

# INEQUALITIES AND DEVELOPMENT IN PORTUGAL

RECOVERING FROM CRISIS, MOVING IN THE RIGHT DIRECTION, BUT THERE IS MUCH TO DO

Portuguese NGDO Platform, CPADA - Portuguese Confederation of Environmental Defense Associations

## Income and wealth<sup>1</sup>

Income per head in Portugal is €17,900 (2018);<sup>2</sup> the minimum wage is €600 a month; 2.2 million people, over a fifth of the population are at risk of poverty or social exclusion. The economic crisis and structural adjustment (2011-2014) significantly reduced living standards, widened inequalities, increased unemployment and extended and intensified poverty. The economy is now recovering and income inequality has reduced slightly, with the Gini coefficient at 0.33,<sup>3</sup> close to the EU average of 0.30. This reduction in income inequality was brought about by redistribution measures taken since 2015, reversing to some extent the severe cutbacks made in 2010-2014.<sup>4</sup>

Unemployment, currently below 7%, is less than half that of 2013 (16.2%). Having a job, however, does not guarantee a decent and dignified life: in 2017, about one out of every five people employed was earning the national minimum wage, with the proportion of women being double that of men. Those most at risk of poverty and social exclusion are children, older persons, single parent families and unemployed people (45.7% is the poverty rate among unemployed).

Regional asymmetries are also significant, as the interior is increasingly depopulated, aged and poorer. 83% of the wealth produced in Portugal is concentrated in coastal areas, as are 82.4% of young people and 89% of students in higher education.

## Education

Education is improving in Portugal: school drop-out rates have fallen and girls education has risen sharply – but this is progress from a low starting point. Portugal is still one of the least educated countries in Europe: 22% of the population completed only the first

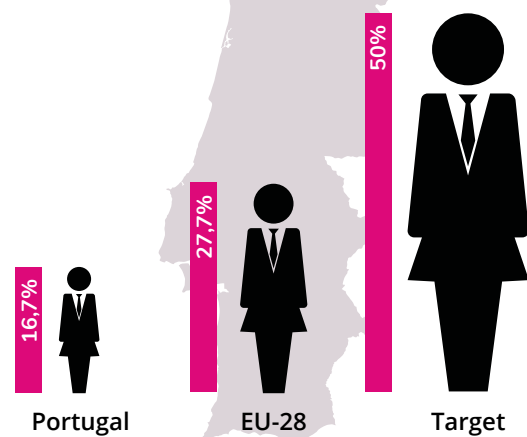
cycle of compulsory education. The older generation, particularly women, are markedly less well educated than younger people. Years of education are a key factor in access to employment, in wages and income earned. School exam results correlate closely with regional and socioeconomic inequality and indicators for poverty and social exclusion vary according to the level of education.<sup>5</sup>

## Gender

Poverty, unemployment and job insecurity are higher among women; the gender pay gap (16.3% in Portugal<sup>6</sup>) is present in all ages, levels of education and occupations and unpaid work is shared very unequally between women and men. The high participation of women in the labour force (above EU average) and low part-time employment rates (below EU average) in Portugal reflect prevailing low wages.

## GENDER INEQUALITY IN PORTUGAL

Percentage of women, taking part in government



Source: European Institute for Gender Equality (EIGE)

The significant advances made by women in recent decades are not matched by a proportional share of women in managerial positions and decision-making bodies.

Gender equality is now more prominent in public policy. The government is trialling gender budgeting in seven ministries; there is a law to reduce the gender pay gap (2018); legislation to ensure a balanced representation of men and women in the biggest companies (since 2017); and a law stipulating that 40% of candidates in electoral lists should be women. Parental leave has been extended and the National Network for Supporting Victims of Domestic Violence has been enlarged. There is also a law on gender identity. Nevertheless, challenges remain in the implementation and monitoring of all these measures, as the coordination between stakeholders could be much improved, and accountability/sanctioning mechanisms are still weak (e.g. gender equality in labour).

### External

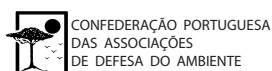
Portugal generally supports the voices of the most vulnerable and fragile countries in international and multilateral forums, and is regarded as an honest broker. Regarding migration, Portugal is a country of emigration,<sup>7</sup> but its good practices in the integration of migrants and refugees are recognised – Portugal comes second, after Sweden, in the Migrant Integration Policy Index.<sup>8</sup> In fact, with a population that has been falling for the last 20 years, Portugal is keen to attract migrants.

ODA levels are low (0.17% of GNI in 2018), and mainly allocated to the Portuguese-speaking countries of Africa and Timor-Leste.

### Recommendations

- Focus on more inclusive growth through policies of income and wealth redistribution, including fairer, more progressive taxation.
- Put the fight against poverty and inequalities higher on the political agenda.
- Strengthen the social protection and the benefits system, to make it more coherent, fair and effective.
- Promote employment policies, which include increased integration of vulnerable and disadvantaged groups in the labour market; invest in quality training; reinforce decent work.
- Pay particular attention to policies and measures to combat the intersection between multiple inequalities and discrimination - regional, gender, racial/ethnic, income, age - that reinforce each other and perpetuate poverty and social exclusion.
- Strengthen dialogue and the participation of citizens (particularly the most vulnerable groups facing poverty and social exclusion) and engage with civil society as an effective partner.
- Correct regional asymmetries with positive discrimination in favour of the most disadvantaged regions and the interior.
- Reinforce EU competences in the social field.
- Enforce and monitor the impact of gender legislation; raise parity laws on representation to 50%; develop strong governance on women's rights; strictly enforce laws on gender violence; strengthen collection and availability of gender-disaggregated statistics.
- Draw up a realistic timetable for a sustainable increase in Portuguese ODA and implement the commitments on policy coherence for development.
- Do not downgrade the external dimension the 2030 Agenda vis-à-vis the internal/national dimension.

To read the full national report and the comprehensive Europe-wide report with all references, please visit: [www.sdgwatcheurope.org/SDG10](http://www.sdgwatcheurope.org/SDG10)



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<sup>1</sup> This brief is a summary of the report "Inequality and Development: Portugal's contribution to implementing SDG 10", written by Patrícia Magalhães Ferreira and available at (same link). Where not otherwise indicated, statistics and data have been copied from this report. The Portuguese government has included SDG 10 as one of its 6 priority SDGs. The Portuguese government has included SDG 10 as one of its 6 priority SDGs.

<sup>2</sup> <https://ec.europa.eu/eurostat/cache/infographs/economy/desktop/index.html>

<sup>3</sup> <https://data.oecd.org/inequality/income-inequality.htm>

<sup>4</sup> Measures which have helped to reduce inequality include: the continuous increase of the minimum wage since 2014, the reform of the personal income tax to ensure greater progressivity and the increase of lower retirement pensions; updating the value of the Index of Social Support in 2017 (for the first time since 2011), or the reformulation of rules and increases in social benefits such as the Family Allowance, the Solidarity Supplement for Older Persons and the minimum income legal scheme ("Social Integration Income").

<sup>5</sup> Poverty risk is five times higher for people with only basic education compared with people with higher education.

<sup>6</sup> [https://ec.europa.eu/eurostat/statistics-explained/index.php/Gender\\_pay\\_gap\\_statistics](https://ec.europa.eu/eurostat/statistics-explained/index.php/Gender_pay_gap_statistics)

<sup>7</sup> In 2017 the remittances of Portuguese people living and working abroad totalled €3.5 billion, more than the remittances sent by immigrants to their countries of origin.

<sup>8</sup> <http://www.mipex.eu/portugal>