

Poverty Watch

PORTUGAL 2020

" Todos somos
Um "
por um mundo
melhor... mais
digno e mais
Justo! ♥♥♥

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2020



Cover Photo: Message from Helena, member of the Local Council of Citizens of Castelo Branco on the EMIN Bus when she passed through Oporto (April 2018)

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1. INTRODUCTION

EAPN - European Anti-Poverty Network/Portugal (EAPN Portugal) is a non-governmental organization based in Portugal since 1991. EAPN Portugal's mission is to contribute to the construction of a more just and supportive society, in which everyone is co-responsible for guaranteeing citizens' access to a dignified life, based on respect for Human Rights and the full exercise of an informed, participatory and inclusive citizenship. EAPN Portugal is implemented throughout the country through a nucleus present in each of the 18 districts of the country.

EAPN Portugal has sought over this time to monitor the evolution of the phenomenon of poverty and social exclusion, both at the national and European levels, seeking to have a critical and analytical view of its causes and presenting solutions and recommendations with a view to solving them. Poverty Watch is one of the instruments that serves this purpose. On the one hand, it aims to give visibility to the reality of poverty and exclusion at the national level, presenting a critical view of it and, on the other hand, reflecting on the policies implemented to address the causes of poverty and presenting recommendations. One of the central aspects of Poverty Watch is also to highlight the voices of people living in poverty, i.e., the reading of the reality of poverty is also done by those living in this situation and the recommendations also aim to reflect their own concerns. For all these reasons, Poverty Watch is also a document that raises public and political awareness of the importance of mobilizing the participation of all, namely those who live in the most vulnerable situations and who have a say in the solutions that are intended for them.

Poverty Watch 2020 has a double goal: on the one hand, to present the current trends of poverty and social exclusion and, on the other hand, to reflect on the impacts of the COVID-19 Pandemic by also presenting recommendations for the future. If the impacts of COVID-19 are to be felt more strongly in the coming months, we need to pave the way for an economic and social recovery of the country that puts the fight against poverty at the centre of intervention leaving no one behind, especially the most vulnerable.

Recommendations:

- Promote the definition and consolidation of a National Strategy for the Eradication of Poverty and Social Exclusion.
- Define a national action plan of the European Pillar of Social Rights that is a reference for the National Strategy for the Eradication of Poverty and Social Exclusion.
- Ensure the strengthening of social protection and create the necessary foundations for the definition of an adequate minimum income system.
- Promote an inclusive labour market and access to quality public services.
- Ensure effective use of the Next Support Framework Funds.
- Promote the effective participation of different stakeholders - national and local public entities such as Local Authorities, civil society entities and people experiencing poverty themselves.

2. POVERTY: WHAT IS IT?

"For me poverty is not having money to eat, to buy the basics. Looking at children and not having the money to give them what they want. Not having the means to pay the rent, water, gas and electricity.

For me this is poverty. Not having money to buy anything"

Member of the National Council of Citizens of EAPN Portugal¹

When we talk about poverty we are talking about a multidimensional concept, with different causes and reaching different audiences in different ways. According to EAPN², *people experience poverty as a series of deprivations, not just as 'insufficient money' - or other things, but experiences, opportunities, services and environments that other people accept as normal.* It is not possible to talk about poverty without talking about social exclusion. Although the concept of exclusion is more recent than the concept of poverty, it is crucial to take it into account since *the concept of exclusion is essential to the recognition that people are pushed out, or to the margins, they do not fall by themselves, and that the kind of relationships society establishes are central to the risks of poverty and exclusion. The concept of exclusion is necessary for the development of effective strategies to fight poverty. The centrality of social exclusion is fundamental to the recognition of the key role of the State in ensuring a rights-based strategy to prevent the risk of poverty and its consequences.*

"Poverty in itself is already bad, but when a person is excluded, the person feels a mess "

Member of the National Council of Citizens

Poverty is not a natural state. Poverty is the result of political choices and affects different population groups in different ways. There are groups most at risk of poverty such as *children, women, single parents, young people aged 18-24; the low skilled, the disabled, some minority ethnic groups in particular Roma, refugees and asylum seekers, migrants from countries outside the EU and people from one EU country living in another, retired people on low pensions, workers with precarious contracts or on low wages.* There are many reasons for this and solutions must address the structural causes as this is the only way to find lasting solutions and prevent more risky situations from arising.

¹ *A Pobreza e a Exclusão social: um olhar na primeira pessoa*, EAPN Portugal, 2016.

² Katherine Duffy, *O que é a Pobreza e como combatê-la*, EAPN Explainer, EAPN Europe, 2020. Available at: <https://www.eapn.pt/documento/671/o-que-e-a-pobreza-e-como-combate-la>

3. THE SITUATION OF POVERTY AND SOCIAL EXCLUSION IN PORTUGAL

Key data on Poverty

The most recent ICOR data (2018/2019) indicate a proximity to the data from the same period in terms of total values of Risk of Poverty or social exclusion and risk of poverty. On the other hand, they point to a reduction in severe material deprivation and very low per capita labour intensity. In 2018, the risk of poverty or social exclusion continued to reach 21.6% of the population in Portugal, while the risk of poverty (17.2%) decreased only 0.1 percentage points (p.p.) compared to 2017. The very low labour intensity fell to 6.2% (-1 p.p.) and severe material deprivation to 5.6% (-0.4p.p.). The Gini Coefficient fell by 0.2 to 31.9. The reduction in inequality is not perceptible when comparing the income of 20% of the population with the highest income and 20% with the lowest income, having remained at 5.2, although there was a small reduction in the S90/S10 indicator, which fell from 8.7 to 8.6 in 2018.

In regional terms, the Autonomous Regions of the Azores and Madeira continue to be the regions of Portugal with the highest levels of vulnerability in the different indicators of poverty or social exclusion. More than 30% of the population of these regions are at risk of poverty or social exclusion, namely 32.2% in the A.R. of Madeira and 36.7% in the A.R. of the Azores. In mainland Portugal, the risk of poverty or social exclusion is higher in the North Region and in the Algarve and lower in the Lisbon Area.

In the last year there was an increase in poverty or social exclusion in all regions, with the exception of the Central Region, which had a reduction of 1.6 p.p. The greatest increase in this type of vulnerability occurred in the Lisbon Area (1.1 p.p.), which reflects an increase in the risk of income poverty (+1 p.p.) and very low labour intensity (+0.2 p.p.), although there was also a reduction in severe material deprivation (-1.2). It should also be noted that it was in the Algarve Region that we found in 2019 the largest increase in severe material deprivation (+1.5 p.p.). On the other hand, the very low labour intensity decreased in most regions, having increased only in the Lisbon Area and in the A.R. of the Azores.

Chart 1: Poverty or social exclusion indicators by NUTS II (%)

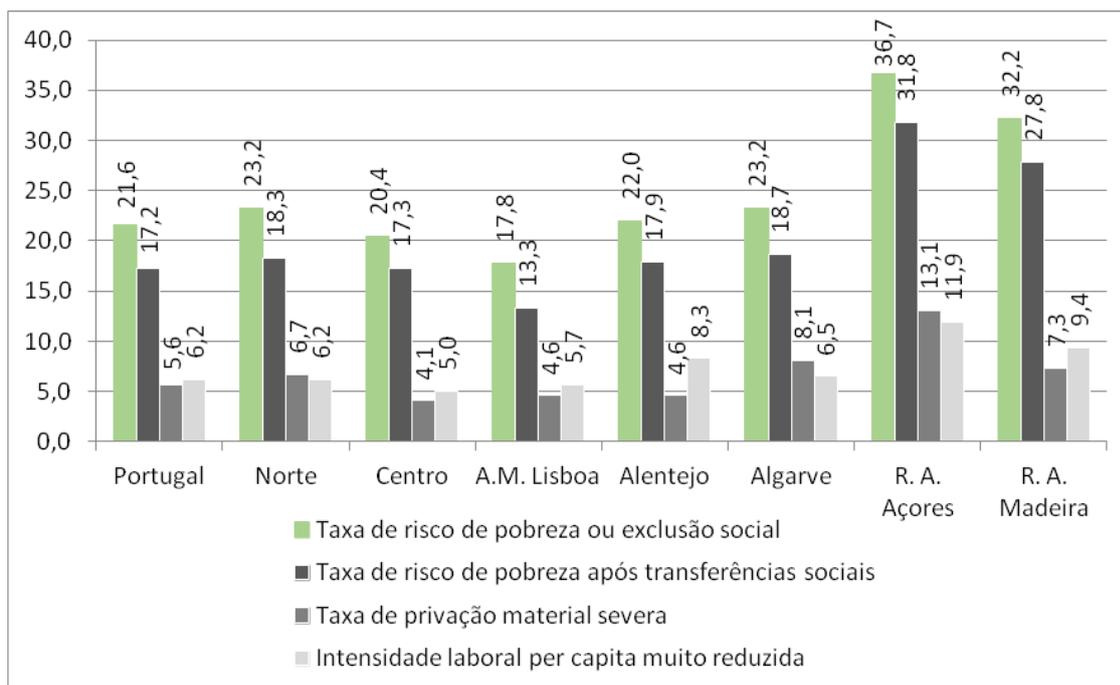


Table caption_

- At risk of poverty or social exclusion rate
- At-risk-of-poverty rate after social transfers
- Severe material deprivation rate
- Very low labour intensity per capita

Source: INE, ICOR/Eu-Silc2018

Data continue to point, in general, to a positive evolution with a reduction in child income poverty, income poverty among the elderly, retired people and families without children. However, at the same time, worsening income poverty coexists with other vulnerable groups such as families with dependent children, workers, the unemployed and other inactive people.

Despite a small reduction (-0.2 p.p.) of poverty in households with dependent children and a small increase (+0.2 p.p.) in households with children, the biggest difference is found looking at specific compositions of these households. Poverty reduction occurred particularly in couples with three or more children (-1.4 p.p.), couples with two children (-1.3), the elderly living alone (-1.2 p.p.) and childless couples under 65 (-0.6 p.p.). On the other hand, there has been a very high increase in the risk of poverty in households with only one adult and with dependent children (+5.6 p.p., i.e. an increase of 20% compared to 2017), in households with only one adult under 65 (+1.9 p.p.) and in households with 3 or more adults and with dependent children (+1.6 p.p.). Despite these variations, the highest risk of poverty continues to prevail among single-parent households (33.9%), in households with two adults and three or more children (30.2%) and in households with only one adult and no children (26.2%), namely in elderly people living alone (26.5%).

In terms of the labour market, in 2018 we saw an increase in poor workers poor (+1.1 p.p.), reversing the reduction that occurred in the same period and returning to a poor workers rate of 10.8%. Although this rate is still higher among the male population (11%), it is among women that we find the greatest increase (+1.6 p.p.) in 2018, reducing the difference between these two groups to 0.4 p.p. At this level, it should be noted that in 2018 there was a further increase (+0.5 p.p.) of the

proportion of employees (TCO - *trabalhadores por conta de outrem*) earning the national minimum wage, rising to 22.1% of TCO, being even higher among those working in the sector of Accommodation, catering and similar (32.5%) - despite a reduction compared to 2017 (-3.4 p.p.) - and the manufacturing industry (25.8% and an increase of 1.4 pp compared to 2017). Note also the strong weight of the national minimum wage among the female population. In October 2018, 26.8% of TCO women earned the minimum wage compared to 17.9% of TCO men.³

But the greatest increase in the risk of poverty in 2018 occurred among the unemployed (+1.8 p.p.), and in this case particularly among unemployed men (+5.5 p.p.). In 2018, 47.5% of the unemployed were at risk of poverty, a figure that rises to almost 53% when the male population is considered unemployed. In 2018, only 28.9% of the unemployed received unemployment benefits. In 2019 this proportion increased to 30.6%, still below the proportion existing between 2011 and 2015.

The category of "other inactive people", i.e., who are categorized neither as unemployed nor retired, is the second group with the highest risk of poverty (31%) with an increase of 0.2 p.p. compared to 2017. Retired people, on the other hand, is the only category where the risk of poverty is reduced (-0.5 p.p.) when the labour status is analysed.

All these data refer to 2018 or 2019, in a context clearly different from that currently experienced with the impact of the pandemic by COVID-19 on the labour market and household income. According to news published in the media, the Emergency Food Network received 3.126 requests for food support in just two weeks - the first two weeks after the launch of this Network. On May 21, this institution had already counted 60.000 people resorting to the Food Bank against Hunger since March. This number adds to the approximately 400.000 people who were already supported by the Food Banks. According to the president of the Federation of Food Banks Against Hunger, the basis of these new requests are workers with no stable employment relationship or who work in an informal labour market

Labour market

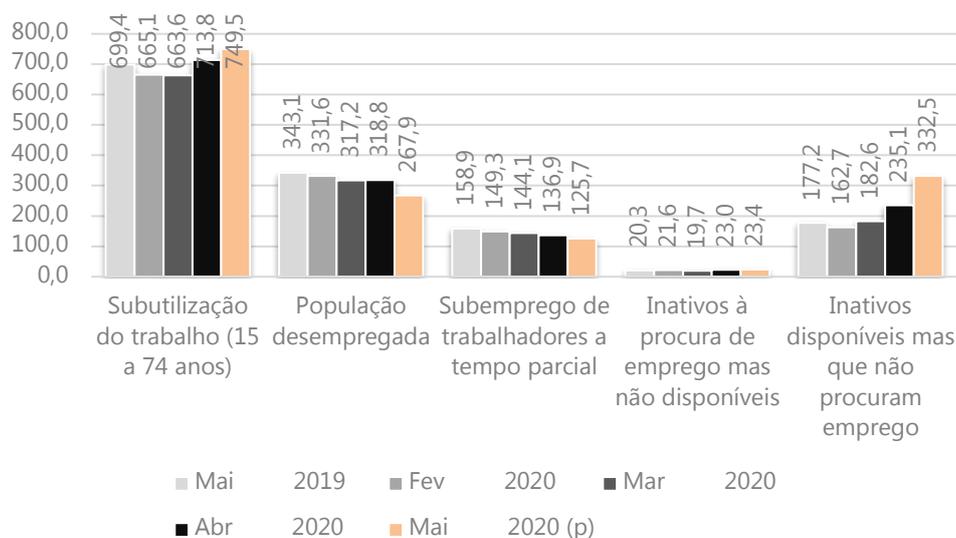
At the labour market level, it is not yet possible to see the contraction of the labour market reflected in the unemployment data, which is mainly due to methodological issues. However, between February and May, the active population lost 255.700 workers, and this population seems to have been transferred more to the inactive population (+255.600) than to the unemployed active population (-63.700 people). In this sense, to understand the impact of this crisis on the labour market, it seems more realistic to analyse the underutilization of work that aggregates the unemployed population, the underemployment of part-time workers, the inactive looking for a job but not available and the inactive available but not looking for a job. The provisional data points to the existence of 749.500 people underutilized in May (provisional data and seasonally adjusted figures), about 14.2% of the extended working population⁴, 84.700 more people than in February, that is, before lockdown, and 50.100 more people compared to the same period in 2019.

³ http://www.gep.mtsss.gov.pt/documents/10182/75953/SMN_45ANOSdepois.pdf/c255712e-edc1-4c06-bfba-4ba3ec5f33cf

⁴ "Active population plus the inactive ones looking for a job but not available and the inactive ones available but not looking for a job". INE, 2020b

Although the results of this indicator remain substantially below those recorded during the previous crisis period⁵, the current pandemic led to an abrupt increase in underutilization of labour, with an increase of 7.6% in the number of underutilized people between March and April and 5% between April and the provisional data for May. This increase is significantly higher than that recorded during the term of the Memorandum of Understanding that marked the three years of financial rescue to Portugal. During this period, it was the months of August 2011, November 2011 and April 2012 that registered the highest growth in underutilization of work, with an increase of 4.3% (in August 2011) and 3.1% (in November 2011 and April 2012) over the previous months.

Chart 2: Underutilization of work (N; Thousands)



Caption:

Underutilization of work (15 to 47 years old) –
 Unemployed population
 Underemployment of part-time workers
 Inactive in job search but not available
 Inactive available, but not looking for a job
 (May, February, March, April, May)

Source: INE, Employment Survey

Note: Seasonally adjusted figures

Regarding unemployment registered at the IEFP (*Instituto do Emprego e Formação Profissional* – Institute of Employment and Vocational Training), which follows a different methodology from the INE (*Instituto Nacional de Estatísticas* – National Statistics Institute), there was an increase of 16.9% between February and May and 34% compared to May 2019. There were 408.900 registered unemployed at the end of May, 16.600 more than the previous month. The majority of this population is female (55%), over 25 years of age (89%), with basic education (50%) and secondary

⁵ Between 2011 and 2015, underutilization varied between 1039.700 people in February 2011 and 1460.100 people in April 2013.

education (32%) enrolled in IEFP less than 1 year (67%), in search of a new job (93%) and living mainly in the North Region (38%) and in Lisbon and the Tagus Valley Region (32%). With a greater weight of people with low levels of qualification, there is also a greater weight of less qualified professional groups. According to the data for the mainland territory, unskilled workers (25%) stand out, followed by workers in personal services, protection and security workers and salespeople (22%). It should be noted that around 72% of the unemployed registered in the mainland territory work in the area of services, namely in *Real estate, administrative and support services* (30%), *Accommodation, catering and similar* (12%) and *Wholesale and retail trade* (11%). The unemployed in industry, energy and water and construction correspond to 22% of the total registered unemployed. The increase in registered unemployment is significantly higher in the Algarve region (+44% compared to February and +202% compared to May 2019), which reflects the impact of this crisis on economic activities dependent on tourism. The second most affected region was Lisbon and the Tagus Valley with an increase of 41% compared to February 2020.

One of the Government's responses to reduce unemployment during the period of lockdown and constraints to economic activities was the simplified layoff (from the Extraordinary Measure to the maintenance of employment contracts). This measure allows financial support per worker, allocated to the company, and intended for the payment of wages. However, the employee's income is reduced by 1/3 of the normal gross earnings and cannot be less than the national minimum wage corresponding to the normal working period. This reduction in remuneration is independent of whether it is a reduction in working hours or a temporary suspension.

As of June 9, Social Security already had 113.200 layoff requests, covering 1.349.000 workers. In this situation there are more women (52%) than men (48%), mostly from four main sectors of activity: Manufacturing industries (22%); Wholesale and retail trade and vehicle repair (18%); Accommodation, catering and similar (17%); Administrative and support services activities (11%)⁶. Micro-companies stand out (80% of the requests have up to 10 workers) and, as for the geographical location, 24% are in the district of Lisbon, 19% in the district of Porto and almost 10% in the district of Braga.

If all requests for simplified layoff were validated and approved, the number of workers covered by the layoff would correspond to 33.3% of employees⁷ and 29% of the employed population (aged 15-74)⁸. In 2012, the number of beneficiaries with layoff benefits reached its highest value in the

⁶ The data from the MTSS COVID Monitoring Indicators on layoff present different totals when analysing the daily evolution and the characterization of the beneficiary entities and workers included in this measure. We chose to present the total daily evolution and the percentages according to the different typologies

⁷ The data on the employed population refer to the 1st quarter of 2020. Employed person is defined by INE as "Individual who carries out an activity under the authority and direction of another person, under the terms of an employment contract, whether or not in written form, and which entitles him/her to a remuneration, which does not depend on the results of the economic unit for which he/she works." (INE; Metadata)

⁸The employed population data refer to provisional data for May 2020 (seasonally adjusted figures). INE defines an employee as "An individual aged at least 15 years who, during the reference period, was in one of the following situations: 1) had worked for at least one hour, against payment of a salary or for a family benefit or gain in cash or in kind; 2) had a formal link to a job but was not in the job; 3) had a business but was not temporarily working for a specific reason; 4) was in pre-retirement but was working." (INE, Metadata)

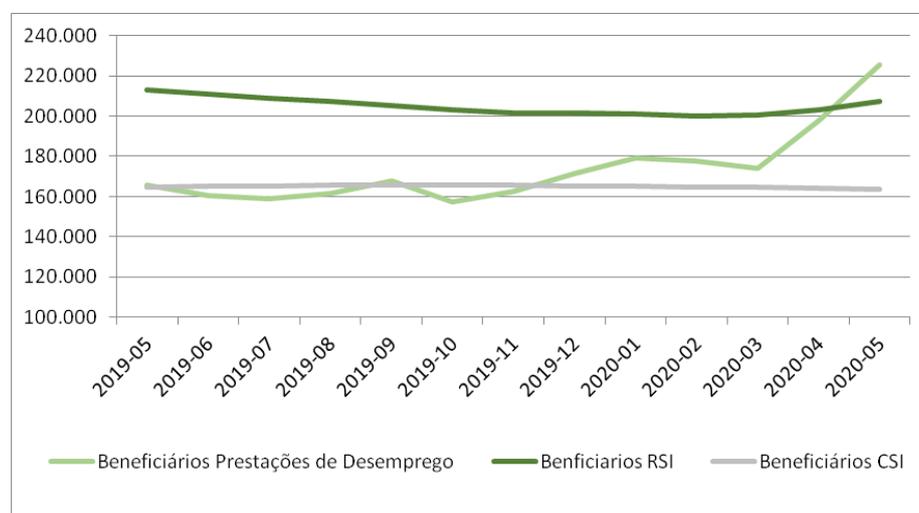
previous crisis period: 8.703 workers, which corresponded to 0.25% of the employed population by third parties and 0.21% of the employed population (aged 24-64)⁹.

Social benefits

Since March, there has been an inversion in the number of beneficiaries of the Social Integration Income (RSI - *Rendimento Social de Inserção*). While since March 2018 the number of RSI beneficiaries and families was decreasing, in the last three months we have seen an increase in beneficiaries and families to be supported by this measure. It should be noted that Decree-Law No. 20-C/2020 of May 7, which establishes exceptional social protection measures in the context of the COVID-19 disease pandemic, sought to simplify access to RSI, with this measure taking effect from March 1. In this sense, the dependence on signing the integration contract to access the RSI was eliminated and the process of unofficial verification of the composition and income of the household and the consequent revision of the support, its renewal or termination was deferred to the end of this Decree-Law.

In May 2020, the average RSI benefit per family was EUR 260.62 and EUR 118.10 per beneficiary. The maximum value of this benefit in 2018 was EUR 186.68 per month for a single adult, which corresponds to 37% of the poverty threshold for an equivalent adult that year. Between 2018 and 2020 the maximum value of the RSI only increased by EUR 2.98.

Chart 3: Evolution in the number of beneficiaries of unemployment benefits, RSI and CSI between May 2019 and May 2020 (N)



Caption:

Beneficiaries Unemployment Benefits
 Social Integration Income (RSI) Beneficiaries (Minimum income beneficiaries)
 Solidarity Supplement for the Elderly (CSI) beneficiaries

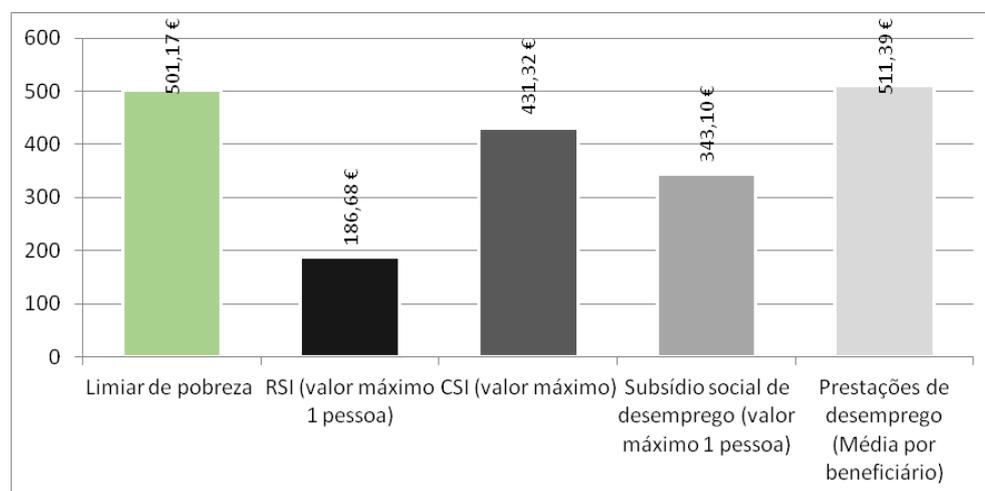
⁹ These data refer to the annual figures for 2012. The indicator available to INE for annual and monthly employed population shows differences in the age categories covered.

The number of beneficiaries of unemployment benefits also increased sharply between March and May 2020. Temporary measures to strengthen unemployment protection were also enacted at this level, with a reduction in the period of time for entitlement to extended benefits to 90 days of paid work in a 12-month period immediately preceding the date of unemployment or 60 days when the unemployment situation occurred due to the expiry of the fixed-term employment contract or the termination of the employment contract at the initiative of the employer during the trial period. However, in these cases the support lasts only 90 and 60 days respectively. Thus, in May 2020 there were 49.900 more beneficiaries of unemployment benefits than in March, corresponding to an increase of 34.4%. In terms of extended benefits, the increase in this period was 2.700 beneficiaries, 34.9% more than in March.

In May the average value of unemployment benefits per beneficiary was EUR 503.14, whereas in the case of extended benefits, the maximum value is EUR 438.81 for beneficiaries with a household and EUR 348.61 for beneficiaries living alone. Taking the 2018 figures into account, the average value of unemployment benefits was over the poverty threshold for a single adult by only EUR 123 per year (EUR 10.22 per month) and the maximum amount of extended benefits for a single adult was 68% of the 2018 poverty threshold.

On the contrary, concerning Solidarity Supplement for the Elderly (CSI - *Complemento Solidário para Idosos*) beneficiaries, we have seen a reduction in the number of beneficiaries over the last few months. However, this reduction was already taking place since December 2019, and it is not possible to verify to what extent the pandemic and the transposition of the preferential operation of many services to online platforms had an impact on the access to this measure by the elderly. The maximum value of the CSI in 2020 is EUR 438.21 per month, the same value as in 2019 and EUR 6.89 more than in 2018. If we compare it to the poverty threshold, the maximum CSI value in 2018 corresponded to 86% of this threshold.

Chart 4: Maximum or average value of unemployment benefits, CSI and RSI and the poverty threshold in 2018 (monthly values) (EUR)



Poverty line

RSI (minimum income – maximum amount per 1 person)

CSI (maximum amount per 1 person)

Social Unemployment Benefit (maximum amount per 1 person)

Unemployment benefits (media per beneficiary)

Source: INE, ICOR2018; ISS, IP; Economia e Finanças

4. COVID-19 AND THE CHALLENGES FOR PORTUGAL

Difficulties and challenges for Social Economy Entities

Between April 22 and May 2, EAPN Portugal, in partnership with the Ministry of Labour, Solidarity and Social Security, launched an online questionnaire on the fight against poverty in the context of COVID-19. The main goal of the questionnaire was to find out the main impacts of the Pandemic on the Organizations and on the publics with whom they work.

From the results¹⁰ we could see that the current pandemic context had a strong and extremely strong impact on women (37% and 24%, respectively). From the publics' perspective, the Organizations stated that it is among the elderly that the impact is stronger. More than 90% of the Organizations perceived a strong impact (between 4 and 6 on a scale of 0 to 6) and more than 50% consider the impact to be extremely strong.

The current pandemic context has had an impact, between strong and extremely strong, on the entire Portuguese population regardless of gender or age group. But organizations have highlighted the impact on **older people**. More than 90% of institutions perceive a strong impact (between 4 and 6 on a scale of 0 to 6) and more than 50% consider the impact to be extremely strong. Regarding gender, it is the **female** who conveys the strongest feelings about this crisis.

The areas where a greater consensus on a **high impact of the current COVID-19 pandemic context** stood out are **those associated with employment and material living conditions**, as well as loneliness, mental health and difficulty in accessing personal protection materials.

The groups that stood out (grade 6) as being **the most affected by COVID-19** are **workers with precarious ties** (60%), **elderly people living in isolation** (58%), the **unemployed** (55%), **large families in poverty and/or overcrowding** (52%) and **single-parent families in poverty or without a support network** (51%).

We found that, in terms of impact on the general population, the changes in **services in the area of education** received a rating of 5 (very positive impact; 33%), the second most positive impact was related to changes in **Social services (canteens, hostels, day centres, etc.)** (29%) and the third most positive impact was focused on **Services in the area of training and employment** (24%). It is also the changes that occurred in these responses that were the most perceived as having a very negative impact on the vulnerable population (rating of 1): **21% of organizations considered changes in services in the area of education as very negative, 20% in the case of Social services and 17% in the area of Services in the area of training and employment.**

In the assessment that organizations make regarding the services and measures implemented by public and governmental entities to prevent a worsening of poverty or social exclusion, on the whole, the entities have focused their responses on grade 5 which, although not *very appropriate (grade 6)*, is close to it. However, we were able to perceive that the evaluation is more positive in the entities that are closer to the communities, namely in the **Local Authorities (Municipalities and Parish Executive Committees)**, with 61% of the organizations considering that the responses of these entities were clearly positive, positioning them in the highest grades (6 and 5), and 28% indicated

¹⁰ Elizabeth Santos; Fátima Veiga; Paula Cruz, *O combate à pobreza em contexto da COVID-19: resultados do inquérito às Organizações*, EAPN Portugal, May 2020 (<https://www.eapn.pt/documento/687/o-combate-a-pobreza-em-contexto-da-covid-19-resultados-do-inquerito-as-organizacoes>)

the highest value (6). In the case of **Public Associations of Local Authorities (Intermunicipal Communities and metropolitan associations)**, despite the proximity to the local territory, there seems to be a greater lack of knowledge of the measures implemented compared to the remaining entities with almost ¼ of the organizations not responding to this dimension (in the local authorities, the non-response was only 4%).

In the questionnaire, we tried to find out if "your institution or other social institutions in your locality" had been contacted by the authorities to face the effects of COVID-19 and, bearing in mind the total number of responses (802), 58% stated that they had been contacted and 22% said they are aware they had contacted other social institutions in their locality. About 20% said they are unaware of whether local institutions had been contacted.

Regarding the impact of the pandemic context on the functioning of the respondent institution, from the total of responses, the dimension that stands out as having had the highest impact is the "**need to adapt work routines**" (58%), followed by the "**temporary closure of social responses** (47%) and 36% refers to the "**financial sustainability of the responses/institution**". These needs are expressed by the several organisations, however, it is the organisations working with *children and young people* that most report an extremely high impact on the temporary closure of the responses (62%) and on the financial sustainability of the responses (47%), with a significant difference compared to the other organisations.

In the open questions component and concerning the needs felt by the Institutions, more than 70% of the organizations that answered the questionnaire pointed out one or more needs to register at the moment and/or in the near future. Although the question intended to know the needs beyond the health scope, 188 entities (23.5%) stressed the need for **personal protective equipment** (masks, alcohol, alcohol gel, etc.), both for their employees and for the users with whom they work.

Regardless of the health scope, 153 entities (19%) revealed that they are already having **financial needs because their services are closed or partially closed, due to the decrease of donations and the reduction of the co-payments of the users**.

Regarding the needs of the publics with whom they work, the institutions admitted that the State of Emergency and the consequent closure of services has led to a great deal of isolation on the part of the beneficiaries, especially the elderly population. Thus, the **need that emerges from the responses is that of social and family interaction** (about 26% of the responses refer to this situation) and reference was often made to loneliness, the need for socialization and living with friends and family, etc.

The issue of returning to the routine with the resumption of normal activities is a central issue for organizations so that they can continue to provide good service to beneficiaries.

The **solutions** presented by the respondent entities essentially involve the *support required from the State*, whether this is done in issues related to *mobility* (transport network that allows the population to move around more effectively), or through support for: *affordable purchase of personal protective equipment; implementation of contingency and protection measures in organizations; and support for caregivers* (in the case of the elderly population who at the time were prevented from attending day centres). Access to key services, such as health, has been highlighted as central, emphasizing the need for investment in mental health.

It is also noted from the responses received that there is a clear concern of the organizations in **improving social responses**. Improving the delivery of the response is highlighted as relevant, either because it becomes necessary to expand existing responses due to the increase of requests, or because it is necessary to adapt responses to the new demands of social distancing.

Another proposal at this level is related to the need to **rethink intervention with the elderly population**. They consider that traditional skills are not operational in the short term, and due to the quality of life of the elderly population, it is necessary to bet on new responses at home and residential levels.

It should also be noted that most organizations mentioned the need to **prioritize networking** in which articulation between services ensures a more effective and efficient intervention. And, in this line, the *need to reinforce the work teams* is also mentioned, betting on *training, teams' specialization and multidisciplinary intervention*.¹¹

Difficulties and challenges for people experiencing poverty

In early April and in a full state of emergency, EAPN Portugal conducted a series of telephone interviews with members of the Local Councils of Citizens (CLCs - *Conselhos Locais de Cidadãos*). The Local Councils are internal groups of EAPN Portugal that bring together people who live and/or have come into situations of poverty and/or social exclusion. These groups have existed since 2009 and are distributed throughout all districts of the country (18 in total).

The aim of the consultation¹¹ was to understand: the main impacts/changes caused by the pandemic (COVID-19) on citizens; the main difficulties citizens experience in their daily lives; social follow-up during the lockdown period; evaluation of measures adopted by the Government; future perspectives (in the short and medium term) on the health crisis; what role EAPN Portugal can assume in this period; the perception of society in terms of relationships between people and how they are organized.

From the perspective of the impacts caused by the pandemic, **isolation** and the arising consequences stand out as a common point.

"To be isolated, always at home, without being able to go out for a simple coffee..."; "I'm tired of being at home, I can't be with friends, relatives... I can't be with my granddaughter, it's my daughter who picks up our food, does the shopping at the supermarket and buys medicines"

The problem of spatial limitation was highlighted, as well as the tensions created by the fact that now all members of the family share the same narrow space. Space limitations pose problems with the distribution of confined people:

"I'm confined to a single room; I'm not allowed out of the room because they're both working at home and I'm a risk patient."

Housing, especially when it is not appropriate, becomes a central element in the problems resulting from the pandemic. This situation is particularly serious in some communities, namely migrants, who have become unemployed and in layoff and, as such, are unable to pay their rent because they do

¹¹ *O Impacto da COVID-19 junto das pessoas mais vulneráveis*, EAPN Portugal, May 2020.

not have legal lease contracts, sometimes live more than one family per house and cannot resort to the moratoriums proposed in the meantime.

Another area that CLCs members highlight as having undergone changes is **health**. Feelings of "fear", insecurity, uncertainty arise in the face of a reality that is new and that has never been experienced.

"We value family more; we care more about things we didn't care about... we talk to people we didn't talk to". Thus, there arises in this dimension a problem of social relationship and mental sanity that will be aggravated with the passage of time.

At this level, the lack of technological means contributes to a greater difficulty in accessing health. The fact that the services run health appointments by telephone or internet, the postponement of appointments that were scheduled, and the difficulties in accessing medication produce an effect of some uncertainty regarding the present and the future:

"The problem is that appointments have been postponed, even in the emergency room, everything is different, more complicated".

"(...) I had a small surgery scheduled, it was postponed... now I don't know how it will be, because I had ADSE until June, I was providing services in school, and in the public service everything takes more time".

Another difficulty is the increase in day-to-day expenses. The change in the rhythms of life imposed, from the outset, on some people with smaller children increased difficulties in terms of feeding the children:

"With everyone at home, the water, electricity and even food bill increases."

On the other hand, there are families with very young children who receive support in terms of diapers and other hygiene products from institutions in the social sector and those who due to confinement and unemployment situations needed more support. Difficulties that extend to other expenses such as the payment of the house rent:

"This month I won't be able to pay the rent, which is already late".

The **decrease in income** resulting from the suspension of employment contracts in their entirety or in layoff, is one of the major difficulties experienced by some of the members. Many were already working in precarious regimes, part-time or in the informal economy:

"I can no longer work for a few hours, a lot of work is missing, even odd jobs".

Others, who before the pandemic were already unemployed, now show a feeling of helplessness concerning work, that is, the possibility of finding a job:

"If it was difficult before, now it will be more..."; "There will be much less employment opportunity after all this".

Overall, it was possible to verify that after 15 days of state of emergency, people already living in social and economic vulnerability felt the effects of the pandemic and fear that they will be lasting and worsen.

Inequality is visible in several ways: not only economically, but also in access to essential services - such as health, housing, education; integration into the labour market. This context further highlights

these inequalities and has different impacts on different groups of people. This view of people is fundamental and refers us briefly to the following aspects:

1. Employment or the lack of it: many people have had their employment contracts suspended in their entirety or in layoff, causing, from the start, a decrease in income or the worsening of situations that were already precarious before this situation. Many citizens worked in precarious regimes, part-time or in the informal economy, no longer having opportunities in the labour market. It is also important to mention at this level that there are people who, for example, have the minimum income as their main source of income and, due to its unsuitability, need to execute other jobs (do odd jobs, make sales, etc.) and that as soon as the pandemic begins, they are no longer able to perform these activities and are in an even more fragile situation.

2. Housing or the lack of it: poor housing conditions have considerable impacts, for example, on children. How can we demand that children learn (continue their studies) if they do not have the material for it and in many cases, have no light, no space to study calmly, etc.? This situation is particularly painful in terms of increasing / worsening educational inequalities. We are also concerned about people who, faced with unemployment and layoff, are unable to pay the rent of the houses, because they do not have legal lease contracts, sometimes live more than one family per house and cannot resort to the payment moratoriums proposed by the program created for this purpose.

3. Income: the loss of income in the ability to meet day-to-day expenses (and it will be important in the coming months to understand, for example, the rate of material deprivation of people); the payment of rent or mortgage; the purchase of medicines, etc. We are particularly concerned about the situation of certain groups such as the elderly, single-parent families, the situation of women (which is already a group where the unemployment rate is higher; the poverty rate as well; the risk of precarious employment as well).

4. Food: The Food Bank, for example, reported that it received more than 12.000 requests for food aid and other organizations and projects that remain on the ground report that requests for food aid have tripled. Unemployment and the consequent drop in income explain this situation.

5. POLICY SOLUTIONS

At the beginning of the pandemic crisis, the National Government presented a set of exceptional measures to meet the immediate effects of the Pandemic and prevent their worsening.

EAPN Portugal highlighted at some moments the most positive aspects of the measures presented and also warned of areas that were still uncovered and /or where the measures needed to be strengthened¹².

In this report we would like to reinforce some of the ideas presented. Firstly, the reinforcement of social protection measures, namely the Social Integration Income, the Solidarity Supplement for the Elderly and the Unemployment Benefit, allowing them to be automatically validated and/or renewed without the need to resort to services in person and preventing the most vulnerable populations from losing this income. At this level, however, we would like to highlight EAPN Portugal's warning for the existence of a strong and comprehensive social protection system for all people in need. For this reason, the importance of the measure created in the meantime "aims at the inclusion of people who are excluded from the social protection system, recognizing that social security is a pillar of civilization as we know it" should be highlighted"¹³.

However, we know that in Portugal social transfers still have a limited impact on poverty reduction. Benefits such as the Social Integration Income, although extremely relevant for people living in poverty, are still far from being adequate to produce effective changes in people's lives and still do not reach all the people in need.

We note that the Government has also defined a set of measures to support employment and business, not only in an attempt to protect the economy, but also employment contracts. Despite this situation, sectors such as restaurants and hotels have been strongly affected and led to situations of unemployment and /or suspension of contracts for many workers, which has consequently had an impact on reducing their disposable income.

The measure (Order No. 3863-B/2020 of March 27) applied at the beginning of the state of emergency in order to reduce the vulnerability of the immigrant population in an irregular situation (or at risk of irregular situation due to the expiry of visas or other documents) in the national territory was extremely relevant for an already very vulnerable group.

There was also an expansion of the Operational Program to Support the Most Deprived Persons (POAPMC - *Programa Operacional de Apoio às Pessoas mais carenciadas*) with the aim of meeting

¹² See in particular the following documents: *The social implications of coronavirus in Portugal: the position of EAPN Portugal*, March 2020 (<https://www.eapn.pt/documento/653/as-implicacoes-sociais-do-coronavirus-em-portugal-a-posicao-da-eapn-portugal>); *EAPN Portugal values a package of exceptional measures, but wants to strengthen the measures aimed at the most vulnerable*, April 2020 (<https://www.eapn.pt/documento/657/eapn-portugal-valoriza-pacote-de-medidas-excepcionais-mas-quer-reforco-das-medidas-direcionadas-aos-mais-vulneraveis>); *Communication on the importance of defining a common Minimum Income system*, May 2020 (<https://www.eapn.pt/documento/672/comunicado>); *Assumptions for a social intervention in the Fight Against Poverty*, May 2020 (<https://www.eapn.pt/documento/679/pressupostos-para-uma-intervcao-social-no-ambito-do-combate-a-pobreza>).

¹³ Decree-Law No. 20-C/2020 (<https://dre.pt/web/guest/home/-/dre/133321093/details/maximized?serie=l&day=2020-05-07&date=2020-05-01>)

the needs of more families who, due to the reduction in their income, saw their food needs worsened.

The moratoriums on credit to families and companies, and also on an exceptional and temporary regime of late payment of rents, were other relevant measures in this period, which alleviates, in the case of the payment of rents, the burden of benefits to those affected by the negative economic effects of the pandemic.

The measures were many and varied, however it is important to note that the groups strongly affected by the pandemic were also significant. It is worth mentioning the precarious workers who before the pandemic were already at risk of poverty; the informal workers who in many cases no longer had access to adequate social protection and who with the pandemic were also no longer able to carry out their jobs; the self-employed who saw their businesses reduced; the unemployed who saw their chances of finding a job reduced and, in many cases, no longer benefited from unemployment benefits; single-parent families and households who lost their jobs and saw their incomes reduced and were left in a fragile situation to continue to secure day-to-day expenses; people who are homeless and those groups living in precarious housing conditions, such as the Roma communities. Children who have also been more exposed to violence, in the case of those living in unstructured families; and also children who have had to study at home with the closure of schools in many cases without adequate conditions to do so properly and without this bringing consequences for their learning.

The elderly, not only those who are institutionalized and no longer able to contact their families, but also those who already lived isolated and / or in a situation of loneliness.

The chronically ill and those with disabilities who, in addition to being groups at greater risk of the disease, have also dealt with problems in accessing services.

Migrants and refugees who were already dealing with greater social inequality, but the pandemic situation helped expose them to even greater vulnerability.

We believe that despite the measures implemented, it is important that the recovery plan maintains measures with a positive impact on promoting people's quality of life at the time we are living. The current National Reform Programme¹⁴ highlights the need to define a National Strategy to Fight Poverty and Social Exclusion and this should effectively be a Government priority. The Economic and Social Stabilization Plan¹⁵ presented in June and with a time horizon until the end of 2020 presents a specific axis of social scope with measures aimed at supporting people's income. The measures considered here are extremely relevant, but they need to be framed in a broader process that only a national Strategy to fight poverty can guarantee. We clearly need to ensure that people's social rights are defended and progressed.

¹⁴ <https://www.portugal.gov.pt/pt/gc22/comunicacao/documento?i=programa-de-estabilidade-e-programa-nacional-de-reformas-2020->

¹⁵ <https://www.portugal.gov.pt/pt/gc22/comunicacao/documento?i=programa-de-estabilizacao-economica-e-social>

6. RECOMMENDATIONS

Promote the definition and consolidation of a National Strategy for the Eradication of Poverty and Social Exclusion.

Portugal needs an integrated response to fight poverty and social exclusion that encompasses different sectors of society. Social protection is central, but to address the real causes of poverty we need to integrate the fight against poverty in other central areas such as employment, health, housing, social responses, education and even culture. The family nucleus remains a focus of multiple situations of social vulnerability affecting children, adults and the elderly, i.e. different generations. We need a holistic approach to families and their multiple situations.

Define a national action plan of the European Pillar of Social Rights¹⁶ that is a reference for the National Strategy for the Eradication of Poverty and Social Exclusion.

The European Commission will present in 2021 an Action Plan for the European Pillar of Social Rights that will only be sustainable if all Member States also commit to its national definition and implementation. Given its principles, the European Pillar of Social Rights could be an important framework instrument for a National Strategy to Fight Poverty and Social Exclusion.

Ensure the strengthening of social protection and create the necessary foundations for the definition of an adequate minimum income system.

The existence of an adequate minimum income is one of the principles of the European Pillar of Social Rights and should be one of the pillars of a National Strategy to Fight Poverty and Social Exclusion. Minimum income schemes must be accessible, adequate, and enabling¹⁷ and as such must be an integral part of comprehensive, universal and rights-based social protection schemes.

It is important that Portugal can support the creation of a European Directive on Adequate Minimum Income¹⁸.

Promote an inclusive labour market and access to quality public services.

Portugal should be able to reverse the employment growth model based on job insecurity and low wages and encourage the creation of jobs with greater economic and labour stability of workers, discouraging hiring through job insecurity. It is important to ensure that the youngest have access to

¹⁶ EAPN contribution to the European Commission's consultation on an Action Plan to implement the European Pillar of Social Rights, Summary, EAPN Europe, July 2020. (<https://www.eapn.pt/documento/688/contributo-da-eapn-para-a-consulta-da-comissao-europeia-sobre-um-plano-de-acao-para-implementar-o-pilar-europeu-dos-direitos-sociais>)

¹⁷ EAPN Position Paper on Adequate Income, EAPN Europa, May 2020 (<https://www.eapn.eu/eapn-position-paper-on-adequate-income/>)

¹⁸ EAPN Portugal's Communiqué to the Communication presented by the Minister of Labour, Solidarity and Social Security, Ana Mendes Godinho, the Vice-President of the Spanish Government, Minister of Social Rights and Agenda 2030, Pablo Iglesias Turrión, and the Minister of Labour and Social Policies of Italy Nunzia Catalfo on the importance of defining a common Minimum Income system to fight poverty and social exclusion in an ambitious and integrated perspective. (<https://www.eapn.pt/documento/672/comunicado>)

professional and economic stability that allows them to create life projects in Portugal and establish the necessary conditions for the creation of families with children. Strategies and goals should also be considered to reduce pay inequalities within companies and continue to promote the gradual increase of the national minimum wage.

Ensure effective use of the Next Framework Funds to take into account the consequences and impacts of the crisis

The next framework needs to be based on realistic quantitative and qualitative indicators that allow monitoring and evaluating the effectiveness of programs and projects in reducing poverty; that manage to mobilize smaller NGOs, but with a central role in the communities, namely the most vulnerable ones; that allow experimenting with innovative responses, directly involving the communities / publics themselves in order to meet their real needs and finding effective and lasting solutions over time

Promote the effective participation of different stakeholders - national and local public entities such as Local Authorities, civil society entities and people experiencing poverty themselves.

Participation should be a strategic principle in the operationalization and monitoring of a National Strategy to Fight Poverty and Social Exclusion. It is important to create an equal space for participation and dialogue with different stakeholders and people living in poverty and social exclusion. The systematic involvement of people facing poverty and social exclusion directly is an opportunity to learn what works from scratch and ensure credible and sustainable solutions.

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