers and groups facing discrimination, have

1. This tendency is particularly strong in developing countries and one example is the transformation, in 1992, of PRODEM – Fundación para Promoción y el Desarrollo de la Microempresa, into BancoSol – Banco Solidario, a commercial bank in Bolivia. With this change, the institution revised its priorities, with profitability becoming the main concern to its leaders (Sengupta and Aubuchon, 2008).

2. For these regions the number of clients is only 200 000 and there are only 127 institutions, contrasting for example with Asia and the Pacific, the most active region with 129 million clients and 1,727 institutions (Daley-Harris, 2009).

3. The introduction of micro credit into the institutional agenda of the EU formally occurred in 2007, but there were several previous initiatives such as: the working group «Micro credit for small business and business creation: bridging a market gap» (2003), the 1st Microfinance Conference in Brussels (2004) and the launching of JEREMIE – Joint European Resources for Micro to Medium Enterprises (2005). More recently, in 2008 and 2009, the European Commission approved the JASMINE programme (Joint Action for the Support of Microfinance Institutions) and the Progress Initiative, which establishes a European Microfinance Facility for Employment and Social Exclusion (European Commission, 2009).

contributed to the rising interest in the solution of self-employment (Nowak, 2008; European Commission, 2009).

The European Commission defines micro credit as loans of up to 25 000 Euros for the creation or development of small businesses (Evers *et al.*, 2007). This is a broad concept that does not take into consideration the profile of the entrepreneurs and the main motive of micro credit in its original concept. This is also an expression of two different approaches to microfinance: a *poverty lending approach* closer to the first experiments in developing countries, which assumes a primary goal of reaching the lowest segments of society, and a *financial system approach* more concerned with the scale and sustainability of the operations from the perspective that a larger number of clients will allow a wider portfolio of financial products offered, even if this means the exclusion of the poorest (Bonomo and Vitali, 2004). These two perspectives co-exist throughout most countries and micro credit is nowadays an expression used indistinctively.

The experience of micro credit in Europe is not a homogeneous reality. There are differences resulting from different approaches that are also linked to distinct situations when compared with developing countries.

Nowak (2008) presents the main differences: in the developing countries, self-employment has been the dominant form of employment, which means that micro credit has a huge number of potential clients; the strong demand for financial services and the importance of proximity relations between people has enabled the implementation of mechanisms such as group lending, which minimize risks and operational costs, these being some of the central problems in the developed countries; nowadays, the banking system is even less developed in developing countries, which have allowed easier entry for the microfinance institutions, especially in rural areas; finally, the framework for developing businesses (in developing countries) is more favourable to small initiatives, while in developed countries firms have to compete in highly regulated markets, subject to taxes and social charges.

This last aspect raises another important question related to micro credit in Europe, concerned with the capabilities and knowledge needed to successfully manage a business. For a considerable part of the poor and socially excluded this is not a simple task and many of the microfinance institutions, namely the non-governmental institutions that assume the mantle of the struggle against poverty and social exclusion in their mission statement, complement their portfolio activity with training and business development services (Nowak, 2008).

The overview of the sector in 2007, developed by the European Microfinance Network, demonstrates that even inside Europe the sector is not homogeneous. There are different types of institutions (*e.g.*, Foundations, Non-Governmental Organizations (NGOs), Commercial or Saving Banks), with different missions and priorities, acting on different geographical scales.<sup>4</sup>

The analysis of the microfinance sector cannot be complete without considering the target population. The importance of women as a target group for micro credit, which is one of the main features of the programmes in developing countries, has not been as important in Europe. In 2007, only 44% of European micro credit clients were women, although in some countries women comprised the majority, namely in Spain, Bulgaria, Portugal, the United Kingdom and Romania (Jayo *et al.*, 2008).

Other segments identified as targets in the European context are immigrants and young people, for which groups the take-up rate is also still below the expected level. With regard to immigrants, Spain is the most relevant example, relating to 2007, as 47% of the clients were immigrants, followed by France (24%) and Italy (21%). Nevertheless, in countries such as Germany and Belgium, where a high proportion of foreigners exist, the number of immigrants who apply for

4. For example, there is an important role of savings banks and foundations in Spain; the main actors in France, England and Portugal are NGOs; in Finland a government agency, Finnvera, is the key institution (Underwood, 2006; Evers *et al.*, 2007).





micro credit is irrelevant. The outreach to the young is even less noteworthy, Hungary being the (one) exception, as it is the only country with a percentage of clients under 25 years old larger than 50% (Jayo *et al.*, 2008).

As already mentioned, particularly in the case of Portugal micro credit was introduced at the end of the 1990s, with the emergence of ANDC, an NGO with national coverage. In the following year, a micro credit programme started operating, based on a partnership between ANDC, a public institution (Instituto do Emprego e Formação Profissional, IEFP) and Millennium BCP, a commercial bank. During the last ten years a few other programmes have been implemented, especially in the second half of the last decade, two under national coverage and two more under a local scheme (BSCD Portugal, 2006; GLOCAL, 2010).<sup>5</sup>

Although the sector has grown in Portugal in the last decade, with several actors coming onto the stage, there are still relatively few studies on this subject, particularly with a focus on a territorial approach. The main impact study up to date is the one conducted by Mendes (2007), which analysed all micro credits approved by ANDC between July 1999 and August 2006. In spite of not specifically focusing on a territorial perspective, one of the recommendations included (in the report) is the need to adapt the instrument to the diversity of poverty and social exclusion situations that are presented at a local level. In this context, Mendes (2007) underlines the role of local institutions that should work in direct collaboration with ANDC.

The importance of the territory in the development of small scale economic initiatives is also stressed in a study about micro-entrepreneurship in Portugal, promoted by Instituto António Sérgio do Sector Cooperativo (INSCOOP). The authors support the idea that entrepreneurship is influenced by the environment in which businesses are created and developed. There are micro-climates which are territorially diverse, that stimulate or restrain the entrepreneurship process, and this is particularly relevant for small initiatives (Portela *et al.*, 2008).

### 3. Methodological considerations

In order to explore our main research goal – the relationship between micro credit and territory – we adopt a twofold approach. First, we present a statistical description in order to discuss the relevance of the territory dimension in the micro credit programmes in Portugal. Second, on the assumption that the success of micro credit projects depends on their sustainability, we develop a survival analysis to explore the influence of the territory on the success of micro credit loans. To the best of our knowledge, this topic has not been studied and deserves particular attention.

In Portugal, the most significant and documented experience at the micro credit level is associated with ANDC. Therefore, we develop our analysis based on a micro-level database provided to us by that institution for the period between 1<sup>st</sup> January 2006 and 31<sup>st</sup> December 2009.<sup>6</sup>

5. The two national programmes are the autonomous micro credit scheme developed by Millennium BCP and a programme targeting young entrepreneurs managed by the National Association of Young Entrepreneurs (ANJE). This programme has recently been changed with an increase in the maximum credit amount to 50 000 euros, so it cannot be considered micro credit by the European Union definition. One of the local programmes is conducted by Santa Casa da Misericórdia de Lisboa, with a very specific target public (residents in Lisboa) (Microcrédito SCML), and the other by a network of 13 local development associations that covers about 60 municipalities in the North and Centre of the country (GLOCAL-SIM). All the programmes developed by NGOs incorporate a commercial bank in the partnerships and all of them are concerned with financial exclusion. The programme conducted in Lisboa is the only one that assumes fighting against poverty as a central goal (BSCD Portugal, 2006; GLOCAL, 2010).

6. This database includes all micro credit projects promoted by ANDC in articulation with the commercial banks, including new projects and projects subject either to an increase in capital, possible since 2007, or to a restructuring process (meaning an extension of the repayment period). For each one there is information available at several levels: promoters, businesses, loans and technical support.



The methodology used for analyzing the survival of micro credit projects is based on studies of firms' survival that have been developed since the 1980s, typically by using a hazard model. In this type of analysis, the traditional OLS model is inadequate because the dependent variable is incomplete, as at the end of the period under study there are several business projects that are not closed. The most important studies focus on the influence of the characteristics of firms and sectors on the duration of firms, particularly for the manufacturing sector (*e.g.* Mata and Portugal, 1994; Mata and Portugal, 2002).

Hazard models are based on a hazard function that represents the conditional probability of failure in a short term interval  $t$ , given that the observation unit has survived up to that moment (Cox and Oakes, 1984), defined as:

$$h(t) = \lim_{\Delta t \rightarrow 0} \frac{P(t \leq T < t + \Delta t | T \geq t)}{\Delta t} \quad (3.1)$$

In our analysis, we use a Cox proportional hazard model,<sup>7</sup> with the businesses' life time (in years) as a dependent variable<sup>8</sup>:

$$h(t | X_{t-1}) = e^{\lambda t} e^{\beta X_{t-1}}, \quad t = 1, \dots, K, \quad (3.2)$$

where  $e^{\lambda t}$  is the probability of closure of a microcredit business during year  $t$  and  $\beta$  corresponds to the regression coefficients of the independent variables denoted by  $X$ .

In order to explain the business closure, we include several explanatory variables that are mainly drawn from the literature on firms' survival<sup>9</sup> (systematized in Table 1).<sup>10</sup>

7. The proportional hazard model is very popular because it allows for solid results even if the distribution of survival time variables is not specified (Kleinbaum e Klein, 2005). Since some independent variables used in our model may vary with time, *e.g.* the growth rate of each sector, whilst others may not, *e.g.* the gender of the promoter, we must test the hazard proportional assumption, *i.e.* assess whether the hazard for one unit is proportional to the hazard for any other unit, where the proportionality is constant over time (Kleinbaum e Klein, 2005).

8. The information concerning micro credit firms' survival is yearly based since businesses' starting and closing dates are given annually. Moreover, the starting date is proxied by the approval date of the micro credit projects since the database does not include the effective open date, which is a reasonable choice, given that the two dates are usually very close. In regard to the closing date, we had to complete the ANDC database with information directly gathered from the microcredit officers responsible for each project.

9. It is important to mention that some of the independent variables usually included in the literature related to firms' survival are not relevant to our research context. For example, the size of the firm at the starting date is usually a statistically significant variable (*e.g.*, Mata e Portugal, 1994 and 2002; Holmes *et al.*, 2010). However, since most micro credit firms have only one worker, this variable is excluded.

10. Besides the variables included in Table 3, our research departed from an enlarged set of variables (comprising both internal characteristics of firms and external features of the environment), which was defined according to the related literature. However, the correlation analysis (Pearson's correlation statistics among quantitative variables and Cramer's V correlation statistics among qualitative variables) determined the exclusion of some variables, such as per capita GDP and firms per Km<sup>2</sup>.



Table 1 – Explanatory variables

Variable		Designation
Population density		DP
Annual growth rate of the gross added value in each sector		VAB
Promoters' nationality		NAC
Promoter's schooling	Primary school	HAB – 1C
	2nd and 3 <sup>rd</sup> cycle	HAB – 3C
	Secondary school	HAB – S
	Bachelor, under-graduation or graduation	HAB – U
Promoter's age	18-24	IDD – A
	25-34	IDD – B
	35-44	IDD – C
	45 or more	IDD – D
Sector of activity	Agriculture and Fishing (CAE – A)	NEG – A
	Construction (CAE – F)	NEG – C
	Manufacturing with high technology intensity (CAE – C: 20-21, 28-30, 33)	NEG – IFT
	Manufacturing with low technology intensity (CAE – C: 10-19, 22-25, 31-32)	NEG – IBT
	Delivering services (CAE – E, G, H, J)	NEG – SDB
	Production services (CAE – K, L, M, N)	NEG – SPD
	Social services (CAE – O, P, Q)	NEG – SS
Personal services (CAE – I, R, S)	NEG – SP	
Region (NUTS II)	Norte	REG – N
	Centro	REG – C
	Lisboa	REG – L
	Alentejo	REG – AT
	Algarve	REG – AG

The population density (inhabitants per square km) (INE, 2009b) might reflect the land cost, as firms and population compete for the same location. Therefore, we expect to observe a negative influence on the survival of micro credit projects. Furthermore, and similarly to Mata and Portugal (1994, 2002), we expect that the sector dynamics, evaluated by the growth rate of the gross value added in each sector (INE, 2010), will have a positive influence on firms' survival (e.g., Mata and Portugal, 1994, 2002). All the other variables are dummy variables. The influence of the promoter's nationality on firms' survival is a relevant topic for study, as local promoters are better informed about national legislation, and therefore we anticipate that they are more able to obtain a higher survival rate for their businesses. We also expect that the entrepreneurs' capabilities, measured by their school enrolment rate and age, have a positive influence on firms' survival (e.g., Mata and Portugal, 2002). With regard to the effect of the sector of activity on firms' survival, we consider the following categories: agriculture and fishing, construction,

manufacturing – categorized according to the technological intensity – and services. As most micro credit projects are in services, we adopted a larger categorization for this sector: delivering, production, social and personal services (Browning and Singelmann, 1975). Finally, the inclusion of the territorial dimension is accomplished in two ways: firstly, by considering the economic variables at the NUTS III level; secondly, by introducing a dummy variable for each region NUTS II in order to capture the influence of other specific regional characteristics on firms' survival.



#### 4. Micro Credit and Territory – Portugal as a case study

First micro credit experiments were conducted in a particular territorial context, namely rural areas in some developing countries. As mentioned above, the results obtained from these experiments motivated the export of micro credit to countries and regions with enormous differences as far as the level of development was concerned. In this process, the instrument was also employed in urban areas, principally in developed countries. In Portugal, for the period between 1999 and 2009, 47% of the projects approved by ANDC were set up in the districts of Lisboa and Porto, two mainly urban areas (ANDC, 2010a).

The relevance of the territory dimension in the micro credit programmes in Europe, especially when they have social objectives, is illustrated by a significant presence of local schemes. Moreover, some of the most important national microfinance institutions felt the need to be located at the regional level.<sup>11</sup>

Focusing on the Portuguese case, we start by looking at the evolution of projects promoted by ANDC in the period 2006-2009 (Table 2).

**Table 2 – Total ANDC Micro credit projects, 2006-2009**

	2006	2007	2008	2009	Total
New Projects	123	144	219	192	678
Capital Increase	0	15	28	36	79
Capital Restructuring	4	7	8	12	31
Total	127	166	255	240	788

Source: Own calculations, ANDC database.

These numbers suggest an increasing importance of micro credit in the Portuguese economy in recent years, only interrupted in 2009. In this year there were fewer new projects and, simultaneously, more processes of increasing capital and extending repayment periods. This situation might be related to the recent economic crisis felt in Portugal and across Europe.

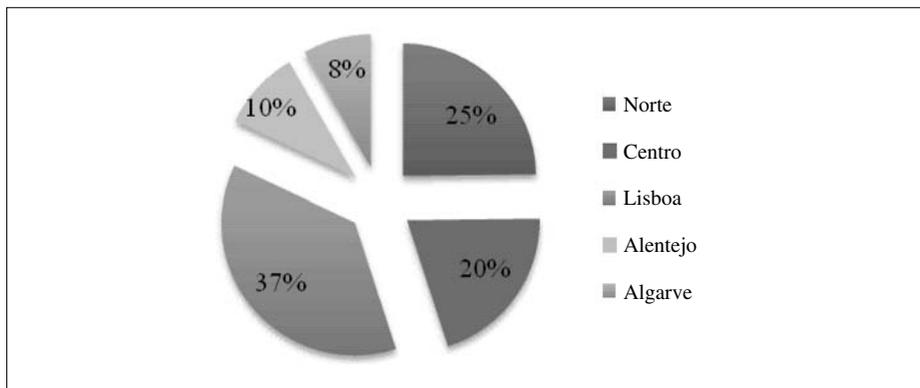
As the projects with capital increase or capital restructuring have started only recently and have only a slight bearing on total micro credit projects, we exclude them and focus on new micro credit projects.

We then analyse the distribution of new micro credit projects across regions NUTS II and III in the period 2006-2009 (see Figure 1 and Table 3).

11. This territorial relevance is illustrated, for example, by the presence of the 120 and 236 permanent offices in France of the Association pour le droit à l'initiative économique (Adie) and the France Initiative Réseau (FIR), respectively, in 2006 (Jayo *et al.*, 2008; Planet Finance, 2007).



Figure 1 – New Micro credit projects, by NUTS II, 2006-2009



Source: Own calculations, ANDC database.

Table 3 – Geographic distribution of Micro credit projects, 2006-2009

NUTS II / III	Municipalities			New micro credit projects		Total new firms with 1 or more employees, 2007	
	Total	with new projects		N.º	%	N.º	%
		N.º	%				
182 – Alto Alentejo	15	3	20.0%	5	0.7%	1 311	0.9%
183 – Alentejo Central	14	7	50.0%	17	2.5%	2 067	1.4%
181 – Alentejo Litoral	5	4	80.0%	8	1.2%	1 215	0.8%
184 – Baixo Alentejo	13	8	61.5%	24	3.5%	1 379	0.9%
185 – Lezíria do Tejo	11	6	54.5%	12	1.8%	2 994	2.0%
<b>18 – Alentejo</b>	<b>58</b>	<b>28</b>	<b>48.3%</b>	<b>66</b>	<b>9.7%</b>	<b>8 966</b>	<b>5.9%</b>
150 – Algarve	16	15	93.8%	56	8.3%	9 693	6.4%
<b>15 – Algarve</b>	<b>16</b>	<b>15</b>	<b>93.8%</b>	<b>56</b>	<b>8.3%</b>	<b>9 693</b>	<b>6.4%</b>
171 – Grande Lisboa	9	9	100.0%	201	29.6%	40 700	26.9%
172 – Península Setúbal	9	8	88.9%	50	7.4%	12 914	8.5%
<b>17 – Lisboa</b>	<b>18</b>	<b>17</b>	<b>94.4%</b>	<b>251</b>	<b>37.0%</b>	<b>53 614</b>	<b>35.5%</b>
161 – Baixo Vouga	12	8	66.7%	21	3.1%	5 694	3.8%
162 – Baixo Mondego	8	3	37.5%	19	2.8%	4 821	3.2%
163 – Pinhal Litoral	5	4	80.0%	23	3.4%	3 855	2.6%
164 – Pinhal Interior Norte	14	2	14.3%	2	0.3%	1 309	0.9%

(cont.)

**Table 3 – Geographic distribution of Micro credit projects, 2006-2009 (cont.)**


NUTS II / III	Municipalities			New micro credit projects		Total new firms with 1 or more employees, 2007	
	Total	with new projects		N.º	%	N.º	%
		N.º	%				
165 – Pinhal Interior Sul	5	2	40.0%	2	0.3%	296	0.2%
166 – Dão – Lafões	15	6	40.0%	13	1.9%	3 207	2.1%
167 – Serra da Estrela	3	1	33.3%	1	0.1%	436	0.3%
168 – Beira Interior Norte	9	3	33.3%	5	0.7%	1 004	0.7%
169 – Beira Interior Sul	4	1	25.0%	2	0.3%	780	0.5%
16A – Cova da Beira	3	2	66.7%	2	0.3%	998	0.7%
16B – Oeste	12	11	91.7%	36	5.3%	5 266	3.5%
16C – Médio Tejo	10	6	60.0%	11	1.6%	2 590	1.7%
<b>16 – Centro</b>	<b>100</b>	<b>49</b>	<b>49.0%</b>	<b>137</b>	<b>20.2%</b>	<b>30 256</b>	<b>20.0%</b>
111 – Minho – Lima	10	1	10.0%	7	1.0%	2 714	1.8%
112 – Cávado	6	4	66.7%	12	1.8%	5 220	3.5%
113 – Ave	8	6	75.0%	12	1.8%	6 179	4.1%
114 – Grande Porto	9	7	77.8%	70	10.3%	20 738	13.7%
115 – Tâmega	15	5	33.3%	13	1.9%	5 556	3.7%
116 – Entre Douro e Vouga	5	2	40.0%	9	1.3%	3 743	2.5%
117 – Douro	19	7	36.8%	26	3.8%	2 186	1.4%
118 – Alto Trás-os-Montes	14	5	35.7%	19	2.8%	2 300	1.5%
<b>11 – Norte</b>	<b>86</b>	<b>37</b>	<b>43.0%</b>	<b>168</b>	<b>24.8%</b>	<b>48 636</b>	<b>32.2%</b>
<b>1 – Portugal (mainland)</b>	<b>278</b>	<b>146</b>	<b>52.5%</b>	<b>678</b>	<b>100.0%</b>	<b>151 165</b>	<b>100.0%</b>

Source: Own calculations, ANDC database and INE (2010).

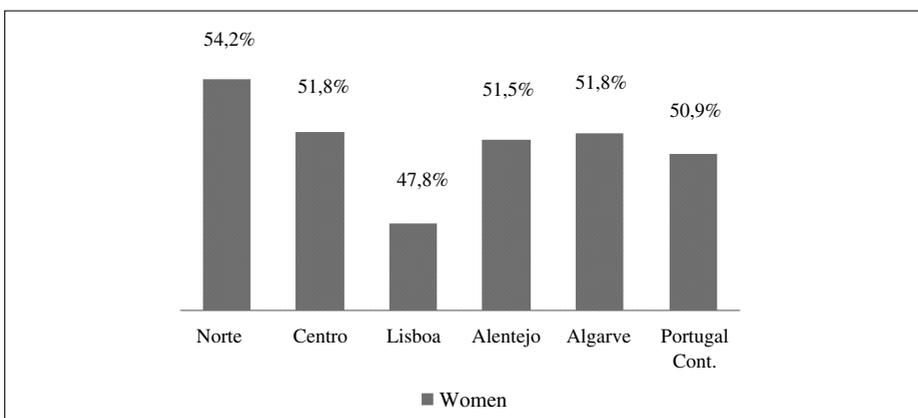
In Figure 1 the relative importance of Lisboa is clear in the results, with a proportion of 37% of the total of new projects developed during the period 2006-2009. Additionally, Table 3 shows that the 9 municipalities of NUTS III Grande Lisboa are the most dynamic as regards micro credit. This table also demonstrates that the presence of micro credit is not uniform across Portugal. There are regions, such as Lisboa and Algarve, where new projects have been developed in almost every municipality, but there are also regions where the existence of new projects is more concentrated in some of the municipalities, Minho-Lima and Pinhal Interior Norte being the best examples. In these two areas there are 24 municipalities but in only 3 were there projects in the period under study (Viana do Castelo, Vila Nova de Poiares e Miranda do Corvo).

At the national level (mainland Portugal), the number of municipalities with new micro credit projects was slightly above 50% in the period 2006-2009. Compared with firm birth rates in each region for 2007 (INE, 2010), we detect different regional dynamics at this level, with the geographical distribution of micro credit projects and total new firms being dissimilar.



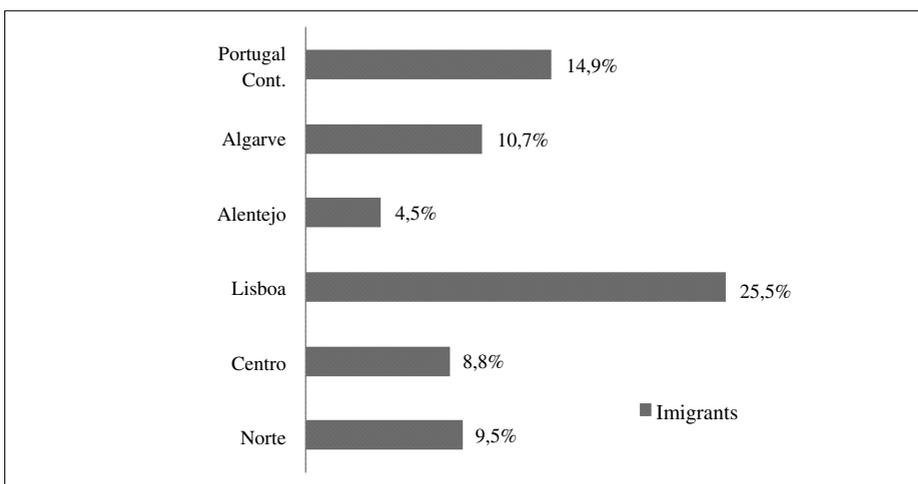
Focusing now on the characterisation of the micro credit public by nationality, gender, age and scholarship, once again for the period 2006-2009, it is possible to observe significant differences between regions, even when the analysis is made at a NUTS II level, as Figures 2 to 5 show.

**Figure 2 – Women in new Micro credit projects, by NUTS II, 2006-2009**



Source: Own calculations, ANDC database.

**Figure 3 – Immigrants in new Micro credit projects, by NUTS II, 2006-2009**



Source: Own calculations, ANDC database.

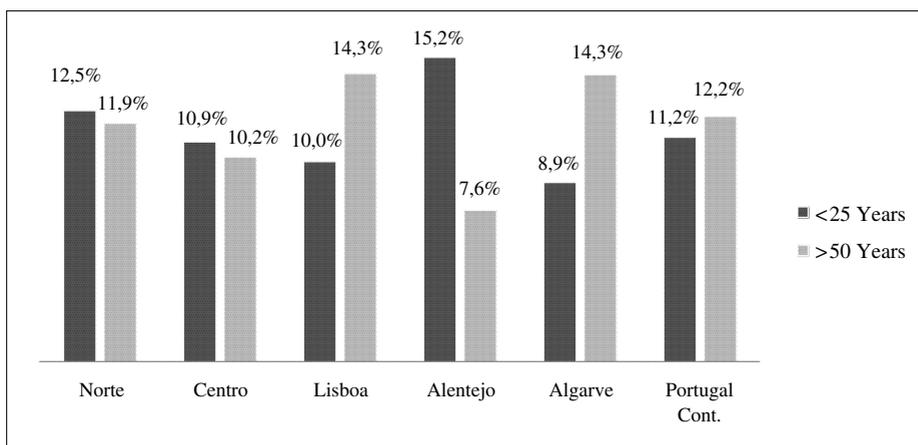
We observe substantial differences in the geographical distribution of micro credit projects developed by women and immigrants, usually identified as more vulnerable to social exclusion.



As regards women (Figure 2), Lisboa clearly has the smallest percentage, whereas Norte is the region where there is a more significant proportion of women, followed by Algarve, Centro and Alentejo with similar percentages. This situation can be associated with larger feminine unemployment rates, as in 2009 these rates reached 12.4%, 11.9% and 11.2% in Norte, Alentejo and Algarve respectively, according to the Instituto Nacional Estatística (INE, 2009a).

By comparison, the number of immigrants' projects is significantly higher in Lisboa, where a quarter of the new projects are promoted by immigrants (Figure 3). The presence of immigrants' micro credit projects in other regions is concentrated in a reduced number of municipalities. For instance, in NUTS II Alentejo there were 3 projects in 3 municipalities, while in NUTS III Grande Porto there were immigrants' projects only in the municipalities of Porto and Vila Nova de Gaia. When compared with the distribution of total immigrants in Portugal (SEF, 2010), we may observe that the most significant region is also Lisboa, but in this case comprising 54% of total immigrants in Portugal.

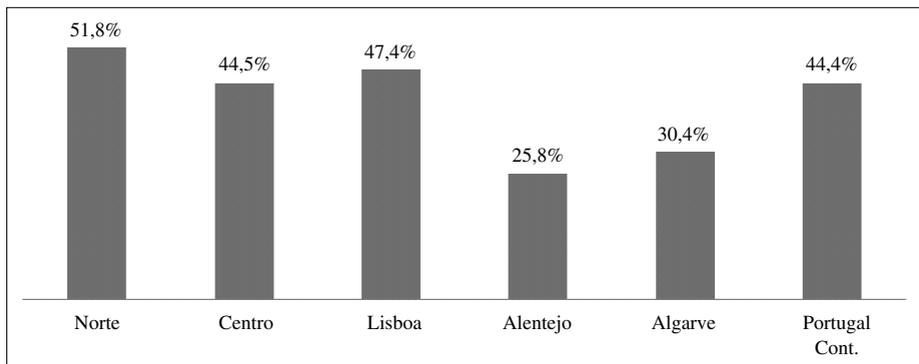
**Figure 4 – New Micro credit projects, by age of the promoters, by NUTS II, 2006-2009**



Source: Own calculations, ANDC database.

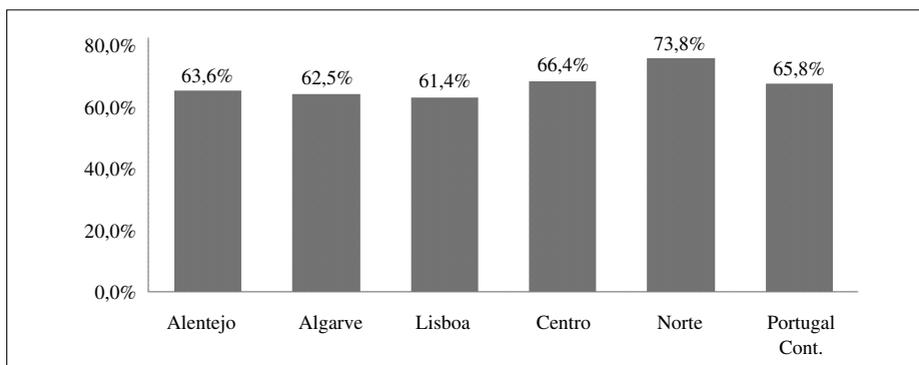
The average age of the groups is also a criterion with distinct results by territory (Figure 4). Considering the peripheral groups – young people under 25 and adults over 50 years of age – it is curious to see the relatively high proportion of young people in Alentejo (15.2%), a region with the highest ageing index in the last few decades (INE, 1991-2008). Also significant is the number of promoters over 50 years old in Lisboa and Algarve, where they overtake the number of young people.

Figure 5 highlights an important characteristic associated with the ability to manage a business: the level of qualifications of entrepreneurs. In the period under study, almost 52% of the new micro credit projects in Norte were conducted by promoters who had at least completed secondary education. This number contrasts with 26% and 30% in the two southern regions of the country, Alentejo and Algarve respectively. We must also note that the distribution of micro credit promoters and the distribution of total population by education level is dissimilar: according to INE (2009a), and for the year 2009, the highest secondary school enrolment rates take place in Lisboa (43.8%) and Algarve (35.8%), while for Norte and Centro, the corresponding rates are much lower (27.1% and 28.4%, respectively).


**Figure 5 – Micro credit promoters with the secondary school, by NUTS II, 2006-2009**


Source: Own calculations, ANDC database.

The relatively higher qualifications attained by the micro credit promoters in Norte may be one of the explanations for the better results obtained in terms of the survival rate of the projects in this region. Figure 6 confirms that Norte was the region with by far the best performance when we relate the relative importance of the businesses open on 31<sup>st</sup> December 2009 with the total of new projects that began in the period 2006-2009.

**Figure 6 – Micro credit business survival rates at 31/12/2009, by NUTS II**


Source: Own calculations, ANDC database.

At this stage we may state that there are important territorial nuances concerning the implementation of micro credit in Portugal. The statistical analysis developed so far offers fundamental support for developing a survival analysis to explore the influence of the territory on the success of micro credit loans.

As previously mentioned, our database covers new micro credit projects developed in mainland Portugal within the ANDC programme from 2006 to 2009. We have 652 observations, 206 (31.6%) of which correspond to business closures (Table 4).

**Table 4 – Case processing summary**

		N.º	%
Cases available in analysis	Events*	206	31,6%
	Censored	446	68,4%
	Total	652	100,0%

\* Dependent variable: Businesses life time

Source: Own calculations, ANDC database.

To proceed with our analysis, we test the proportional hazard assumption to guarantee that there were no time dependent variables included in the model, by calculating the correlations between the Schoenfeld partial residuals for the quantitative variables and the ranked order of businesses' life time (*Rank*) for non-censored observations. When the correlations obtained by means of this process are significantly different from zero, then the hypothesis is rejected and the extended Cox model must be considered (Table 5).

**Table 5 – Correlations between the Schoenfeld partial residuals and the rank order of the survival time for non-censored observations**

		Rank of the businesses life time	Partial residual for DP	Partial residual for VAB
Rank of the businesses life time	Pearson correlation	1	-0.044	0.017
	Level of significance (2-tailed)		0.533	0.811
	Number	206	206	206
Partial residual for DP	Pearson correlation	-0.044	1	-0.086
	Level of significance (2-tailed)	0.533		0.220
	Number	206	206	206
Partial residual for VAB	Pearson correlation	0.017	-0.086	1
	Level of significance (2-tailed)	0.811	0.220	
	Number	206	206	206

Source: Own calculations, ANDC database.

Our results show that there is no evidence of statistical correlation among variables at a 0.05 level of significance. Therefore, we do not reject the hazard proportional hypothesis and proceed with the estimation of the Cox proportional hazard model.

Table 6 shows the omnibus test of model coefficients, which allows for an overall evaluation of the model. The likelihood ratio and the chi-square statistics are asymptotically equivalent tests of the omnibus null hypothesis that all coefficients (*b*) are zero. In this case, the null hypothesis is rejected (*p*-value < 0.05), indicating that there are variables with a significant impact on the survival of microcredit projects.

**Table 6 – Omnibus test of model coefficients in Cox regression**

-2Log Likelihood	Overall (score)		
	Chi-square	d.f.	p-value
2 544.231	34.391	20	0.024

Source: Own calculations, ANDC database.

The results of the Cox Proportional Hazard model are presented in Table 7.

**Table 7 – Cox proportional hazard model: results**

	Estimated $\beta$	Standard Error	Wald	d.f.	Significance level	Exp (Estim. $\beta$ )
DP	0,001	0,000	8,239	1	0,004*	1,001
VAB	0,019	0,011	2,836	1	0,092*	1,020
HAB – U			7,779	3	0,051*	
HAB – 1C	0,613	0,341	3,224	1	0,073*	1,845
HAB – 3C	0,765	0,290	6,976	1	0,008*	2,149
HAB – S	0,513	0,298	2,953	1	0,086*	1,670
IDD- D			1,774	3	0,621	
IDD – A	0,181	0,260	0,487	1	0,485	1,199
IDD – B	-0,027	0,198	0,018	1	0,893	0,974
IDD – C	0,173	0,202	0,732	1	0,392	1,188
NAC	0,296	0,184	2,597	1	0,107	1,345
NEG – SS			7,231	7	0,405	
NEG – A	0,061	0,669	0,008	1	0,927	1,063
NEG – C	0,365	0,532	0,471	1	0,493	1,441
NEG – IBT	0,292	0,492	0,353	1	0,552	1,340
NEG – IFT	0,681	0,719	0,897	1	0,344	1,975
NEG – SDB	0,471	0,434	1,179	1	0,278	1,602
NEG – SP	0,465	0,443	1,101	1	0,294	1,592
NEG – SPD	-0,337	0,533	0,400	1	0,527	0,714
REG – N			5,119	4	0,275	
REG – AG	0,566	0,346	2,682	1	0,102	1,761
REG – AT	0,618	0,329	3,529	1	0,060*	1,855
REG – C	0,500	0,267	3,496	1	0,062*	1,648
REG – L	-0,027	0,202	0,018	1	0,894	0,974

Source: Own calculations, ANDC database.

\* Significant at 0.1 level of significance

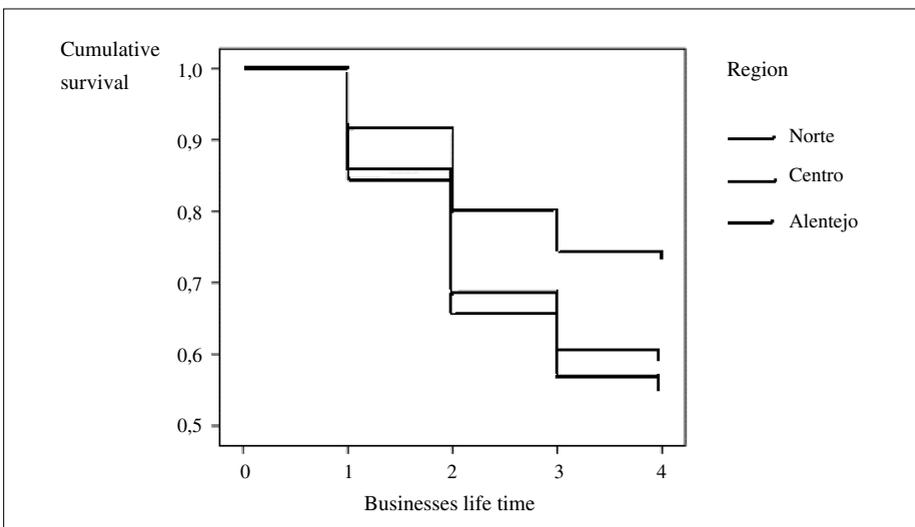
The results show that the population density is significant and has a negative influence on the survival of micro credit projects. In fact, we expect that an increase of 1 inhabitant per square km increases the business closure likelihood of 0.1%, *ceteris paribus*. Additionally, we observe that the sector dynamics have a negative influence on firms' survival, which contradicts our expectations.

As far as the promoter's schooling is concerned, the results are as expected: we observe that the probability of business closure for a promoter with a bachelor's or higher degree is the lowest. Actually, a micro credit promoter with only primary school education has a risk of closure of 84.5% higher than if the project had been developed by a promoter with a bachelor's or higher degree, *ceteris paribus*. If the promoter has completed the first years of secondary schooling (up to the age of about 15), the risk of shutdown increases to 114.9%, while for a promoter who has completed secondary education, this risk is 67% higher than if he/she has a bachelor's or a higher degree. Our results do not support the influence of a sector's specificities or of a promoter's nationality or age on firms' survival.

Finally, for the regional dummies, the results reveal that the probability of observing a business closure is 85.5% and 64.0% higher in Alentejo and Centro, respectively, when compared with Norte, *ceteris paribus*. Therefore, we may conclude that differences exist between the territories with regard to the characterization of the target public and the success of the economic initiatives created during the period under study.

In Figure 7, we depict the survival function for the new micro credit projects.

**Figure 7 – Survival function for Micro credit projects (NUTS II) (2006-2009)**



Source: Own calculations, ANDC database.

Focusing on the regions with significant results, we may confirm that there is a significant difference between Norte on the one hand, and Alentejo and Centro on the other. In fact, at the end of the period under study, we observed that the probability of survival is higher than 70% in Norte, while in Alentejo and Centro, it remains close to 60%.



## 5. Conclusions

It is recognized that micro credit is growing and gaining attention as an instrument of social policy in Europe and particularly in Portugal, even if it is still a recently established sector, of as yet small dimensions, when compared with the experiments in developing countries, namely in South Asia and Latin America.

In Portugal, micro credit was introduced at the end of the 1990s through a partnership between an NGO, a commercial bank and a public institution, and our study was based on this experiment. Starting from the ANDC database for the period 2006-2009, we identified some of the main territorial characteristics of the programme developed by this institution.

Our results allow us to conclude that differences exist between the territories as far as the public characterization and the success of the economic initiatives created during the period under study are concerned. We also focused on the survival of the micro credit projects in the same period and concluded that both the population density and the sector dynamics exert a negative influence, while the promoters' qualifications seem positively to influence the micro credit projects' survival. Finally, we observed that the region with the lowest business closure rate is Norte, with Alentejo and Centro being subject to a higher risk of closure.

This analysis is crucial at a policy level. In fact, as the introduction of microcredit to the European agenda highlights (Unterberg, 2009), this instrument is important in several policy areas such as: social policy, given its role in fighting against poverty and social exclusion; employment policy, by stimulating self-employment solutions; and economic policy, by promoting entrepreneurship and the emergence of new firms (Unterberg, 2009).

In particular, since our results sustain the relevance of territorial idiosyncrasies associated with micro credit in Portugal, we argue that policy makers should implement local responses that, in the first instance, include micro credit both at the social and the economic dimensions of regional policies and, in the second instance adapt programmes' conditions to local needs.

This may suggest considering new micro credit schemes or introducing some changes in the schemes that have been implemented so far, especially if we take into account that the existing programmes have the same loan conditions and mechanisms regardless of the region where they are implemented. Looking at the two main results of the survival analysis (the negative influence of population density and the positive influence of promoters' qualifications), we can point out as possible changes to these schemes the introduction of differences in loan grace periods (allowing longer periods in regions with higher population densities), in the risk analysis within credit decision processes and in the definition and practice of the technical monitoring of projects and promoters. The shaping of programme conditions and operations will certainly contribute to improving the survival rate of projects at local level. Additionally, the identification and strengthening of local partnerships is a significant part in this process.

We expect to further improve this research, namely by exploring other causes for the closure of micro credit business projects. Some of the variables considered in the present study have an impact on the micro credit projects' survival but they do not explain everything nor allow the identification of the consequences of this closure to the beneficiary and his/her family. Lack of profitability is one of the major reasons for business closure(s) but there are other factors that can determine this situation, such as promoters' constraints (diseases or family issues) or a better working opportunity. This kind of information is not directly available at ANDC. Hence, the undertaking of future research within this area would demand different research methodologies and resources.

Another direction which further research could take would be the enlargement of the territorial analysis to other micro credit programmes developed in Portugal, including both national and local schemes.

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## **Social Insertion Income: the contribution of the association *Qualificar para Incluir* towards enhancing this policy**

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abstract

resumo / résumé

**Strong constraints limit the potential of the Social Insertion Income (SII) policy to fight the resurgence of material poverty and the current loss of social cohesion. The right to insertion is seriously compromised by the chronic deficit of job opportunities and the withdrawal of the Welfare State. However, by translating scientific knowledge of economic, social and symbolic exclusion into modes of action, it is possible to take advantage of the narrow scope of institutional power that remains in the scope of local intervention. Raising the social and cultural capital of SII beneficiaries in order to reformulate their *habitus* and promoting their return to training in order to acquire an effective asset for their professional and social life are the main axes of the social experiments undertaken by the association *Qualificar para Incluir*.**

Fortes constrangimentos limitam o potencial da política de Rendimento Social de Inserção para combater o ressurgimento da pobreza material e actual perda de coesão social. O direito à inserção é seriamente comprometido pelo crónico défice de oportunidades de emprego e o declínio do Estado-Providência. Todavia, a tradução do conhecimento científico sobre a exclusão económica, social e simbólica em modos de acção permite tirar partido da estreita margem de poder instituinte de que dispõe a intervenção local. A elevação do capital social e cultural dos beneficiários do RSI a fim de reformular o seu *habitus* e o retorno à formação a fim de adquirir trunfos efectivos para a vida profissional e social são os principais eixos da experimentação desenvolvida pela associação *Qualificar para Incluir*.

De fortes contraintes limitent le potentiel des politiques de Revenu Social d'Insertion pour lutter contre la pauvreté matérielle et l'actuelle perte de cohésion sociale. La concrétisation du droit à l'insertion est compromise par le déficit chronique d'emplois et le déclin de l'Etat Providence. Toutefois, la traduction de la connaissance scientifique de l'exclusion économique, sociale et symbolique en modes d'action permet de tirer parti des étroites marges de pouvoir instituant de l'intervention locale. L'élévation du capital social et culturel des titulaires du RSI afin de reformuler leur *habitus* et le retour à la formation comme ressource pour la vie sociale et professionnelle sont les principaux axes du dispositif expérimental mis en oeuvre par l'Association *Qualificar para Incluir*.



## 1. Introduction

The aim of this article is to contribute towards a reflection on the complex theoretical and practical problems that are posed when considering how to overcome the phenomenon of persistent poverty.

Not only does science provide us with the relevant knowledge to understand why poverty arises, but it also gives us significant information about its effects on the individual's psychological and social life. How can we explain, then, why the policies and measures which have been put into practice to date have clearly been inoperative? Is it because they are not coherent with scientifically valid analysis? Is it because there is no political will to fight this social problem? Or because the use of available scientific knowledge on the production of social change, which is still in an early stage of development, is particularly difficult?

The experience gathered through the work undertaken by the association *Qualificar para Incluir* (Qpl), in Oporto, leads us to believe that it is absolutely essential to translate scientific knowledge into intervention programmes. This is particularly important in order to change the behaviour of the social agents who, in a wide range of institutions, contribute towards making poverty a structural phenomenon.

Translating scientific knowledge into intervention programmes is by no means easy because it means that it will be made use of by social agents who are not exclusively professional investigators. In other words, it involves knowledge leaving the tight academic circle. It also involves creating interactions that will stimulate the sharing of scientific knowledge by a large group of social agents. These same agents will also need the necessary persistence to destroy established ways of seeing, analysing and thinking, which are highly resistant to scientific interpretations of the phenomenon of poverty. It is also demanding because it involves confrontation with solidly established world views as well as with vested interests.

Most of the beneficiaries of the SII that the association Qpl monitors, under the protocol of cooperation with Social Security, do not have professional and academic qualifications; nor do they have the motivation to experience work as an activity worth investing in. They no longer seek employment, either due to lack of opportunities or because the work provided offers such low wages that it is economically more rational to turn to available services of social protection and support. In addition to their lack of resources, which they constantly face, their social image and relationships have degraded throughout life, resulting in social detachment.

Hardly any of our unemployed beneficiaries have ever received unemployment subsidies precisely due to the informal nature of the employment relationships in which they have been involved. It has been also impossible for them to save resources in order to cope with unemployment. It is also unlikely to find the necessary support within the family to compensate for the lack of wages.

The beneficiaries accompanied by us have very few opportunities to participate in solidarity networks and above all, they lack the social, cultural, intellectual, ideological and symbolic resources necessary to take part in collective activities which could lead to an improvement in their living conditions. One could say that the exclusion from employment together with the exclusion from sociality, namely in terms of family, consequently resulting in a social and psychological drift, makes their reintegration more difficult. Their life stories are filled with hardships, both at the material and psychological levels. Their current living conditions have determined the internal structuring of certain subjective reactions that tend to contribute, in a way which is very difficult to invert, towards the perpetuation of their inability to ensure survival by their own means. They are mainly individuals who have been faced with material and emotional fractures from an early age. These have led to the development of rationalisations that result in a strong obstacle to overcoming the situation.

Therefore, the mission of the Qpl is to experiment theoretically sustained modes of intervention capable of interrupting either the perpetuation of this poverty in a given generation, or its reproduction in the following generation.

What type of relationship should be established among the people who benefit from SII so that they are not to blame for their dependency? What type of relationship should be established so that, inversely, these same people do not stray towards abandonment and give up on themselves, behaviour that is often mistaken for irresponsibility, lack of civic awareness, parasitism, and so on?

What scope of intervention and influences are achievable by social institutions and professionals who face the appalling housing conditions, especially in terms of subcultures structured around the inversion of values that inflict a heavy discredit on the local environment?

## 2. Objective constraints limiting the scope of the transformative intervention of Social Insertion Income

### 2.1 Structural crisis in employment: exclusion arising from economic factors.

In response to the explosion of structural unemployment in central capitalist countries, *Social Insertion Income*<sup>1</sup> is a social political tool that seeks to mitigate the chronic deficit of decent work opportunities, as well as the exacerbation of social inequalities that are insistently imposed on these societies. The vast literature produced on the changes that have taken place in this part of the world over the last three decades would indicate a return to competitive capitalism.

With it, this has brought about the destruction of the social and political consensus built during the post-World War II era (Sennett, 2006; Grupo de Lisboa, 2002; Fitoussi, 1996; Castel e Laé, 1992; Castel, 1995; 2003; Stiglitz, 2002).

The neo-liberal offensive and the attacks on Keynesianism have given rise, in the intellectual field, to legitimate support for the return to a capitalism which creates fewer jobs and generates more inequalities (Attali, 2004; Bauman, 2007; Farinha, 2009, 2010; Bourdieu, 1998): a capitalism that is less committed to including criteria which are neither economic nor financial, less committed to caring for human beings and for the general common good.

The efforts made to acquire social citizenship, that is, the recognition that social rights have the same practical and legal status that is assigned to property rights, involving the awareness that the citizen is not a mere commodity (Esping-Andersen 1990), have suffered severe blows from the three major motors of the so-called globalisation process: liberalisation, privatisation and deregulation (Grupo de Lisboa, 2002).

The massive movement towards *decommodification* within the welfare state introduced the modern social rights that allowed employees to maintain their standard of living without any connection to the market, through the provision of services that represents a break with the ideology of a submission of politics to the economy. This movement has been seriously eroded under the return of a capitalism that considers economic development to be an end in itself.

The increasing failure of social integration through work is a phenomenon that goes hand in hand with the mass destruction of structures that previously ensured the creation of social bonds truly protective of processes of material, social and symbolic deprivation (Bauman, 1998, 2006; Castells, 1997; Sennett, 1998; Paugam, 2000; Kovacs, 2005).

Technological progress has reached the point where the growth of productivity is inversely proportional to employment. The benefits of productivity offered by automation have allowed manpower to be saved, leaving modern workers faced with the threat of uselessness (Kovacs, 2007; Castells, 1997, 1998).

1. Initially, Guaranteed Minimum Income in Portugal.





Poverty worsens with economic growth, as it is associated with the replacement of stable full-time jobs with short-term contracts, precarious work, job cutbacks and restructuring, which always leads to a decrease in employment.

The inevitable rise of unemployment in developed societies is by no means the result of a temporary dysfunction of the economic system. It raises the reflection on the role of the economy in modern societies, since the way it functions is associated with the re-emergence not only of poverty, but also of social inequality (Atkinson and Piketty, 2007, 2010).

Portugal is characterised by high levels of poverty and inequality. From 2006 to 2008 the Portuguese population living on the poverty line has remained at around 18% (Farinha, 2010, INE, 2010). The distribution of income is one of the most unequal in the EU: in 2006, the wealthiest part of the population enjoyed an income that was 6.5 times higher than that of the poorest<sup>2</sup>. In 2008, the income of the wealthiest 10% of the population was 10.3 times higher than the poorest 10% (INE, 2010). Poverty particularly affects certain subgroups, such as children<sup>3</sup>, the elderly<sup>4</sup>, the unemployed<sup>5</sup>, the jobless<sup>6</sup>, other inactive population<sup>7</sup>, single parents<sup>8</sup>, families with three or more children<sup>9</sup>, people with low wages and low skills.

Within the group of Social Insertion Income beneficiaries included in the Qpl programme (452 domestic groups, corresponding to a total of 1093 individuals), there is a high proportion of young people, since individuals aged between 0 and 24 alone account for almost half the total (49%) and adults whose ages range from 25 to 44 account for 33%<sup>10</sup>. This population is particularly exposed to the risk of cumulative ruptures, affected by multiple vulnerabilities. These can be seen immediately at the level of family ties, since 42% of the domestic groups relate to people who live alone, 25% correspond to single parent families, while the remaining 33% refer to nuclear, extended and reconstituted families.

The low level of education penalises not only the population aged 19 or over, but also minors. As far as adults are concerned, the illiteracy rate is around 8% (despite very few people being aged over 55), those who have completed the first and second cycles of basic education are also represented, with 30% respectively, and adults who have finished the 3rd cycle of basic education account for less than 1/4 of the total. In order to understand how the teaching system negatively influences the acquisition of essential elements for interrupting the reproduction of poverty, we merely have to consider that of the 69 youngsters aged between 15 and 18, only 24 attend the level of schooling expected for that age group (secondary teaching), 6 have not concluded the 2nd cycle, 27 attend the 3rd cycle and 12 have abandoned any kind of training.

The highly precarious relationship of these families with the world of work is clearly illustrated by the fact that only 5.3% of the adults aged between 19 and 64 were involved in a professional activity when they requested SII, while 78% were unemployed. Another relevant indicator for relegation to the most unstable and unqualified segment of the work market lies in the frequency of unemployment in the lives of individuals who once had a professional activity: those who were unemployed 3 to 5 times make up 33% of the total, those who were unemployed 5 times 30%, while fewer than 8% of the beneficiaries had never been in a situation in which they were jobless. It is therefore understood that 3/4 of the families receiving SII depend totally on subsidies (71%)

2. Inequality indicator S80/S20.

3. 22.9% in 2008.

4. 20.1% in 2008.

5. 37% in 2008.

6. 24.4% in 2008.

7. 29.9% in 2008.

8. 38.8% in 2008.

9. 42.8% in 2008.

10. The individuals in the 45 to 54 age group represent 12% of the total and adults over 55 represent no more than 6%.

or family assistance (4%) to ensure their material survival, and that the levels of monetary deprivation are so high that the provision of SII does little to ease this. When we analyse the income and fixed expenses of the families, after the attribution of SII, we see that 82% of the households have an income per head no greater than 150€, while 9% continue to have negative incomes per head, even after receiving SII. With the suppression of complementary supports, initially considered by the measure, the assistance of social services has to be called upon to deal with situations of serious debt caused mainly by housing costs and/or because of expenses arising from poor health.

A non-negligible contingent of the heterogeneous universe of individuals in need of social protection to survive is composed of an urban population living in social housing and other disqualifying areas. They are victims of the cultural uprooting of their parents and their socialisation occurred amongst peers who have also been deprived of institutional frameworks capable of filling the absence of family or one which has difficulty in providing adequate education according to the demands imposed by society's recent developments (Paugam, 2000; Wilson, 1987, 1996).

We are referring to social housing policies that bring about true social fractures, not only due to the fact that they promote the spatial segregation of the poor, but due to the absence of serious investment in social and cultural infrastructures consistently organised to support the families in their educational tasks.

The scarcity of cultural and socio-educational infrastructures in these neighbourhoods is proof of how much the local authorities fail to take responsibility for promoting social cohesion, continuing to put into practice a policy of social housing that is strictly economic in its approach.

In fact, despite vast scientific literature on this subject (Wacquant, 1993; Gans, 1995; Ferreira *et al.*, 1994; Capucha, 2000), the social housing policy that still prevails in this country completely rules out the possibility of giving economically insolvent residents access to sociologically diverse and rich social networks<sup>11</sup>.

On the contrary, municipalities persistently continue to practise the policy of creating ghettos. This only shows how much they compromise the creation of a more cohesive, safe and increasingly inclusive society. Furthermore, the action taken by local politicians often objectively induces social division, which can only make poverty worse and which may often give rise to deviant subcultures.

## **2.2 Social Insertion Income in the context of the Decline and Withdrawal of the Welfare State**

In a context of strong deregulation of the mechanisms that have, to some extent, limited the role of the market in society, the approval of SII is a sign that a wage-based society is undergoing a crisis (Castel, 1995, 2003; Gaulejac *et al.* 1994; Milano, 1989; Paugam, 1993; Rosanvallon, 1995; Adão e Silva, 1998; Guibentif *et al.*, 1997; Hespanha e Carapinheiro, 2002; Rodrigues, 2010).

It denies that the part of the population excluded from work has to be consequently excluded from social interaction. At the same time it acknowledges that it is impossible to disconnect the material means of existence from active participation in society.

In a context of decline of the welfare state and of a deregulated capitalism, it makes sense to question whether this policy only controls poverty, providing for the people involved means that merely maintain the shortcomings on the threshold of the bearable, but that are a long way from promoting decent living conditions. Another possibility is that the SII entails the potential attached to it by the politicians, namely, achieving the right to insertion. Thus, it is important to examine

11. In the city of Oporto, there are approximately 50000 people who reside in social housing neighbourhoods.





the implementation of this policy critically in order to understand to what extent it might be an instrument of resistance to the destruction of social solidarity and the welfare state itself. In this sense, it is necessary to define the obstacles that prevent SII from becoming a means of social development rather than creating great numbers of dependant poor.

In a context that is less favourable to the development of policies that can effectively fight poverty, it is important to take a closer look at the resources mobilised by the Portuguese State, whose social expenses are still significantly lower than those of the 15 older members of the European Union<sup>12</sup>. Observing the incomes provided by the SII policy, our first conclusion is that these are well below the poverty line. Their value is notoriously low, since they were defined with reference to the two minimum benefits that existed under the non-contributory scheme: the social retirement pension and the social disability pension. In fact, the progressive evolution, announced in 2003, to promote the convergence between all social benefits and the value of the national minimum salary did not actually occur. Consequently, this year, the amount received by an adult that lives alone is no greater than 189.52€, which contrasts strongly both with the national minimum salary (475€) and with the relative poverty line, which was 414€ in 2008. In any type of domestic group, the standard of living will always remain far below the official line of poverty<sup>13</sup>.

If we compare the numbers established in other European countries we can, in fact, say that Portugal is among those in which the benefits for minimum income are particularly low, contrasting with others that, despite an undeniable withdrawal of the Welfare State, continue to maintain more protective mechanisms. Compared to SII policies that seek to set the minimum income according to the average standards of living, the Portuguese measure provides no more than a very limited subsistence income (Farinha, 2009).

### 3. The mission of *Qualificar para Incluir*: to prevent the reproduction of inter-generational poverty and encourage social development

#### 3.1 Relationship capable of inducing the reformulation of habitus

Within the framework of constraints we have just shown, the relationship that we seek to build with people is based on a theoretical point of view that perceives poverty as the result of forces that individuals have no opportunity to resist, control and much less escape from. In concrete

12. Estimated as % of the GDP, Portuguese social expenses are still lower than the European average: 20.2% versus 27.8% on the first date and 24.8% versus 26.9% on the second. Estimated in €/person. the distance in relation to the EU-15 average is striking: 3812.3€ versus 7850.9€.

13. Relation between social insertion income and the poverty line (INE, 2008 and Portuguese Social Security, 2009)

Type of family	1. Poverty line	2. SII benefit	1- 2.	SII benefit in % to 1.
1 adult only	414.00 €	189.52 €	224.48 €	45.78
2 adults without children	618.00 €	379.04 €	238.96 €	61.33
1 adult w/1 child under 1 year	538.20 €	379.04 €	159.16 €	70.43
1 adult w/1 child over 1 year	538.20 €	284.28 €	253.92 €	52.82
1 adult w/2 children over 1 year	662.40 €	379.04 €	283.36 €	57.22
1 adult w/3 children over 1 year	786.60 €	511.70 €	274.90 €	65.05
2 adults w/1 child under 1 year	745.20 €	568.56 €	176.64 €	77.80
2 adults w/1 child over 1 year	745.20 €	473.80 €	257.00 €	63.58
2 adults w/2 children, 1 under 1 year and 1 over 1 year	869.40 €	663.32 €	206.08 €	76.30
2 adults w/2 children over 1 year	869.40 €	568.56 €	300.84 €	65.40
2 adults w/ 3 children	993.60 €	701.22 €	292.38 €	70.57

terms, it is supported by a theoretical approach that does not rule out the influence of macro-structural factors, responsible for the production and reproduction of social inequalities. It also benefits from the interactions, namely between professionals and beneficiaries, over the moral degradation of individuals and their precipitation into a condition of poverty.

The type of relationship to establish with the beneficiaries is considered one of the most crucial tools in achieving the more or less distant goal of social inclusion. Investing in the relationship with people is of the utmost importance in order to reverse the processes of mortification of the self (Goffman, 1968) and to promote the rebuilding of personal history so that the individual can be liberated from feelings of inferiority and disbelief. Therefore, the type of intervention that we propose has nothing to do with feelings of mercy or compassion. Treating people as subjects with rights and duties forces us to act as agents that facilitate the appropriation of a critical interpretation of the social processes that lead to poverty and determine the construction of the individual. It forces us to work in order for them to appropriate the knowledge and provide a kind of training that will allow them to negotiate and challenge the labels that are given to them.

The relationship we want to test implies that we adopt a comprehensive attitude (Gaulejac, 1994; Bauman, 1998; Gans, 1995), which is to say an epistemological break from the stereotypes in which we categorise all conduct of the poor as a sign of lack of character and treat them with the harshness and lack of consideration designed for those who deviate from the norm. The relationship we want to establish requires a long process of intermediation in which the essential part of our role is to provide the knowledge of the objective constraints that regulate social organisation, in its different fields and contexts, so that the individuals can effectively decide what is best for them. To break away from the unilateral relationship that grants institutional agents the power to impose on those who need the meagre financial aid in order to survive, imposing chores in which they did not choose to participate, is a core objective in order to remove the beneficiaries from the terrible social disregard to which they are subjected (Bréban, 1984; Gaulejac *et al.*, 1994).

To remove the individuals from the symbolic devaluation, or the feelings of inferiority and guilt they have for themselves, is a necessary condition to trigger awareness of the paths, although narrow and painful, that may lead to some freedom. The theses that pointed out the emergence of a poverty culture (Lewis, 1966; 1970), born from constraints that destroy any hope of some day being able to escape from the situation, are a precious tool in helping to avoid the trap of interpreting the manifestations of that culture as the cause of poverty. They are decisive in avoiding the misinterpretation that the problem stems from the apparent lack of ambition, the apparent lack of effort to escape from the situation, the apparent lack of motivation to work, the apparent resistance in returning to school, in short, the apparent disinterest in projecting the future. The apparent resignation of the poor should be interpreted as an effect and not as a cause. An effect that retroacts on the original causes and reinforces them, contributing to giving poverty the nature of an irreversible process, given the harmful interaction that occurs between cause and effect.

In reality, the intersection between various theoretical perspectives that have been given on poverty is crucial so as not to be misled into simplistic views, including those that lead to a romantic and naive view about those who constantly endure poverty. Indeed, we can deduce from this intersection of theories that certain conditions of existence, which are miserable, not only in terms of the scarcity of material goods but also relative to the lack of social and symbolic capital (Bourdieu, 1977; Gaulejac, 1994; Almeida *et al.*, 1992; Capucha, 2005), can produce forms of psychological reaction and specific states of consciousness which, retroacting on external factors, end up reinforcing their action, giving it the nature of a process that self-reproduces itself from generation to generation. If we do so, we will not be tempted to label individuals.

If we come to understand that the production of cultures, close to what Oscar Lewis defined as a poverty subculture, is a result of a severe chain of restrictions, and that the subjective structures inherent to this subculture are forms of psychological adaptation to these painful circumstances,





then we will know how to control the tendency to judge the behaviour of the poor and with them engage in the reformulation of their own rationalisations towards their experienced failures (Bourdieu, 1993).

Therefore, we cannot fail to emphasise that the goal of establishing an emancipating relationship with the beneficiaries is burdened with difficulties, and sometimes conflicts, which we have to manage. To do so, we must make use of a mixture of scientific knowledge, sensitivity, personal maturity, civic involvement and political positioning with respect to the production of inequality.

If we take into account that the most profoundly destructive effects of poverty are more closely related to the symbolic and relational scarcity than to the material, that is, to the way poverty is constructed in a society driven by consumerism, we soon understand that the investment in the rebuilding of a more heterogeneous relational fabric, structured by relations that restore a sense of dignity and self-worth, is an indispensable way to generate the reconstruction of the *habitus* (Bourdieu, 1984). By this we mean the system of logical schemes and principles that are part of culture and guide the choices of the individuals whose lives have been devastated by poverty.

From this sociological approach to the practice, we maintain that the main guiding principle of intervention should entail the sharing of knowledge which, as Paulo Freire proposed (Seguier and Garibay, 2009; Freire, 1970; 1973), provides the poor with the ability to dismantle the incessantly hidden mechanisms that are the cause of modern exclusion, not only due to the action of external forces, but also because of the way they adapt to their hardships. What is important is to construct, with the individuals, an analysis of poverty and the paths which, though limited, may contribute towards their (re)gaining the dignity that has been lost or never achieved. To understand what causes unemployment and poverty, as well as deconstructing the current discourses which are disseminated about them, is a path that should preferably be taken with the citizens that benefit from the SII, if we take into account that their social emancipation requires a clear demonstration of their ability to negotiate labels (Goffman, 1968; Gaulejac, 1994). However, the purpose of this perspective is not to focus everything on the actions of the most powerful, resulting in an absolute lack of accountability on the part of the individuals. Investing in building a critical consciousness, to take an expression by Paulo Freire (Freire, 1970), is a necessary condition to free the relationship between professionals and beneficiaries from romantic, paternalistic or moralistic contaminations that lead to the perpetuation of the situation. We consider it to be extremely relevant to break away from shallow or hypocritical statements that consider work ethics as an effective and indispensable remedy for the threat of poverty (Bauman, 1998). To achieve liberation from labels that heavily corrode self-image, we need to deconstruct the motives behind the idea that the conditions offered by this policy must be reduced to a minimum in order to prevent the individuals from becoming dependant on the subsidies, an idea which is firmly established in public opinion. Above all, it is necessary to change institutional workings that prevent the achievement of essential and authentic cultural resources.

### **3.2 Creating opportunities to gain assets that will lead to an economically active life**

It is this conviction that leads to our decision that the training of individuals is the central domain of the insertion project that must be contracted between the SII beneficiaries and the social services. The problem is by no means simple as the opportunities are scarce for these beneficiaries to return to training and consequently take possession of an effective asset for professional life. To increase these opportunities, the Qpl works hard at structuring a network of teaching and professional training institutions according to an innovative view, clearly different to the bureaucratic procedures that are responsible for the educational exclusion of many individuals. Together with these organisations, it seeks to build a progressively more solid consensus on the reasons that are behind the negative relationship that the school has with these individuals, as well as with regard to the organisation of training programmes and the most adequate training methods for the cultural universe of the trainees. For the leaders of schools and training centres, which we try to select according to the openings on the job market, we



propose sharing the critical analysis which gives the functioning of the training institutions a responsibility in school dropout and failure. It is essential to review the theses that analyse the opportunities of access to formal education (Bourdieu and Passeron, 1964, 1970; Lahire, 1993, 1995, 2008) in order to demonstrate that a lot of the evil that we see in schools derives from its own internal operations, as a result of taking on excessively bureaucratic definitions of the role of the student and the tutor, as well as excessively simplistic definitions of what teaching and learning consist of.

However, the proposals we make towards the necessary reform of teaching practices have nothing to do with defending a reduction in the quality and demands of education, which, although it is a trend strongly present in Portuguese educational institutions, is one of the most perverse forms of elimination.

One of the greatest difficulties with regard to the expansion of opportunities of these individuals is to convince the leaders and professionals from education institutions to open themselves to experimentation of methods of teaching/learning, not only appropriate to the culture in which the trainees were initially socialised, but which also assume relevant theoretical knowledge about the phenomenon of learning, and in particular on the learning of competences (Perrenoud, 1997; Rychen *et al.*, 2001). Those who, like us, do not merely refer these people to schools and professional training centres, nor resign themselves to following the training process day by day, to listening to the difficulties, the frustrations, the discouragements and the joys of the individuals that accept training as part of their insertion project, know that the obstacles are powerful. Those who, like us, follow the trainees daily in their learning context can observe how difficult it is for the tutors to understand the problems, ways of thinking, being and doing of these trainees. Those who, like us, are in the classroom on a daily basis and witness the selected content first-hand, the ways it is handled, the interaction between tutors and trainees, their processes of communication, the value tutors attribute to knowledge, will realise, more often than not, that there are practices that destroy the interest for knowledge, cancel the creativity and the intelligence of the trainees and induce processes of true distancing between the representations of reality and reality itself (Bonnéry, 2007; Novak and Gowin, 1984).

Our direct relationship with these institutional contexts allows us to observe that there are very few tutors prepared to harness knowledge towards solving problems in contexts of real life, or open to critical thinking and pedagogical innovation. It should be noted that in the case of the beneficiaries in question, their school did not represent an opportunity to acquire basic skills, such as speaking fluently, reading, interpreting and writing, or solving basic arithmetic. Therefore, it is of great importance to restore the basic learning from which learning of a higher level derives. It is also crucial to abandon stereotyped programmes which were designed without taking into consideration previous learning and the pupils' social and cultural reality. Our intervention in the schools, as participants of the pedagogical team allocated to each class, allows us to highlight another mechanism that leads to the exclusion of access to culture and knowledge: the trivialisation of school work and the granting of certificates that do not correspond to real knowledge.

To expand the opportunities of adults and youth that are enrolled in professional training courses<sup>14</sup>, it is necessary to fight over ideas and practices that delude them, making them

14. In the academic year of 2009-10, Qpl organised and supervised in the field the training of 168 adult beneficiaries, distributed over literacy courses (44), EFA B2 General (41), EFA B3 Installing and Repairing Computers (16), EFA Secondary Site Manager (14), EFA B3 Electricity (17), EFA B3 Machine Driver (11), EFA B3 Plumber (11), EFA B3 Kitchen (14) EFA Secondary Electronics (24). We also organised and supervised courses for young adolescents (total of 88): Professional Course in Electronics, Automation and Commands – 12<sup>th</sup> year (11), Professional Drawing, Measuring and Site Preparation Course, 11<sup>th</sup> year (15), Professional Course in Health and Safety – 11<sup>th</sup> year (16), Professional Course in Electronics – 10<sup>th</sup> year (12), Course for Training in Installation and Repairing of Computers – 9<sup>th</sup> year (10), Course for Training in Computer Assisted Drawing/Autocad – 8<sup>th</sup> year (14).



believe that their diploma is valuable regardless of the knowledge they acquire and is guaranteed just by enrolling.

One of the obstacles mentioned above is precisely the supply of low quality training, as a clear demonstration of the low expectations of the tutors towards the trainees and how the interactions that the former are willing to engage in with the latter result in a mechanism that is an impediment to their cultural evolution.

Another process that encourages the abandonment and the death of the motivation to invest in education is the terrible resistance tutors have towards learning through competences. This statement may at first seem unfair, given the prevalence of the word competence in the syllabuses of adult training, and likewise, given the formality of competences that exist in the evaluation grids that are institutionally established. But, what happens is that the concept of competence is interpreted in a way that distorts and trivialises its meaning. Those who, like us, strive to create objective external conditions, which is to say, a relational framework where the most fortunate dedicate themselves to the evolution of those who could not even obtain basic knowledge, or the mental strength to believe in themselves, are confronted with strong resistance from many teaching professionals. In order to overcome this resistance, the professionals whose mission is to establish a project of insertion with the beneficiaries must have the knowledge and ability to contend in order to defy stereotypes and profoundly internalised representations in the school environment and in the professional training itself (Perrenoud, 2010).

Inverting the processes of exclusion of those who are less favoured certainly involves the denial of values and behaviours of resignation and a commitment towards the search for solutions to the serious problems that involve production, the organisation of work, unemployment and education in our society. With this idea, we wish to demonstrate that it is possible to reconcile the outcasts of the educational system, the young and not so young, with knowledge; that it is possible to prevent a definite fatalistic resignation from falling upon them; that, last but not least, it is possible to pull them from their disbelief in themselves.

How can we demonstrate that the reproduction of poverty is not a fatality?

While it is true that knowledge brings us dignity and that this is a primary need for all beings, it is no less true that many of the beneficiaries are not convinced that they can evolve in this way. On the other hand, the road is long, requiring strenuous effort, and is so much more difficult to bear when their daily life is filled with frustrations, discomfort and deprivation of the many small pleasures that allow us to recover the necessary energy to face our obstacles.

A substantial part of Qpl experimentation involves influencing the leaders of training institutions, in order to divulge and put into practice the important approaches of Perrenoud (Perrenoud, 1997) on teaching through skills. As we do not have room in this paper to describe the proposals that we assume from this author, we conclude with an idea that we think synthesises the experimental programme of intervention to whose practice we are committed: extracting the day-to-day of individuals from the emptiness of relations, activities, interests, references, connections and objectives does not eliminate material poverty in the short run, but does allow us to invert the moral degradation that annihilates the possibility of the poor taking ownership of their own history.

#### 4. Conclusion

One of the innovations introduced by the SII consists of bringing into the same category all those who have traditionally depended on social support and the new poor generated by the decomposition of the job market. It also aspires to be more than a simple right to relief, more than a simple mandatory distribution of subsidies. SII was associated with a legislative intent to programme reinsertion. To do so, an organised mobilisation was expected of a range of organisations and professionals whose actions are usually defined by a relatively strict division of

labour. However, experience in the practice of implementing this policy raises many questions as to the meaning given to the term insertion.

Does it mean integration in a strong relational affiliation and, in the medium term, in a stable job?

An obvious conclusion for those who interpret poverty without being dominated by determinism is the weak investment, dedicated to obtaining the necessary resources for the task of integration, truly worthy of its name.

What direct and extended observation in the field has shown is that it is not enough to legally bind the obligation to work in a partnership in order to create a methodology of intervention based on the cooperation of efforts and resources and, above all, capable of breaking the bureaucratic ways of solving problems. The rhetoric of intervention anchored in partnerships does not, on its own, generate the necessary interaction of various institutional representatives

In fact, what we experienced is that the local insertion units are dominated by a bureaucratic orientation. Consequently, the prescribed solutions for those who experience the most serious poverty prove to be a joke, namely because of the shortage and misery inherent in the available models of training. Certainly, the return of these people to education, with the goal of truly achieving their social integration, would require a profound examination of the concepts and practices institutionalised in the field of education, would require an intense involvement and investment in relations. The variety and severity of the difficulties that affect(ed) the lives of these kind of poor cannot be overcome if the means provided are insufficient given the magnitude and perversity of the problems that constrain their lives. They will not be overcome if, from the start, you claim that there is nothing else you can do besides fill time, through purely occupational activities.

In order for local insertion units to become effective instruments of promotion of social integration, it would be necessary to embrace a theoretical framework that could integrate the different dimensions involved in the emergence of the social vulnerability that defines persistent poverty. Only then will the desired mobilisation of community resources cease to be confined to the mere inventory of what exists, confirming the scarcity of available resources. Without denying the importance of the shortage of material means<sup>15</sup> as limiting obstacles for intervention, it seems reasonable to assert that the existing resources, namely human resources, could be more efficient if the different types of professionals engaged in sharing and divulging scientifically-based modes of observation and intervention.

If we uncritically and submissively accept the existing supply in a given territory, without questioning the logic and unadjusted models of education that tend to prevail in these institutions, this would destroy the innovative potential of the SII removing any effectiveness as a tool capable of provoking the process of insertion; it corresponds to reducing it to a bureaucratic application of false solutions that only contribute to the management of misery.

Although there are many studies that shed light on the importance of connecting education to day-to-day problems and the knowledge that these raise, the reality is that, even in the field of professional training, ways of teaching that establish a profound discouragement for the return

15. Another revealing aspect of the incoherence of the local insertion units in guaranteeing the access to fundamental rights for all citizens is the inexistence of consistent actions concerning the conditions of housing. Despite the innovating intentions that underlie the design of this measure, the truth is that the presence of representatives of local municipalities in these commissions does not represent effective cooperation in terms of meeting the housing needs.

As in the case of training, this topic requires the internalisation of the studies produced in the field of urban sociology, which allow us to understand that housing is not limited to material aspects, such as a roof, running water, electricity, sewage system, number of rooms. There are certain underlying logics to the ways of occupying territory with devastating consequences with respect to the distribution of two crucial resources for social inclusion: the networks of social relations; the access to dignity and to symbolic value.





to a training project continue to prevail. This partnership would require intense involvement and interaction of the partners with the educational institutions, the negotiation of the adequate teaching conditions, presenting proposals based on important theories that have been developed regarding adult training and reformulation of the *habitus*, namely when internalised in successive years of aimless drifting. All the partners would work together in order to translate into action their continuous and shared reflection on the conditions they have to create in order to trigger internal change, to trigger attitudes compatible with a way out of the situation of poverty.

It is therefore relevant that we question ourselves on the notion of an insertion contract that is at stake here, as well as the notion of insertion. Could this be merely a panacea?

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Forum





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Publicam-se regularmente nesta secção notícias ou resumos dos trabalhos e teses apresentadas nas provas de Agregação e Doutoramento.

**Doutoramento em Direito, Justiça e Cidadania no Século XXI**

**Os bastidores da Mídia e os movimentos sociais: o caso do MST**

**Cristina de Souza Reis Arruda**

A presente Dissertação de Doutoramento visa relacionar a mídia, convencional e alternativa, com os movimentos sociais, nomeadamente a atuação do Movimento dos Sem-Terra (MST), buscando verificar a forma como os meios de comunicação hegemónicos representam o Movimento, bem como os discursos de criminalização do mesmo. Como contra-ponto, buscou-se verificar na mídia do próprio Movimento, como o mesmo se auto-representa, para além de observar as estratégias de comunicação para rebater as notícias e a forma de divulgação, ambas predominantemente desqualificadoras, veiculadas nos meios de comunicação convencionais. Buscou-se verificar as matérias dos jornais e das revistas tendo por base a Análise Crítica do Discurso (ACD), para além das teses de Boaventura Sousa Santos, que ajudaram a compreender e a vislumbrar caminhos alternativos, sendo assim possível confirmar ambas hipóteses de trabalho, na medida em que os resultados, fulcrados em quatro objetivos, foram surgindo: 1. O MST possui, na mídia hegemónica, um perfil extremamente negativo, com orientações de discurso desqualificadoras, fomentando gravemente o processo de criminalização dos movimentos sociais; 2. O MST, em seus próprios meios de comunicação, tende a reforçar a identidade coletiva dos trabalhadores rurais, ressaltando a união não só entre eles, mas igualmente entre os diversos setores excluídos da sociedade, brasileira e estrangeira, fortalecendo cada vez mais a importância da transnacionalização da luta; 3. Percebeu-se que o MST não consegue, por diversos fatores, rebater as informações e notícias publicadas na mídia hegemónica, passando esta a ser um dos meios para retirar o véu da invisibilidade lançado pelas próprias redes dominantes de controle social, tendo em si, portanto, potencial emancipatório inserido nos meios de comunicação, seja dominantes seja alternativos.

*Universidade de Coimbra, 10 de Outubro de 2011*

**Doutoramento em Sociologia (Sociologia da Cultura, do Conhecimento e da Comunicação)****Lugares da cegueira: Portugal e Moçambique no trânsito dos sentidos****Bruno Daniel Gomes de Sena Martins**

O presente trabalho assume como ponto de partida a análise etnográfica da realidade das pessoas cegas em Portugal com o intuito central de explorar as relações entre as histórias de vida das pessoas cegas e os valores culturais dominantes através dos quais a cegueira é pensada. A persecução desta relação identifica a singular vitalidade de uma narrativa da tragédia pessoal (Oliver, 1990) enquanto a gramática de sentido que se põe às experiências particulares das pessoas cegas. Assim, seja no intuito de deslindar a relação entre experiência e representação cultural, seja para compreender a tenacidade das noções de tragédia e infortúnio em torno da cegueira, foram desenvolvidas linhas de inquirição cuja pertinência, mais ou menos prefigurada, se foi sedimentando como incontornável. Nesse sentido, surgem no texto da presente tese elementos diversos, produto de diferentes tempos, corpos, lugares e metodologias de análise, que expõem a contingência sócio-histórica nos valores socialmente adscritos à cegueira. Somos colocados perante quadro que, em termos latos, se oferece a uma destabilização dos termos em que a cegueira foi culturalmente fixada no Ocidente. Tanto quanto conhecer que ecos simbólicos que permanecem connosco desde a antiguidade, importa perceber de que modo a modernidade resignificou a cegueira, desde logo pela sua redefinição enquanto deficiência visual à luz da biomedicina moderna. Assim, analisamos como a modernidade ocidental – apesar das promessas que se materializariam no advento do Braille – forjou uma reinvenção da exclusão social. Além de uma problematização dos muitos dos elementos com que procuramos perceber os quadros de vivência da cegueira em Portugal, o presente trabalho procura fazer assentar os questionamentos epistemológicos suscitados pela cegueira numa comparação com a realidade de Moçambique a partir de

uma etnografia realizada naquele país. A exploração empírica do contexto moçambicano emerge, fundamentalmente, com o objectivo de aceder a contextos da cegueira desafiadores da historicidade que define os valores que no Ocidente foram sendo apostos à experiência de quem não vê. Nesse sentido, analisamos a história institucional que em Moçambique se forjou em torno da cegueira, os quadros de vida que se ligam fortemente às convulsões recentes na história moçambicana, e as variáveis que mais marcadamente definem diferentes habitats para a experiência da cegueira. Detemo-nos de forma significativa nas implicações de uma concepção da cegueira que invariavelmente vincula a sua etiologia a histórias sócio-espirituais, numa persuasão próxima da ideia de que, em Moçambique não há cegueira sem feitiço. Ao explorar o impacto das leituras sócioespirituais da cegueira na vida das pessoas cegas, nos seus itinerários terapêuticos, procuramos entender como a diferença paradigmática – entre a cegueira como produto de feitiço e a cegueira naturalizada como deficiência visual – forja diferentes quadros de experiência. Em particular, partimos da hipótese das narrativas de cegueira enquanto histórias de resistência para pensar como os itinerários pessoais se constituem em contraposição aos valores dominantes que, em Portugal e em Moçambique, definem os esquemas se imbricam na experiência da cegueira. Intentamos uma viagem que atravessa tempos, espaços e experiências na carne; uma viagem que põe no lugar o «feitiço» que forjou noção a hegemónica de cegueira no Ocidente.

*Universidade de Coimbra, 11 de Outubro de 2011*





### Doutoramento em Sociologia (Sociologia da Cultura, do Conhecimento e da Comunicação)

#### ***A construção secular de uma identidade étnica transnacional: a cabo-verdianidade***

**Pedro Manuel da Silva Madeira e Góis**

Cabo Verde é um dos poucos países do mundo que tem tido uma emigração ininterrupta ao longo de mais de dois séculos. É um país marcado pela existência de algumas dezenas de milhares de emigrantes e de centenas de milhares dos seus descendentes no exterior de Cabo Verde a par de outros tantos no interior do arquipélago. Como podemos pensar a existência de uma identidade colectiva nestas condições? Como se formam e mantêm os vínculos de ligação a Cabo Verde nos núcleos de emigrantes e seus descendentes? Como é «ser caboverdiano» em diferentes destinos migratórios ao longo do tempo?

As observações efectuadas em alguns dos destinos migratórios onde se estabeleceram Caboverdianos em confronto com os dados recolhidos no arquipélago de Cabo Verde, levaram-nos a estruturar a hipótese de uma co-influência recíproca no que respeita às dimensões que constituem a identidade social e cultural cabo-verdiana contemporânea. No nosso caso, invertemos o tradicional olhar e analisamos a identidade cabo-verdiana a partir não do arquipélago de Cabo Verde mas do arquipélago migratório e do confronto com os vários «outros» com que se tem defrontado ao longo dos últimos séculos. A análise efectuada permite questionar o modo como se estruturam as ligações simbólicas entre os cabo-verdianos que se movem no seio de um mundo social transnacional e descobrir a construção de uma identidade social transnacional baseada numa «identificação étnica». A partir daqui encontramos o campo conceptual que nos permite discutir sociologicamente a «etnicidade» cabo-verdiana enquanto dimensão que enforma uma «identidade étnica transnacional». O nosso percurso leva-nos de volta aos clássicos da sociologia para, através da análise circunstanciada das suas contribuições analíticas, compreendermos como a «etnicidade» ou

«identidade étnica» se tornou uma característica socialmente marcante e sociologicamente consequente ao longo dos tempos. A «etnicidade» ou a «identidade étnica» emergem na actualidade das ciências sociais, como algo mais do que construções sociais ou políticas. A vida social está, embora de forma desigual, profundamente estruturada em linhas «étnicas», e a «etnicidade» acontece numa variedade de cenários quotidianos. A «etnicidade» está incorporada e visível não apenas nos projectos políticos e na retórica nacionalista mas também em encontros do dia-a-dia, em categorias práticas, no conhecimento de senso comum, em idiomas culturais, em esquemas cognitivos, em construções discursivas, em rotinas organizacionais, em redes sociais e/ou em formas institucionais. Há, portanto, uma centralidade que deve ser analisada. Procuramos demonstrar que a «identidade étnica transnacional cabo-verdiana» vem sendo construída continuamente ao longo dos últimos séculos enquanto fenómeno social e sociológico. Existe não porque exista (apenas) uma crença que supõe a sua existência mas por que há acções, interações e relações sociais que, analisadas longitudinalmente, comprovam a sua existência. Referimos exemplos diversos desta actividade nos EUA, em Portugal, em Cabo Verde ou na Argentina. Defendemos que não existe [não poderia nunca existir] uma (única) identidade étnica cabo-verdiana geral, mas ao contrário, estaremos em presença de uma (re)construção étnica múltipla e, portanto diferente em cada um dos países onde existem comunidades imigradas (e no arquipélago de Cabo Verde), resultante, por um lado, do confronto com os «outros» diferenciadores e, numa outra vertente, dos contextos e conjunturas em que ocorreu e ocorre essa interacção.

*Universidade de Coimbra, 7 de Novembro de 2011*

**Doutoramento em Gestão de Empresas  
(Estratégia e Comportamento  
Organizacional)****Gestão pública participativa: avaliação  
do orçamento participativo da Prefeitura  
de Fortaleza****João Alves de Melo**

Há pouco mais de duas décadas, vem crescendo no Brasil o interesse pela Gestão Pública Participativa, que é uma emanção da teoria da democracia participativa, ancorada na tradição política moderna, defendida por expoentes da literatura mundial. A versão mais bem acabada dos vários experimentos postos em prática é o Orçamento Participativo, utilizado por mais de 150 entes federativos, em âmbito municipal. A presente Dissertação tem como principal objetivo avaliar a satisfação dos usuários do modelo de gestão pública apoiado no Orçamento Participativo implantado na Prefeitura de Fortaleza, Ceará, Brasil. Para tanto, recorre-se ao emprego do *American Customer Satisfaction Index* (ACSI), modificado. Procurando alcançar esse objetivo, foi desenvolvido, inicialmente, um modelo conceitual global, que sintetiza as relações entre democracia e gestão no plano nacional, com o qual interage de forma harmoniosa o modelo do Orçamento Participativo de Fortaleza, sendo este avaliado por meio do ACSI, acrescido de três novos construtos. Os dados coletados estão representados por uma amostra de 300 usuários do serviço público municipal, participantes das assembleias do Orçamento Participativo. O modelo conceitual, ACSI modificado, foi submetido a análises estatísticas, incluindo modelagem de equações estruturais. A investigação apresentou como resultados de ordem prática o ajustamento do ACSI modificado à avaliação pretendida e a confirmação de que o novo modelo de gestão pública, com visão de fora para dentro e decisão de baixo para cima, gera mais satisfação aos usuários do serviço público do que o modelo tradicional de gestão, que tem visão de dentro para fora e decisão de cima para baixo. Portanto, o novo modelo, com base no Orçamento Participativo, fideliza melhor essa categoria de clientes.

*Universidade de Coimbra, 16 de Janeiro de 2012*

**Doutoramento em Gestão de Empresas****Os antecedentes e as dimensões do brand equity: uma comparação entre marcas de vestuário de fabricantes de lojas da cidade de Fortaleza****José Sarto Freire Castelo**

O tema desta tese trata da identificação e avaliação do impacto dos antecedentes do *brand equity*. Entre estes antecedentes encontram-se não apenas os esforços de marketing da empresa materializados no seu mix de marketing, como também variáveis que derivam do comportamento pessoal relativos às marcas de vestuários de fabricantes e de lojas da cidade de Fortaleza. O objetivo central desta tese é responder quais as relações entre o valor das marcas de fabricantes e das marcas próprias de vestuários e qual o papel do marketing mix na criação desse valor. E também de uma forma global perceber as diferenças e semelhanças na formação do valor de ambos os tipos de marcas. Para responder a essas questões, em um primeiro momento recorreu-se à literatura sobre marketing e *branding* com a finalidade de definir o quadro conceitual bem como os construtos e variáveis assim como as respectivas métricas. Os resultados encontrados através do uso da modelagem de equações estruturais foram adequados para os patamares oferecidos na literatura. Dezesesseis marcas de vestuários foram submetidas a uma amostra de 571 pessoas, sendo 54,6% do sexo feminino e 45,36% do sexo masculino, na sua maioria tinham o segundo grau completo e renda familiar entre 3 a 20 salários mínimos e 85% tinham alguma experiência com as marcas de fabricantes e 68% com as marcas de lojas. Os resultados alcançados demonstram que o modelo estrutural das marcas de fabricantes e de lojas demonstram uma similaridade significativa com relação às hipóteses apresentadas. Analogamente, não são substanciais as diferenças encontradas entre ambos os tipos de marcas. As diferenças encontradas estão entre as hipóteses suportadas entre as marcas de fabricantes e de lojas: as relações da intensidade de distribuição das marcas com a lealdade, o conhecimento e associações





das marcas e os bem vestidos com o *brand equity* são suportados quando se tratam das marcas de fabricantes o que não ocorre quando são as marcas de lojas. De maneira contrária, as relações com os gastos com propaganda com a lealdade são suportados no caso das marcas de lojas o que não ocorre com as marcas de fabricantes. Esta tese traz a aplicação do modelo de Yoo, Donthu e Lee (2000) no contexto de vestuário como novidade. Também sugere aos gestores como se devem adaptar as estratégias de marketing para a criação das dimensões do *brand equity* de acordo com a natureza das marcas de vestuários.

*Universidade de Coimbra, 24 de Fevereiro de 2012.*

### **Doutoramento em Relações Internacionais (Política Internacional e Resolução de Conflitos)**

#### **Os Canais de Intermediação Não-Governamental na Transformação do Conflito Sino-formosino**

**Jorge Manuel Tavares da Silva**

Esta tese centra-se nas interações fora do sistema estatocêntrico, aqui designadas por «canais de intermediação não governamental», em especial as que se referem ao domínio económico, e a sua relação com os contextos dos conflitos internacionais. Procurou-se saber como e se os indivíduos ou organizações que não o Estado ou o Governo através das suas dinâmicas, mais ou menos espontâneas e estruturadas, directas ou indirectas, têm influência ou capacidade de transformação naquelas realidades. Acompanha-se a tendência internacional assente na afirmação da denominada «nova» ou «mega» diplomacia (sistema multicêntrico), em que cidadãos e grupos da sociedade civil têm vindo a ganhar capacidade de influência ao lado dos Governos. Para ilustrar este tipo de dinâmicas a análise recai sobre o conflito de Taiwan, caracterizado por uma divisão política entre a República da China (ROC) e a República Popular da China (RPC), um contexto contraditório de crescente envolvimento socioeconómico face a um cenário de relativa insegurança. Neste cenário foi, sobretudo, observada a comunidade de negócios taiwanesa a operar na RPC, também conhecidos por *taishang*. A linha de orientação segue pelo prisma diádico, evitando olhar os dois governos como entidades autónomas, mas antes preferindo o enquadramento que acompanha a «teoria das comunicações sociais» de Karl Deutsch e das «comunidades de ligação» de Yung Wei. Verifica-se, nesta perspectiva, que as interações económicas desenvolvidas *taishang*, incluindo uma certa elite empresarial da ilha, estão na realidade a proporcionar condições favoráveis para a transformação do conflito sino-taiwanês.

*Universidade de Coimbra, 27 de Fevereiro de 2012*

**Doutoramento em Gestão de Empresas  
(Estratégia)****Carreira e Identidade Profissional dos  
Farmacêuticos: Pontes entre os contratos  
Rousseauianos****João Pedro Dias Fontes da Costa**

Na literatura de comportamento organizacional, em particular a referente ao desenvolvimento e desempenho humano, tem vindo a ser cada vez mais argumentada a existência de um novo contrato psicológico. Tudo isto numa tentativa para melhor compreender as relações de emprego em mudança no actual contexto sociopolítico e económico. Ao tomarmos o contrato psicológico também como a expectativa dos direitos e deveres de uma relação concreta, e considerando ainda a crescente flexibilização e desinstitucionalização dos vínculos, poderemos estar outrossim na presença de um novo contrato social que informa os contratos psicológicos. As relações de emprego incorporam mudanças constantes e céleres com novos normativos sociais de enquadramento, proporcionando um desafio acrescido para a gestão organizacional, em particular na definição de carreiras e na criação de contextos favoráveis à identificação e comprometimento.

O presente estudo procura melhor compreender a formação da identidade profissional e a sua importância na percepção concernente à contratualização social e psicológica na relação de emprego. Recorrendo a uma metodologia de estudo de caso (profissional) e aos princípios da Grounded Theory e tendo por base um modelo de análise da identidade profissional foram audiogravadas cinquenta entrevistas semi-estruturadas a farmacêuticos de vários subsectores de actividade. Com base num código que enfatiza a natureza psico e sócioconstrutiva do contrato psicológico procedeu-se à análise de conteúdo da transcrição integral dos discursos.

Os resultados salientam a relevância da profissão enquanto foco determinante de identificação, sobrepondo-se aos alternativos como a organização, equipa ou carreira. Tal é evidenciado na dinâmica entre os níveis

sociais e psico-cognitivos nas narrativas de identidade profissional reflectida na percepção do contrato psicológico, com implicações atitudinais e comportamentais e consequentes reflexos no desempenho. Em particular, revela-se o papel mediador da identidade profissional entre o contrato social e o contrato psicológico, tendo como cenário a carreira. A gestão dos (trabalhadores) profissionais representa um desafio particular, porquanto entrecruza ideologias e percepções de trabalho quer do grupo profissional, quer da organização. As retóricas de socialização ocupacional representam um conjunto de fronteiras modelares para, em primeiro lugar, os papéis sociais e ocupacionais e, em segundo lugar, os próprios percursos para uma carreira. Conclui-se assim que o propalado conceito de carreira sem fronteiras não pode ignorar o mapa mental associado aos contratos sociais para a profissão como dimensão estruturante também do contrato psicológico, institucionalizando balizas para os indicadores objectivos e subjectivos de sucesso e para os papéis e relações de papel.

*Universidade de Coimbra, 02 Março de 2012*





### Doutoramento em Sociologia (Sociologia do Estado, do Direito e da Administração)

#### Portugal e a Organização Internacional do Trabalho (1933-1974)

##### Maria Cristina Fernandes Rodrigues

Ao longo do século XX, nos países mais desenvolvidos, a dimensão social do Estado cresce exponencialmente e assume uma centralidade que a coloca a par da dimensão civil e política. Assente no valor da solidariedade e no crescimento dos direitos sociais e laborais dos cidadãos, determina que este espaço público seja tomado pelo direito, num processo de juridicização sem precedentes, que está na base dos fundamentos do Estado-Providência.

Em Portugal, este movimento existiu também, embora condicionado pelo endémico atraso socioeconómico do país e pela natureza antidemocrática do regime político do Estado Novo, que determinaram que o processo fosse tímido, pouco abrangente e, sobretudo, muito lento.

Após a experiência da República, que trouxera um notável conjunto de direitos sociais e laborais, mas que ficaram no plano da lei, o novo regime, a partir de 1933, constrói-se contra a imagem dessa República que prometera e não cumprira, erigindo um núcleo mínimo de direitos que decorrem da Constituição de 1933, do Estatuto do Trabalho Nacional e ainda da legislação que foi publicada nos quatro anos seguintes. O projecto seria ir alargando esse núcleo mínimo de direitos e expandindo-o a um maior número de trabalhadores, à medida que as condições do país o permitissem.

Enquanto membro fundador da Organização Internacional do Trabalho (OIT), Portugal transpôs algumas das suas convenções para a legislação nacional e ratificou formalmente outras, no período anterior ao Estado Novo. O modo como o novo regime lida com o património normativo da OIT – aquele que recebe e o que se vai construindo nas décadas seguintes – e como o recebe, ou não, no espaço nacional é o núcleo central do nosso trabalho.

Partindo dos quatro grandes temas da OIT – direitos humanos e direitos no trabalho,

qualidade no trabalho, protecção social e emprego e pobreza – percorremos as convenções internacionais, verificando se houve e quando ratificação, ou se nunca houve ratificação por Portugal, para depois perceber de que modo a legislação portuguesa acompanha e explica cada um dos casos. O nosso trabalho assenta na análise da legislação internacional e nacional, bem como da documentação existente nos arquivos portugueses e da OIT em Genebra, muita da qual não fora tratada com fins académicos e não era sequer do conhecimento público.

No relacionamento entre Portugal e a OIT definem-se três tempos: primeiro, de convergência, durante a República; depois, de fechamento e de indiferença à Organização, nas duas primeiras décadas do Estado Novo; finalmente, a partir de meados de 1950, um processo intenso de reaproximação. Estes tempos cruzam-se com espaços normativos, nos quais distinguimos um plano político e um plano social.

No plano político, a procura de legitimação externa do regime português numa época de grande isolamento internacional, por razões que se prendem com a natureza antidemocrática do regime e com a perpetuação do colonialismo, em tempos de descolonização generalizada, levou a uma adesão formal a muitas das normas internacionais da OIT, a partir de 1956, ainda que a realidade jurídica o não autorizasse de imediato, constituindo este processo uma espécie de indutor de mudanças internas. No plano social, uma menor taxa de ratificação mostra a impossibilidade de Portugal acompanhar os padrões europeus, mas esconde uma evolução interna, sobretudo na década de sessenta, a muitos títulos tributária da penetração dos valores, princípios e normas da OIT.

Com um referencial histórico muito forte, este estudo cruza dimensões jurídicas, sociológicas e internacionais, assumindo-se como um espaço de pesquisa interdisciplinar, tendo como suporte os conceitos de juridicização e de Estado-Providência. A partir destes conceitos, e tomando por base a sociologia do direito do trabalho, é

possível interpretar a interlegalidade que se joga entre o padrão internacional constituído pelas normas da OIT e o espaço jurídico sócio-laboral nacional e que fundamenta a evolução da realidade portuguesa durante o Estado Novo.

Esta chave de leitura pode aplicar-se a outros tempos e espaços, ao Portugal de hoje ou à realidade histórica ou actual de outros países, aqui residindo o contributo teórico deste estudo, para além do aprofundamento do conhecimento sobre a sociedade portuguesa no Estado Novo, na sua dimensão sócio-laboral, que é o seu principal objectivo.

O crescimento do espaço jurídico sócio-laboral em Portugal no Estado Novo faz-se de forma lenta e desigual, acompanhando de longe os países desenvolvidos. Embora condicionado por um Estado fundado na ideia de autonomia e independência nacionais, apesar de limitado pela natureza não democrática e determinado pelo atraso social e económico do país, o espaço jurídico de que falamos evoluiu de forma significativa, sob a influência directa e indirecta dos padrões normativos da OIT, sobretudo durante a década de 1960, abrindo caminho para um Estado Social.

*Universidade de Coimbra, 09 Março de 2012*

## **Doutoramento em Pós-Colonialismos e Cidadania Global**

### **Universidades dos Movimentos Sociais: apostas em saberes, práticas e sujeitos descoloniais**

**Júlia Figueredo Benzaquen**

A questão principal desta pesquisa é saber se as Universidades dos Movimentos Sociais são experiências descolonizadas e de emergência emancipatória. Para responder a essa pergunta, o texto está embasado nas teorias que trabalham com as perspectivas descoloniais e com a ideia de Boventura de Sousa Santos de Sociologia das Ausências e das Emergências. Essas teorias são utilizadas como forma de apostar em uma concepção de educação que herda os princípios da educação popular de Paulo Freire, acrescentando as ideias de interculturalidade e de tradução intercultural. A tese é uma aposta nas Universidades dos Movimentos Sociais como fomentadoras dessa outra educação. A escolha foi por realizar quatro estudos de casos de Universidades dos Movimentos Sociais bastante distintos, no intuito de verificar as hipóteses de pesquisa. Os instrumentos metodológicos utilizados foram: observação participante, entrevistas semiestruturadas e análises documentais. Os quatro estudos de caso referem-se à Escola de Formação de Educadores(as) Sociais no Recife – Brasil, à Escola Nacional Florestan Fernandes do Movimento dos Trabalhadores Rurais Sem Terra no Brasil, à Universidad de la Tierra, ligada ao Movimento Zapatista do estado de Chiapas no México e à Universidade Popular dos Movimentos Sociais. Para cada caso discorri a respeito do contexto, da história e da estrutura e funcionamento da iniciativa em questão. Após essa contextualização, os casos foram destrinchados a partir de três unidades de análise: saberes, práticas e sujeitos. No final da tese um capítulo é dedicado para a reflexão integrada dos casos. Nessa reflexão, é feita uma comparação entre as experiências estudadas com o intuito de encontrar semelhanças e diferenças e de melhor refletir a respeito do conceito de Universidade dos Movimentos Sociais. A tese concluiu que as Universidades dos Movimentos Sociais são experiências bastante plurais e experimentais, ou seja, são iniciativas que trilham o seu percurso ao longo do seu caminhar.

*Universidade de Coimbra, 19 Março de 2012*





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