



# INEQUALITIES AND DEVELOPMENT IN PORTUGAL

PORTUGAL'S CONTRIBUTION  
TO IMPLEMENTING SDG 10

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

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# CONTENTS

<b>Executive Summary</b>	<b>5</b>
<b>Introduction</b>	<b>7</b>
<b>1. Background</b>	<b>9</b>
<b>2. Inequality in Portugal</b>	<b>13</b>
2.1. Social groups, Inequality and Development: income and gender	13
2.2. Policies to address inequality: good practices and challenges	18
<b>3. Portugal's Contribution to Reducing Inequality at Global Level</b>	<b>27</b>
<b>Recommendations</b>	<b>32</b>
<b>Bibliography</b>	<b>35</b>
<b>Annexes</b>	<b>38</b>
Annex 1: Targets and Indicators of Sustainable Development Goal 10	38
Annex 2: SDG 10 interconnections with other SDGs	39
Annex 3: The Strategy "Portugal More Equal"	40
Appendix 4: Inequality in Portugal at a Glance	41

# ACRONYMS

<b>ACM</b>	High Commission for Migration
<b>ACP</b>	African, Caribbean and Pacific countries
<b>ODA</b>	Official Development Assistance
<b>EC</b>	European Commission
<b>CEDAW</b>	Committee on the Elimination of Discrimination Against Women.
<b>CIG</b>	Commission for Citizenship and Gender Equality
<b>CITE</b>	Committee on Equality in Labour and Employment
<b>PCD</b>	Policy Coherence for Development
<b>CPLP</b>	Community of Portuguese-Speaking Countries
<b>EAPN</b>	European Anti-Poverty Network
<b>ENED</b>	National Strategy for Development Education
<b>EDF</b>	European Development Fund
<b>ESF</b>	European Social Fund
<b>SILC</b>	Survey on Living Conditions and Income
<b>HDI</b>	Human Development Index
<b>IEFP</b>	Institute of Employment and Training
<b>INE</b>	National Statistics Institute
<b>IRS</b>	Personal Income Tax
<b>MNE</b>	Ministry of Foreign Affairs
<b>MP</b>	Public Prosecutor's Office
<b>MTSSS</b>	Ministry of Labour, Solidarity and Social Security
<b>OECD</b>	Organisation for Economic Co-operation and Development
<b>SDG</b>	Sustainable Development Goals
<b>ILO</b>	International Labour Organisation
<b>PALOP</b>	Portuguese-Speaking African Countries
<b>GDP</b>	Gross Domestic Product
<b>LDCs</b>	Least Developed Countries
<b>POISE</b>	Operational Programme for Social Inclusion and Employment
<b>PpDM</b>	Portuguese Platform for Women's Rights
<b>MFF</b>	Multiannual Financial Framework (European Union)
<b>GNI</b>	Gross National Income
<b>SOFID</b>	Development Finance Institution
<b>EU</b>	European Union

# EXECUTIVE SUMMARY

Income inequalities and disparities in wealth distribution are a serious obstacle to inclusive development and social justice in Portugal. Income inequality is structurally linked with poverty, as the medium income and salaries are low (1 in 5 persons earn the minimum wage, in 2019 fixed at 600 euros/month) and 21.6% of the population is at risk of poverty or social exclusion (or 2.2 million). The economic crisis and the structural adjustment programme (2011-2014) had serious consequences in living standards and particularly affected the most vulnerable groups, with widening inequalities, rising unemployment and aggravated poverty indicators. In recent years, a positive trend is observed in most social and economic indicators, although some have still not recovered to pre-crisis levels. Despite the convergence trajectory and positive developments since 2015 in inequality indicators, the Gini coefficient, the S80/S20 and S90/S10 ratios are still higher than EU-28 averages.

In recent years, Portugal performed particularly well in lowering school drop-out rates (in 7 years, it fell 7 pp.) and decreasing unemployment (currently below 7% in comparison with 16.2%, in 2013). Education is a crucial factor for inequality in Portugal, as it is interlinked with job quality, wages and poverty. The improvement in educational levels and employment rates - in recent years above GDP growth - contrasts, however, with rising job insecurity and persistent high levels of temporary and labour market segmentation. Low wages and wage disparities are key to income inequalities.

The definition of a higher poverty threshold (currently at 468 euros/month) combined with lower poverty rates point to real gains in income in the last few

years. However, the positive trends are not reflected in the same way in all social groups: children, the elderly, single-parent families and unemployed people are particularly vulnerable to poverty and social exclusion (e.g. 45.7% is the poverty rate among unemployed). Regional asymmetries are also relevant, as the interior is increasingly depopulated, aged and poorer. Inequality between men and women crosscuts economic, social and political sectors: poverty, unemployment and job insecurity are higher among women; the gender pay gap is present in all ages, levels of education and professions; there is a horizontal and vertical segregation in the labour market; and women face particular challenges in the reconciliation of working life and family life, since unpaid work is shared in a very unequal way. High participation of women in the labour force (above EU average) and low part-time employment rates (below EU average) in Portugal are the reflection of low wages that limit individual choices, and also result in lower retirement pensions and in the feminisation of poverty in older ages. The significant evolution in educational levels among women in recent decades is not matched by a proportional share of women in managerial positions and decision-making bodies.

The Portuguese government has included SDG 10 as one of the six priority SDGs, mainly focusing on internal/national issues. Social and economic measures in recent years have been focused in reversing the crisis' impacts through the recovery of household income, the strengthening of social protection and restoration of social rights - although big challenges remain regarding structural causes of inequalities and the interruption of poverty transmission cycles.

Among the most significant measures with positive impacts on inequalities are: the continuous increase of the minimum wage since 2014, the reform of the personal income tax - IRS 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 enlargement of social benefits such as the Family Allowance, the Solidarity Supplement for the Elderly and the minimum income legal scheme ("Social Integration Income").

Nevertheless, the net incomes of minimum-income recipients are very low when compared with the poverty threshold, and the impact of social transfers (excluding pensions) in poverty is still low. Almost half (47%) of the unemployed don't receive any unemployment/social benefits, incentives for professional qualification are scarce and not much is being done to address in-work poverty. Moreover, the impact of measures/legislation/policies in reducing inequalities and fighting poverty and social exclusion is not being monitored or evaluated, neither in public policies nor in the implementation of EU Structural Funds (from the pluriannual financial framework), which are a significant part of public investment.

The fight against poverty and inequalities should be placed higher in political agendas, by implementing a national strategy for poverty eradication and by adopting poverty proofing mechanisms on public policies, state budget and legislation. Moreover, efforts should be developed to strengthen the dialogue and participation of citizens (particularly vulnerable groups) and civil society as an effective partner in the definition, implementation and monitoring of reform programmes, plans and measures addressing inequalities and poverty.

Gender equality is featuring more prominently in public policies. Examples of this are the Strategy "Portugal + Equal" 2018-2030, the start of a pilot process of gender budgeting in the State budget

2018 (currently covering measures from seven ministries), the law to decrease the gender pay gap (2018), legislation to ensure a balanced representation of men and women in the biggest companies (since 2017) and in the political scene (since 2006, establishing a minimum of 33%, and reinforced in 2019, with a minimum of 40% of each sex in electoral lists and some public organisms), the law on gender identity, the extension of parental leave, or the extension of the National Network for Supporting Victims of Domestic Violence. Despite all this, some of these measures have taken a long time to be approved and are mainly reactive (responding to European directives or to international resolutions and recommendations). Moreover, there is frequently a gap between commitments/rhetoric and practical implementation (e.g. municipal plans for gender equality), the complementarity of actions and coordination between stakeholders could be much improved, and accountability/sanctioning mechanisms are still weak (e.g. gender equality in labour).

At the external/global level, Portugal generally supports the voice of most vulnerable and fragile countries in international and multilateral forums, being frequently regarded as an honest broker. Regarding migration, Portugal is mainly an emigration country, but its good practices in the integration of migrants and refugees are recognised, and it supports the Global Compact for Migration. On the other hand, ODA levels are low (0.18% of GNI), gender equality is not effectively integrated in development policy and policy coherence for development is still weak. The foreseen graduation of three priority partner countries in the near future will raise new challenges for Portuguese development cooperation.

Finally, the external dimension of implementation of 2030 Agenda should not be diluted nor sidelined vis-à-vis the internal/national dimension, and development cooperation actors should be engaged in implementing all SDGs.

# INTRODUCTION

The fight against inequality is seen as indispensable for a more just, inclusive and sustainable development, and is crucial to the "leave no-one behind" aspiration. This is also recognised by the 2030 Agenda for Sustainable Development in its 17 Sustainable Development Goals (SDGs), particularly through SDG 10 - Reduce inequality within and among countries. This report aims to:

- Clarify the approach to the issue of inequalities (vertical and horizontal) in the 2030 Agenda with reference not only to SDG 10, but also to the interrelationship between SDGs;
- Identify the areas where, at national level, there is a greater number of inequalities and identify their causes, addressing the main policies in Portugal to fight inequalities and their outcomes;
- Analyse Portugal's contribution to reduce global inequalities (through its development cooperation policies and bilateral and multilateral projects and programmes).

Existing studies in Portugal show that inequality is present in many dimensions of people's lives, so the persistence of the problem is not limited to one single sector or indicator. At domestic level, the most significant inequalities to be addressed by the report, compared to the situation in European Union countries in general, are vertical inequalities, particularly regarding **income distribution**, poverty risk, and employment and social protection indicators.

In terms of horizontal inequalities, there is significant **gender inequality at many levels**: economically, socially and politically. These two inequalities (of income and gender) are also analysed in connection with other inequality factors, such as education and work. In addition to these, discrimination against social groups (minorities/ethnic) was also identified as significant in Portugal. However, this is not the subject of this report given the lack of data broken down according to these criteria, as well as the limitations on the duration of the research and the size of the report.

The perceptions of the Portuguese population confirm this approach. According to the latest Eurobarometer on Public Opinion in the EU (autumn 2018), Portuguese citizens identify the most important problems in the country as those relating to health and social security (33 % of respondents), rising prices/inflation/cost of living (32 %) and unemployment (27 %, which stood at 58 % in the autumn of 2016). Issues such as immigration, terrorism or the environment/climate are among those that cause less concern, and are below the European average. In the Eurobarometer on Justice, Inequality and Intergenerational Mobility (April 2018), 96 % of respondents in Portugal consider that disparities in incomes are too large - the highest percentage among Member States - and 94 % think that the government should take steps to reduce income disparities.

The **quantitative** analysis focuses mainly on data for which statistics are available at European level, making comparison with other countries possible. Where relevant, Portugal's internal situation and its position relative to the EU average is mentioned. Data are also analysed for poverty, because despite of its multidimensional nature which extends far beyond the scope of income inequality, the two are profoundly interrelated.

The **qualitative** analysis focuses on (i) the causes of identified inequalities and (ii) the good practices, instruments and policies developed to address these inequalities, identifying major gaps and difficulties. The multidimensional nature of the two analysed inequalities necessarily implies options for which policies and measures are emphasised, and opts for a macro analysis focused on various public policies.

At external level, the analysis of **Portugal's contribution to reducing global inequality** focuses mainly on the Portuguese Development Cooperation policy and on the analysis of SDG 10 indicators, including ODA. It concentrates on the poorest and most vulnerable groups, on the support for developing countries' voices in international institutions, and on the need to improve policy coherence for development.

The report ends with recommendations to the government and Portuguese authorities to improve the fight against inequality and to implement SDG 10.

# 1. BACKGROUND

Inequality has detrimental impacts on economic, social, human and environmental development. Ensuring that growth benefits citizens, and particularly the most vulnerable and disadvantaged, is a key factor in the success and sustainability of development processes, as well as a question of social justice. The fight against inequality is beneficial for economies, for social cohesion, for the environment and for democratic stability, and implies coherent and effective public policies in boosting the welfare state, the eradication of poverty and the redistribution of wealth, the protection of the most vulnerable and the elimination of discriminatory laws and practices. It also implies raising awareness and mobilising a diverse set of actors, including civil society and citizens.

In the last few decades, the reduction of extreme poverty has been offset by an increase in inequality, both between countries and often within countries. We also know today that high levels of income inequality reduce the impact of economic growth in eliminating poverty. Wealth and income inequality has been linked to a growing concentration of wealth at a global level, while more than 70 % of the world's population earn under USD 10 000 per year, accounting for less than 3 % of the world's wealth (Credit Suisse, 2018). It is estimated that 82 % of all wealth generated in 2017 went to the richest 1 % of the world's population. This reveals a growing **trend for the concentration of wealth and warns of an economic paradigm that neither benefits the majority nor generates development**. According to Oxfam, at the end of the last decade another 700 000 000 people could have emerged from extreme poverty if there had been concerted policies to reduce inequality and not just poverty reduction (Oxfam, 2018).

While income disparities are particularly high in the world's poorest countries and regions - Latin America, Asia Pacific and Africa - **the persistence of vertical (income) and horizontal (between social groups) inequalities is a concern shared by** most countries, including in Europe, and particularly in the countries of Eastern and Southern Europe. The financial and economic crisis of 2008-9 worsened inequality, with responses centred on austerity measures, social disinvestment and budget cuts that disproportionately impacted the poorest and most vulnerable. On the other hand, the continuation of an unsustainable economic model, obsessed with economic growth and mass production/consumption, continues to result in environmental degradation and increasing inequality.

In fact, the current situation does not seem to favour the fight against inequality, with **worrying trends that include:** the economic fragility of many countries that affects public investment in social services and social protection; discrimination and violations of human rights, including the rights of migrants or the persistence of discriminatory practices and violence against women; and the increasing pressure on human rights and fundamental freedoms in the world, including the shrinking of civil society space in many countries, as well as the growth of protectionist and nationalist policies, to the detriment of greater multilateralism. Furthermore, in recent years many countries have experienced significant gaps between policy commitments and implementation, particularly regarding economic justice, human rights, social protection, gender equality and environmental protection. In this sense, **the fight against inequality is a human rights issue**, given its interconnection with various political, economic, social and cultural rights.

**Without a reduction in inequality, a real transformation will not be possible nor will be the achievement of the ambitious vision of Agenda 2030 for Sustainable Development** for a more just, inclusive and sustainable world.

The Agenda underpins the development efforts of all countries until 2030 and forms an integrated plan of 17 goals and 169 targets, many of which are interlinked and interdependent. **SDG 10 - Reduce inequality within and among countries** reflects the recognition that growth has not benefited everyone equally and that persistent high levels of inequality are a major challenge. This SDG is directly linked to other global objectives such as quality education - SDG 4, given the prevailing inequalities in learning opportunities and access to education; with the eradication of hunger - SDG 2, given that this phenomenon is linked to inequalities and power issues in the world food system; with gender equality - SDG 5, taking into account the persistence of factors that hinder full, effective and equitable participation of women in political, economic and public life; or the promotion of decent work - SDG 8, given the need to ensure workers' rights and improve working conditions, job creation and decent work opportunities (*see interconnection between the SDGs in Annex 2*).

At **domestic/national level**, SDG 10 includes targets for increasing the income of the most disadvantaged families; the promotion of social, economic and political inclusion for all; the adoption of appropriate fiscal, wage and social protection policies; and the elimination of discriminatory laws, policies and practices. At the **international/global level**, the focus is on the need to regulate financial institutions and markets, to facilitate and appropriately manage the global mobility of people, to strengthen the voice of developing countries in international institutions, and to stimulate Official Development Assistance (ODA) and investment flows to the poorest and most needy countries (*see SDG 10 targets in Annex 1*). It should be noted that in Least Developed Countries (LDCs), ODA remains the main source of external resources, while in low- and middle-income countries remittances and investment are far above ODA in development finance.

Because it is too comprehensive and multidimensional, SDG 10 may be hampered by a gap between political commitment and implementation, since the financial commitments are low and there is no defined international institution or entity to ensure leadership and boost implementation, unlike other SDGs that have agencies and mechanisms assigned within the United Nations.

On the other hand, inequality and social discrimination are a result of power relations that must be deconstructed, and therefore the fight against inequality goes far beyond SDG 10, which is necessarily limited in scope. In this sense, the implementation of SDG 10 depends not only on progress in other SDGs but also on profound and lasting transformation in economic and development models. This requires active policies that promote systemic changes, for the upward convergence of living and working conditions, through measures that act *a priori* (such as labour market regulation, employment policies, etc.) or *a posteriori* in the redistribution of wealth (such as public and social services, or progressive and efficient tax policies).

Finally, at the technical and practical level, it is also important to highlight the difficulty in defining quantitative indicators for some of this SDG targets, particularly regarding too broad statements such as 'empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status,' or very vague ones such as 'improve the regulation and monitoring of global financial markets and institutions'. An important instrument for monitoring SDG 10 could be the reporting and analysis mechanisms already defined in the human rights international framework, given the central role of inequality and non-discrimination in the main international human rights treaties.

Table 1 shows some positive and less positive results in the implementation of several SDG 10 targets at the global level, although the results of many other SDG targets are equally decisive in reducing inequality.

**Table 1**  
**Results in the implementation of SDG 10 at global level**

	
<p>Between 2010 and 2016, in 60 of the 94 countries where data is available, the incomes of the poorest 40 % grew at a higher rate than the national average.</p> <p>The international community grants more favourable conditions to LDCs in access to markets. In 2016, 64.4 % of products exported by LDCs to world markets and 64.1 % of products exported by Small Island Developing States were exempted from customs duties, which represents a 20 % increase since 2010.</p> <p>Net bilateral aid to LDCs increased by 4 % in 2017, countering the downward trend in recent years, and accounting for 18 % of total ODA.</p>	<p>The amount of Official Development Assistance (ODA) was USD 146,6 billion in 2017, representing an average of 0.31 % of Gross National Income (GNI) - far from the 0.7 % defined in the United Nations - and 0.11 % of GNI for LDCs - below the 0.15 % target. Only 5 donors meet the 0.7% target (Luxembourg, Sweden, Norway, the United Kingdom and Denmark).</p> <p>Foreign direct investment (FDI) in developing countries is geographically very concentrated, to the detriment of the poorest countries. It is also concentrated in specific sectors (in capital intensive and non-labour-intensive sectors), and there is a strong need for investment in sectors that contribute to sustainable development.</p> <p>The market share of LDCs is small and has been declining since 2013. They represent only 0.9 % of global exports of goods and 0.74 % of exports of services.</p> <p>Developing countries continue to have a much lower proportion of voting rights compared to their representation on international financial institutions, notably in the IMF and the World Bank.</p> <p>It is estimated that migrants' remittance costs averaged 7.2 % in 2017 worldwide, more than double of the SDG 10 target of 3 %.</p>

Source: UN reports on SDGs implementation; OECD/DAC data on Official Development Assistance and UNCTAD Foreign Direct Investment data.

Within the **European Union**, inequality and reduced social mobility jeopardise development and social cohesion. Economic disparities between European countries have been declining, but inequality within countries has, in most cases, worsened. Most European countries have encouraging results in terms of income inequality, but indicators are not as good for equal opportunities, which are reflected, for example, in social inclusion and in the labour market.

The **Charter of Fundamental Rights of the European Union** and the **European Social Charter**<sup>1</sup>

are European legal instruments that guarantee a broad range of human rights in everyday life with regard to employment, housing, health, education, social protection and well-being, establishing principles of non-discrimination, equality between women and men and protection of the most vulnerable social groups. The **European Pillar of Social Rights**, adopted in 2017, is a recent important framework which recognises the fundamental need for increased convergence, for guaranteeing social rights in the labour market and for effective social protection and inclusion.<sup>2</sup> It regards inequality as a matter of social justice and human rights, with a perspective that is largely absent from SDG 10. However, the Pillar remains a framework of principles, rather than binding obligations that can effectively guarantee the proclaimed rights, and needs to be translated into specific actions and concrete legislative initiatives aimed at fighting poverty and social exclusion. The Pillar should also become the reference framework for assessing the social and employment performance of Member States and for promoting reforms at national level.<sup>3</sup> **EU cohesion policy** - economic, social and regional - focuses on reducing disparities between development levels in the various regions and is the EU's main investment policy. It should be strengthened in the Multi-annual Financial Framework 2021-2027. It is an instrument for social justice and SDG localisation, with a specific focus on reducing inequality.

**Portugal** is one of the most unequal countries in the European Union, with **structural and persistent inequality** which has significant impacts on human development. Portugal ranks 41<sup>st</sup> in the United Nations Human Development Index (HDI), which aggregates indicators of income, education and average life expectancy (with an HDI value of 0.847), but if we consider this index adjusted for inequality, there is a negative variation of -13.7 %.<sup>4</sup> This difference between the HDI and the inequality-adjusted index represents the **loss in human development due to inequality**.

The **Portuguese Government selected SDG 10 as one of the six strategic priority SDGs** for the implementation of 2030 Agenda for Sustainable Development, together with SDG 4 - Quality Education and SDG 5 - Gender Equality (MNE, 2017).<sup>5</sup> The national voluntary report on the implementation of the 2030 Agenda, of June 2017, focuses on SDG 10 almost exclusively in terms of internal/national issues, setting as government priorities: 'fighting poverty and social exclusion, through measures with a particular focus on the most vulnerable groups; to reduce inequalities by raising household disposable income and to promote access for all citizens to basic public goods and services (...) covering areas as diverse as health, education, a fairer and inclusive labour market, the recovery and more balanced distribution of income through policy measures on wages, social protection and taxes, which are adjusted to social changes and ensure social basic conditions for the most vulnerable citizens'. According to the established division of work, SDG 10 is to be implemented by the Ministry of Labour, Solidarity and Social Security (MTSSS).

## 2. INEQUALITIES IN PORTUGAL

### 2.1. Social groups, Inequality and Development: income and gender

#### Poverty indicators are still high, despite recent improvements

In Portugal, income inequality is interconnected with poverty, given the low average income. Currently, 17.3 % of citizens are at risk of poverty<sup>6</sup> (SILC 2018). According to the composite indicator used at European level (Europe 2020), more than one fifth of the Portuguese population is at risk of poverty or social exclusion - 21.6 % - which corresponds to around 2 200 000 people, although this is the lowest level since 2004.<sup>7</sup>

Poverty intensity, which measures the difference between the poverty line and the median income of the population living in poverty, reaches 24.5 %, remaining higher than before the economic crisis - roughly between 2010 and 2014<sup>8</sup> - which shows that the poorest of the poor are not able to overcome their great vulnerability and are being left behind.

It should be noted that the poverty threshold has been increasing steadily since 2012. It currently stands at EUR 5 610 per year or EUR 468 per month, which, combined with the fall in poverty rates in the last 4 years, indicates a real improvement in income. Available equivalent monetary income per adult is, on average, EUR 10 863 per year, which has improved annually since 2014, but only corresponds to 58.5 % of the EU average (EUR 18 573) (Pordata database).

Regarding living conditions, 16.6 % of the population experiences material deprivation and 6 % severe material deprivation, which is the lowest figure since this indicator has been measured (2004) (SILC 2018). This means, for example, that more than 4 out of 10 people live in families unable to afford a week's vacation per year away from home, or that almost 2 out of 10 people are unable to maintain adequate heating at home. Thus, the number of people and households that lack the basic conditions for a decent life is still high.

#### Income inequality is a factor inhibiting development

Poverty and social exclusion in Portugal are historically associated with high income inequality, with figures above the European average, leading to wide disparities in well-being and living standards. Recently, and particularly since 2014, the trajectory is positive, with a fall in inequality in the three main indicators - Gini coefficient, S80/S20 ratio and S90/S10 ratio<sup>9</sup> - revealing a reduction in income inequality to the lowest levels since the beginning of the century.

The Gini coefficient, which measures the concentration of income distribution, is 32.6 %, higher than the EU average which is just above 30 %. (SILC 2018, Eurostat). The S80/S20 ratio is 5.3 %, which means that the richest 20 % of the population has an income 5.3 times higher than the 20 % with the lowest income. If we look at the S90/S10 ratio, the figure is 8.9, i.e. the richest 10 % have an income almost 9 times greater than the poorest 10 % (SILC 2018, Eurostat). In both ratios, Portugal is above the European average, thus amongst the most unequal countries. If we take into account that the poorest 20 % in Portugal have monthly incomes below EUR 428, poverty in Portugal

is a reality not only in relative terms, but also in absolute terms.

For the analysis of target 10.1 of SDG 10, which relates to the income growth of the poorest 40 % at a rate higher than the national average, it is also important to analyse data on the share of income held by these 40 %. In Portugal, the poorest 40 % of the population had 19.9 % of total national income in 2017, which is below the European average of 21.1 %, and the ninth lower rank within the 28 Member States (Eurostat). In the EU, this indicator has been deteriorating, which means that the economic recovery has not led to a reduction in inequality.

### The economic crisis has had a pernicious and aggravating effect on inequality

In the period between 2010 and 2014, marked by the economic crisis and the implementation of the external assistance programme that Portugal had to resort to, there was a clear deterioration in many economic and social indicators, with diverse and profound impacts on various dimensions of inequality.

Not only were structural inequalities entrenched by the crisis, but the most vulnerable, least protected and least-vocal segments were particularly affected in terms of their standard of living and opportunities (Carmo et al., 2018; EAPN, 2015). Between 2009 and 2014, the income of the richest 10 % declined by about 13 % while that of the poorest 10 % fell by 25 %. In the same period, with the exception of Greece, Portugal was the country in which the poverty rate deteriorated most (Farinha Rodrigues et al., 2016). There is also the phenomenon of wealth concentration, with the salaries of the leaders of the largest companies rising during the crisis, while the average salary of employees declined.

This trajectory is clear when analysing all poverty, social exclusion and inequality indicators. In general, there is a reduction in poverty risk rates, poverty intensity, inequality ratios and other criteria from 2003 to 2009/10, a decline and reversal in the trend in 2013/14, and then a gradual recovery of the indicators from 2015 onwards. The same applies to other relevant indicators, such as the employment rate, which is currently below 7 %, but between 2009

and 2013 rose from 9.4 % to 16.2 %, its highest rate. In some of the indicators, pre-crisis levels have not yet been restored, which attests to the serious impact on inequality in this period. Portugal continues to experience more negative figures than the EU average on poverty and social exclusion indicators, although these have converged in recent years.

### Children and the elderly are the most vulnerable age groups

Children remain the group most vulnerable to poverty, although the percentage has been declining since 2013 (from 25.6 % that year to 18.9 % in 2017). Child poverty is linked to family circumstances, with single-parent families - mostly women/mothers - and large families (with three or more children) with the highest at-risk-of-poverty rate (28.2 % and 31.6 % respectively).

On the other hand, there has been an increase in poverty in the population aged over 64, and in 2017, for the first time, the risk of poverty in the elderly was higher than the national average. With the clear and accelerating ageing of the Portuguese population, Portugal being the sixth most ageing country in the world, it is important to take into account this factor for the future of social and economic policies. The visible increase in the dependency ratio - that is, the proportion of people who are economically inactive compared with those who are active - poses new challenges in terms of organising labour, distributing resources in society and fighting poverty.

The link between ageing and poverty also leads to a greater significance of other inequalities, for example in access to basic services, since the living conditions of the elderly are greatly influenced by both disposable income (since pensions are frequently the sole source of income) and access to health care and services. In Portugal, despite the fact that the national health service is universal and tends to be free of charge, inequalities persist in the health sector, especially because specialised care is unequally distributed amongst the population due to barriers on access to medicines, treatments and transportation, and also the deterioration of public services (OPSS, 2016 and 2017). Health inequalities manifest themselves more in the lower income groups and in the interior of the country (EC, 2018b).

## Regional disparities are decisive for inequalities

The Lisbon metropolitan area is unsurprisingly the region with the highest median income (although also with the highest income inequality among the richest and the poorest), while the autonomous regions - the Azores and Madeira - have the highest risk of poverty (31.5 % and 27.4 % respectively). In continental Portugal, however, the inequalities between the coast and the interior are more significant than the disparity between regions or between urban and rural areas. Almost 70 % of the Portuguese population resides within 0-50 km of the coast, of which 45 % is concentrated in the metropolitan areas of Lisbon and Porto.

The interior of the country is more depopulated, older and poorer. The trend in these indicators has been worsening over the last few decades: between 1960 and 2016 the population living on the coast increased by 52 % and in the interior decreased by 37.5 %. About 83 % of the wealth produced is concentrated in coastal areas, as are 82.4 % of young people and 89 % of students in higher education, generating a dynamism in stark contrast to the abandonment, disinvestment and greater vulnerability of the interior (Movement for the Interior, 2018). The population of the interior has insufficient access to infrastructure and transportation, and has witnessed a decline in public services, with the unequal distribution or closure of state schools, post offices, tax offices, courts and health clinics, therefore hindering of the meeting of basic needs and aggravating inequality.

This regional imbalance is reinforced by a vicious circle of impoverishment, in which population decline in the interior is attributed to a lack of employment and access to quality public services, while fewer inhabitants justifies further reductions in public services and jobs, leading to further population loss. Regional inequalities have an even more decisive impact when accumulated or interlinked with other inequalities, such as income and gender inequality.

## Education is a decisive factor in greater or lesser poverty and inequality in Portugal

The average length of schooling in Portugal is increasing, leading to a gradual convergence with European partners, and school drop-out rates are decreasing, one of the largest reductions among European countries.<sup>10</sup> Since the 1980s, the Portuguese educational system has experienced a major expansion, with education reaching the most disadvantaged social segments and being a decisive factor in combating poverty and in encouraging employment and social mobility.

However, the starting point was very low, and Portugal is still one of the least educated populations in Europe: more than 22 % of the population only completed the first cycle of compulsory education and 18.7 % are in higher education (Pordata database, 2018).<sup>11</sup> Against this background, Portuguese society is still marked by a low level of schooling among the older generation (particularly in women), a result of the late process of democratisation in access to school, and by the weak educational levels of the employed population. In addition, there is persistent inequality in terms of school exam results, which in many cases overlaps with regional and socioeconomic inequality.

The indicators for poverty and social exclusion vary greatly according to the level of education: the at-risk-of-poverty rate is five times higher in the population with basic education, compared to the population with a higher education (SILC, 2018).<sup>12</sup> Schooling is a key indicator in access to employment, in wages and income earned. There is therefore a vicious circle of poverty, in which the poor have a low level of education because they are poor, and they are poor because of low levels of schooling, which leads to less favourable professional opportunities (EAPN, 2015). In addition, people with less education have six times more risk of having poor health than those with upper secondary or higher education (OPSS, 2016).

## Employment is rising, but the labour market shows an increase in precariousness

Employment as a proportion of Portuguese GDP, including wages and social transfers,<sup>13</sup> stands at 44.4 %, below the EU-28 average of around 47 % (INE, 2018a). A lower proportion of labour in GDP is an aggregate indicator of income inequality because it reveals a greater proportion of other factors (capital) and may indicate a stagnation in wages or a fall in employment through the decline in employers' social contributions.

Since 2014 there has been an increase in the employment rate, which has grown at a faster pace than GDP growth, as well as a continuous fall in the unemployment rate, which is obviously positive. After rising sharply since 2009 and peaking in 2013 - 16.2 %, the fourth highest in the EU, after Greece, Spain and Croatia - unemployment has been declining since then. At the end of 2018, it stood at around 7 % of the active population, below the eurozone average (EU Labour Force Survey, Eurostat).

However, the increase in employment is linked to a precarious labour market, with high levels of temporary and intermittent work (around ¼ of the workforce), which reinforces the unpredictability of incomes. There is concern about the quality of jobs that are being created, and the country continues to have a problem of labour market segmentation, which pushes younger people in particular into precarious employment, despite improving their skills (ILO, 2018, EC, 2018b). This is also linked to the type of jobs created in recent years in the fastest growing sectors, such as tourism and catering.

Unemployment is a key factor for poverty in Portugal. The unemployed are the most vulnerable group, with at-risk-of-poverty rate of 45.7 % and increasing consistently since 2004 (SILC 2018). During the recent economic crisis, unemployment and a lack of job opportunities were a major factor in increasing Portuguese emigration, for the first time with a relevant share of skilled people. Moreover, youth unemployment is much higher in Portugal and in other southern European countries than in the rest of Europe,<sup>14</sup> also affecting women more than men (in

contrast to the EU average) (Torres, 2017). Long-term unemployment remains a concern (EC, 2018b).

Finally, the overall picture of the country has not changed much with regard to labour income. The country continues to suffer from low wage levels comparing to the EU average, with a strong asymmetry in the distribution of earnings in the upper salary bracket and high levels of wage disparity (Farinha Rodrigues et al., 2016). In Portugal, wage disparity is the component that contributes most to income inequality. Furthermore, having a job is no guarantee of a decent and dignified life. Poverty among those who work is significant in Portugal, due to the low salaries paid: in 2017, about 1 out of 5 people employed was earning the national minimum wage, with the percentage of women in this situation being double that of men.

## Gender inequality extends across the economic, social and political sectors

Women are more vulnerable and score worse than men in all indicators linked to poverty, social exclusion and inequality. In economic terms, despite the **risk of poverty** having fallen, the decrease was more pronounced in men than in women, accentuating the difference that existed previously (in 2017, 24 % of women were at risk of poverty or social exclusion, compared to 22.5 % of men).<sup>15</sup> The situations of greatest vulnerability are those in which there is a connection between different inequalities - in which gender inequality is combined with regional inequality, with ethnic or racial inequality, with labour or other inequalities.

Women have systematically lower wages than men across all age groups, social segments, enrolment levels and regardless of professional categories, both in Portugal and in Europe. **Wage gap** between men and women is 16.3 % on average in Portugal (Eurostat),<sup>16</sup> increasing further when taking into account the average monthly salary - including bonuses, allowances and overtime - and also as the level of professional qualification increases, exceeding 26 % in senior management (GEP-MTSSS). If we look at the last decade (2007-2017), the general trend in Portugal is for wage disparity to increase, unlike the EU average, causing the country to move from

fourth position in countries with the smallest wage gap between men and women in 2007 to 21<sup>st</sup> position in the EU-28 as a whole in 2017. There are also more unemployed women than men and more women receiving the minimum wage, in addition to the average retirement age being higher in women than in men.

Gender segregation occurs horizontally and vertically; that is, women are more confined to professional sectors that have lower pay and social prestige than men, as well as mostly occupying lower positions in the professional hierarchy (Torres, 2017). In addition to horizontal and vertical segregation in the labour market, wage and gender inequality is also caused by the difficulty in reconciling work, personal and family life, as well as traditions and stereotypes with regard to gender roles. The characteristics of the labour market in Portugal reinforce conditions of inequality - given the great degree of job insecurity, the the majority of entrepreneurs with low levels of schooling, etc. - which also makes it difficult for men and women to fully exercise their rights and openly call for changes in labour practices.

**Schooling** among girls and women has been a somewhat silent revolution since 1974, without any active policy of promoting girls' access to school: currently 26 % of women have a higher education degree (in 1960 it was not even 0.5 %) and women are about 60 % of high graduates in the country (Sagnier, 2019). However, the significant improvements in schooling for women, surpassing men even in the number of graduates and doctorates, do not translate into equal remuneration or a proportional share in senior management positions.

The proportion of women in high-level **management positions** is increasing gradually but is still unequal - 2.1 % in 2017, compared to 4.5 % in men - if we take into account the goal of achieving gender equality (INE, 2018).<sup>17</sup> In mid-2018, the presence of women in executive positions on the boards of companies listed on the Portuguese stock exchange PSI-20 represented only 8.8 % of the total (below the European average of 15.9 %).<sup>18</sup>

In terms of **political representation**, Portugal has the fifth lowest percentage of women in the EU Government, but is above the EU average for women's representation in Parliament.<sup>19</sup> In 2018, only 16.7 % of the Portuguese Government were women, which is 10 percentage points lower than the European Union average of 27.7 %, while 35.2 % of members of the Portuguese Parliament are women, placing Portugal in eighth place in the European ranking and above the European average of 29.3 % (EU, 2018). Indeed, 2015 was the first year when women accounted for 33 % of elected MPs (compared to 26 % in the 2011 elections), due to the parity laws that have been reinforced since 2006.

Portugal is distinct from other European countries in its high rates of women in the **labour market** (including working mothers), which is above the European average, combined with a low proportion of part-time work, below the European average (Torres, 2017)<sup>20</sup>. This is largely due to low wage levels, which do not make it possible to combine a decent standard of living with part-time work. Indeed, the data show that most women in Portugal are doing part-time work only because they cannot find full-time jobs. At the later stages of life, lower wages and greater job insecurity mean that women also have lower pensions, which contributes to the feminisation of poverty at the higher age groups. In addition, women are much more affected by occupational diseases - 70 % of the total - and are increasingly subject to the deregulation of their working life, with long hours, and negative implications in the organisation of their personal and family life and on their health.

Among the factors blocking equality at work is the provision of care for the family and domestic responsibilities in general, with Portugal being one of the countries where workers have most dependants, whether they are children, the elderly or people with disabilities (ILO, 2019). The difficulty of **reconciling work, personal and family life** continues to be an important factor of inequality, as significant asymmetries between women and men persist in the time spent in unpaid work.

Women have a disproportionate responsibility in providing care and, on average, Portuguese women contribute three times more than men to the housework and caring for the family (Sagnier, 2019). In this area, there has been significant progress in urban areas and among young people, but there is still a clear difficulty in relation to cultural practices and in changing mentalities. If the current trend continues, it will take between five to six generations for unpaid work on domestic tasks to be equally shared among couples when both work outside the home (Sagnier, 2019).

Reconciling professional and personal or family life is one of the aspects that Portuguese women most value in terms of employment and happiness. The prevailing work overload is one of the factors contributing most to gender inequality in Portugal, including issues such as employment or civic and political participation (Torres, 2017). It is also a factor impacting birth rates. Portugal is following the European trend for the rising average age of mothers on the birth of the first child, but it is a 'single children's champion', with a very low birth rate (from 3.2 children per woman in 1960 to 1.37 in 2017), which has demographic, economic and social consequences.

**Violence against women**, which is both a cause and a consequence of gender inequality, is a matter of concern in Portugal. In 2018, 28 women were murdered in the context of domestic violence, among the 503 women victims of femicide between 2004 and 2018 (UMAR, 2019). Domestic violence is the second most commonly reported crime to the police after robbery. The history of domestic violence in Portugal indicates that in many cases police forces show a permissive attitude towards abuse. The Public Prosecutor's Office is not effective (in 2017, it only pressed charges on 16 % of complaints) and the number of convictions in the lower courts is very low: of the 26 713 complaints filed in 2017, only 4 465 charges were brought to trial, producing only 1 457 convictions, of which only 119 people went to prison, or 0.44 %.

## 2.2. Policies to address inequality: good practices and challenges

Inequality in Portugal is mainly based on structural factors linked to economic and social weaknesses. However, there are also circumstances that have created inequalities and exacerbated existing ones as a result of the economic and financial crisis and the need to implement an adjustment programme with negative repercussions at various levels.

During the **implementation of the adjustment programme** (2010-2014), there was a change in public policies regarding direct taxes, welfare payments to households, pensions and public sector wages, in order to reduce public expenditure. In particular, social transfers aimed at supporting families in situations of greatest economic and social hardship experienced the most significant reductions, and were a factor in impoverishment and weakening social cohesion (Farinha Rodrigues et al., 2016). Underfunding of public services and greater difficulty in accessing social services have disproportionately hit low-income groups. In addition, Portugal is among the countries where the increase in the tax burden has particularly affected low-income workers (EC, 2019a).

This downgrading of public policies, which had helped reduce poverty and inequality in the past, led to an increase of the tax burden on labour incomes, budget cuts in the social sectors, limitation of access to unemployment benefits (in a situation of rising unemployment) or cuts in retirement pensions and the reduction of social benefits such as the "Social Integration Income" (RSI). With regard to this benefit, created in 2002<sup>21</sup> and with an important role in reducing the intensity of poverty, both the maximum amounts and the number of beneficiaries fell, from approximately 526 000 in 2010 to just over 360 000 in 2013. The same happened with respect to the Solidarity Supplement for the Elderly - CSI, created in 2005, or in relation to the Family Allowance, in which the number of beneficiaries decreased by 30 % between 2010 and 2011, remaining at that level until 2014.

To exacerbate this situation, third sector organisations, which in Portugal play a very important role in the fight against poverty, in encouraging social inclusion and local development, have found their ability to act curtailed, due to reductions in available financial resources at a time of increasing social need.

Low wages and inequality in wealth distribution are structural elements of poverty and/or social exclusion and its perpetuation in Portugal. In this context, the main macro-level measures and public policies **have focused in recent years on mitigating the effects of the crisis, by recovering income for families and restoring rights.**

Thus, since 2015, there have been continued increases in the National Minimum Wage (the minimum guaranteed monthly salary),<sup>22</sup> a reform of individual income tax - IRS - in order to have greater progressivity and increases in retirement pensions, updating of the value of the Social Support Index in 2017 (for the first time since 2011), and reformulation of the rules and extension of welfare benefits such as Family Allowance,<sup>23</sup> Solidarity Supplement for the Elderly and the RSI, among others, to strengthen the welfare state. There has also been an effort to rationalise the existing social welfare instruments, such as the Social Inclusion Benefit (October 2017) for people with disabilities equal to or greater than 60 % and with insufficient economic resources, which combines several separate welfare benefits.

The increase in the minimum wage is an example of a redistributive measure with a direct impact on

increasing the purchasing power of the lower income segments, therefore helping to reduce inequalities (ILO, 2018), and having a greater effect on reducing female poverty. In the labour market, there have also been measures to improve equal opportunities, such as maintaining a part of the unemployment benefit for people who find employment at low wage levels, or creating the opportunity for retired people to continue working if they so wish. A set of incentives for permanent employment was created to reduce precariousness, which is very high in Portugal. These include incentives for companies that hire young people looking for their first job, for the long-term unemployed, a greater time limit on temporary contracts and the extraordinary regularisation programme for precarious employees in the public sector (EC, 2019a). In the 2019 state budget, there was a reduction in the price of transport passes in all inter-municipal communities, with a direct impact on reducing travel costs, in particular for populations in suburban areas who suffer the cumulative effect of multiple inequalities.

In general, **all these measures have had an impact on improving poverty, social exclusion and inequality indicators, albeit with a limited impact on addressing the structural causes of income inequality, or on interrupting poverty transmission cycles.** One of the challenges is to balance the need for fiscal consolidation and the sustainability of public finances, on the one hand, with the need for fair income redistribution, a commitment to broad social policies and not jeopardise public investment,<sup>24</sup> on the other.

## IN FOCUS: Good Practices

### CLICK - Enable Employability Skills

Currently in its fifth year, the CLICK project has been developed through an existing protocol between EAPN Portugal and IEFP, working on the employability of vulnerable groups and corporate social responsibility. This is an initiative to establish bridges between employment offer and demand, through technical intervention and permanent contact with companies and potential employers, and with particularly vulnerable unemployed people. It is focused on building and deepening links between the labour market and the potential employee, in a process in which both parties adapt. This includes raising awareness in the business sector to the specific circumstances of vulnerable groups. It involves combating stereotypes and co-constructing knowledge with multiple stakeholders, retraining and skills development for active job search, through professional mentoring processes which seek to break poverty cycles.

[www.click.eapn.pt](http://www.click.eapn.pt)

### Programme “ESCOLHAS”

This government programme was created in 2001 and is promoted by the High Commission for Migration (ACM). Its objective is to reduce inequality and social inclusion among children and young people from the most vulnerable socioeconomic backgrounds. The programme initially focused on crime prevention and the integration of young people from the most problematic districts of Lisbon, Porto and Setúbal, and it currently covers 17 districts. The seventh edition of the programme focuses on three areas: education and training, employability and citizenship and political participation, including 103 projects approved for 2019-20. The programme has been recognised as a good practice of social inclusion and responsible and inclusive entrepreneurship.

[www.programaescolhas.pt](http://www.programaescolhas.pt)

In recent years, social and political recognition of **gender equality** has increased and it has started to achieve greater prominence in public debate and at the highest political level, deserving increased attention by public policies. At institutional level, the Commission for Citizenship and Gender Equality (CIG), which reports directly to the Council of Ministers, is the body responsible for implementing, monitoring and evaluating policies of gender equality. The Commission for Equality in Labour and Employment (CITE) is the national mechanism for equality and non-discrimination between men and women in work, employment and vocational training.

Among the measures recently adopted in this area, the following are noteworthy:

- **At the strategic level.** The "Portugal More Equal" Strategy 2018-2030<sup>25</sup> aligns with the time frame of the 2030 Agenda and interlinks with the SDGs, representing a state commitment beyond a single legislature. It is implemented through three plans for the 2018-2022 period: the Action Plan for Gender Equality, the Action Plan for Preventing and Combating Violence against Women and Domestic Violence, , and the Action Plan to Fight Discrimination on the grounds of Sexual Orientation, Gender Identity and Expression, and Sexual Characteristics (see objectives and measures in Annex 3).

The Strategy is also being reflected at sectoral level, with the adoption of action plans in the sectors of Defence, Environment and Youth, defining mandatory training for equality, the existence of focal points in the various ministries, and the adoption of inclusive and non-discriminatory language in public institutions. The strategy prompted the signing of new cooperation protocols between the Commission for Citizenship and Gender Equality and the municipalities, which reinforce the municipal commitments to integrated local policies on gender equality, citizenship and non-discrimination. In recent years, several municipal gender equality plans have also been approved.

- **Gender budgeting.**<sup>26</sup> The State Budget Law for 2018 (Article 17) and 2019 (Article 15) specifies a political commitment to implement budgets with gender impact. The process is being carried out by the Secretary of State for Citizenship and Equality and the State Budget Secretariat, with the participation of CIG and the Portuguese Platform for Women's Rights - PpDM in technical implementation (methodological development, sharing of good practice, training). It currently involves evaluating measures from seven ministries: justice, internal administration, health, labour, solidarity and social security, education, agriculture and the environment. In the future, analysis of gender budgeting would, for example, provide better information on the redistributive impact of public investment on men and women and to define policies that promote equality.
- **Equal Pay.** In the fight against sectoral disparity and occupational segregation, the collective employment contract signed in 2017 in the footwear sector, which guaranteed equal pay for women and men in this sector, was an inspiration for the formulation of a specific law on equal pay in 2018.<sup>27</sup> Under this law, companies are required to have a transparent pay policy and systems for the classifying and evaluating job functions based on objective (and not gender-based) criteria, as well as plans to resolve the pay gaps that are identified. However, it should be pointed out that Portuguese labour law already enshrines the principle of equal work

for equal pay, so this specific law falls short of the established principle - in particular the long periods that companies have to correct inequalities, or the fact that it only applies to larger companies, which excludes most Portuguese businesses.

- **Parity and balanced representation.** In access to decision-making positions, and specifically in political representation, it was decided to implement specific transitional actions that correct the structural disadvantages of discriminated groups. The system began to be implemented in 2006, with the first "Parity Law", which established a minimum threshold of 33 % of each sex on electoral lists, and the new law approved in February 2019 defines a minimum representation of 40 % of each sex for the holders of political positions.<sup>28</sup> This parity threshold applies for all elections with lists, with the exception of regional ones (autonomous regions) and provides for candidates to be excluded from lists as a penalty. In 2017, the law on balanced representation in companies (listed companies and public, national and local companies)<sup>29</sup> set a threshold of 33.3 % in the proportion of persons of each sex assigned to each administrative and supervisory body, as well as the obligation to draw up equality plans. This threshold will be applicable from 2020 to other public bodies such as state higher education management bodies or associative public entities.
- **Reconciling work, personal and family life.** There has been a process of extending parental leave, with a mandatory period to be enjoyed by the father - currently 20 working days - and another period that can be alternated with the mother, with the goal of parity in the future (it should be noted that most EU Member States do not have parental leave). In December 2018, the three-year "3-em-linha" programme was announced, with government, companies, and central and local public sector bodies engaged in the implementation of measures to improve work-life balance. However, little progress has been achieved in implementing best practices in the workplace with regard to flexible hours and new ways of working, or the creation of childcare and support services.

- **Violence against women.** With regards to domestic violence, the extension of the National Support Network for Victims of Domestic Violence<sup>30</sup> is worth mentioning, with 133 service structures and multidisciplinary teams, 39 shelters for victims and 26 emergency shelters. There was also progress in training of professionals in various fields in this area - justice, police, social security, health. However, regional disparities are still significant when it comes to support for victims of violence.
- **Gender identity.** The Gender Identity Law of 2018<sup>31</sup> establishes the right to self-determination of gender identity, expression of gender and protection of each person's sexual characteristics. The law protects and promotes fundamental rights, sets out rights in terms of civil registration, health and education, and has provisions on protection, prohibition of discrimination and the right to self-determination.
- **Funding for civil society initiatives.** The opening of funding for gender equality activities implemented by civil society included, for example, a line of funding on female genital mutilation and a programme for diversified projects under the EEA Grants financial mechanism (2014-2021) on "*Work-Life Balance and Gender Equality*", which includes five calls in three areas: monitoring of public policies on equality in the labour market, mainstreaming gender equality in higher education and improving statistical data in this area. In addition, there are funds provided by the so-called Community Structural Funds, such as the Operational Programme for Social Inclusion and Employment - POISE.

### **Analysing the policies and measures that have an impact on reducing inequalities, some of the main difficulties and obstacles are:**

#### **Social transfers fall short to reduce inequalities**

Overall, Portugal is one of the most effective countries in reducing income inequality through fiscal policies, i.e. the redistributive impact of all taxes and social transfers is greater. However, the impact of social benefits on poverty is very significant with regard to pensions, which constitutes the major share of social transfers,<sup>32</sup> but not very significant as regards other

social benefits. Thus, all social transfers contributed in 2017 to reducing the risk of poverty rate by 26.4 percentage points, but if we exclude pensions, the impact of other social transfers on poverty reduction is only 5.4 %, which is worrying given the high incidence of poverty. The European Commission also considers that Portugal, together with Bulgaria, Greece, Italy, Latvia and Romania, face a critical situation when dealing with the capacity to reduce the risk of poverty through these benefits (EC, 2018b).

The benchmark amounts/criteria for social benefits continue to be below the poverty threshold (EUR 468 per month). This is the case for the average value of invalidity and survivors' pensions, which raises concerns about the fulfilment of their purpose. On the other hand, the maximum RSI per person was updated in 2019 to EUR 189.66.<sup>33</sup> It is easy to conclude that the RSI, benefiting the poorest of the poor, can reduce the impact of extreme poverty on the lives of people in a more precarious situation and prevent acute shortages, but it does not make it possible to break the poverty cycle. The Solidarity Supplement for the Elderly, which constitutes cash support paid monthly to elderly people over 65 with low resources, currently covering about 166 000 people (GEP-MTSSS), does not, in most cases, enable people to have a monthly pension that exceeds the poverty line. This is particularly worrying if we take into account the poverty increase among the elderly and the increased ageing of the population, which will lead to greater inequality.

As regards unemployment benefit, in January 2019 it was estimated that almost half the unemployed (47 %) did not receive any subsidy or support, and the average amount received by beneficiaries (186 758 people) is EUR 486, which is just above the poverty threshold (GEP-MTSSS). Incentives for professional training are scarce, which is worrying in a country where the number of people with low levels of qualifications is much higher than the jobs available at that level (EC, 2019a). In Portugal, the proportion of companies that received some form of public financing for training activities is less than 1 %, and is comparable only to countries such as Romania, Bulgaria and Slovakia.

Lastly, it should be pointed out that social support is mainly intended for those who do not have a job, and support for workers in poverty (which in Portugal is a considerable number) is still incipient. Despite the increase in the minimum wage, it remains very close to the poverty threshold, and the proportion of people with this income level is still very high.

### **Public policies have not been able to mitigate regional inequalities**

Regional cohesion and the correction of regional imbalances are complex and long-term tasks, particularly as they imply the reversal of decades-old structural trends. Despite their best efforts, public policies have not been able to reverse the regional imbalance or interrupt the cycle of impoverishment in the interior in contrast to the coast, particularly since the needs of these regions are not properly taken into account when drafting and implementing these policies. To make the situation worse, the interior regions have been losing political representation in the National Parliament, with the loss of votes due to population decline.

Despite the approval of a National Programme for Territorial Cohesion in 2016,<sup>34</sup> this did not represent a truly comprehensive and structured Policy for the Interior. Nor does it include a development strategy where the productive activities to be promoted in each of the regions are defined, not to mention the great limitation on financial and human resources. Taking into account these shortcomings, the government approved the Programme for the Enhancement of the Interior<sup>35</sup> in September 2018, and set out new domestic measures "of positive discrimination and to encourage the development of low density areas, with a view to settling the population, reducing regional asymmetries, cohesion and territorial competitiveness".

Since most public investment is dependent on so-called structural funds,<sup>36</sup> which are part of the EU's cohesion policy, the recurrent delays in implementing these funds are of concern (in particular in the tendering procedures in areas linked to poverty

reduction), as is the lack of an assessment of their impact in actually reducing inequalities and regional imbalances. The obligation of Member States to allocate at least 20 % of the European Social Fund - ESF to the fight against poverty and social exclusion<sup>37</sup> is not monitored or evaluated. In addition, there is still a feeling that the European Union support framework is implemented in a centralised way and using a top-down approach rather than a participatory governance model. There is often insufficient engagement of the economic and social structures in the geographical area where a particular project will be developed. A participatory, horizontal (bottom-up) model of governance based on trust, dialogue and the involvement of different stakeholders, with an appropriate response to each concrete situation, involving civil society and the community in particular, would be significant in improving the application of these funds.

Finally, it should be noted that an analysis of the amounts approved by the various Portugal 2020 operational programmes shows that the interior regions continue to be overlooked as regards their development needs (CGTP, 2017). With the definition of a new Community support framework for post-2021, the prospect is for a cut in cohesion funds (both in absolute terms and with a decrease in European co-financing), as well as lower relevance for the fight against poverty and exclusion in comparison with other priorities such as innovation or competitiveness. The focus is therefore increasingly on quantitative indicators, metrics and results, which means moving away from working with more vulnerable groups where intervention is more complex and does not produce quick results.

Within Portugal, recent years have been marked by decentralisation and municipalisation measures, including transferring responsibilities to local authorities. This strategy is positive in its goal to improve the response by institutions that are closest to the communities and can thus act more effectively in addressing local needs and challenges. However, if transfers of competences/responsibilities are not

accompanied by the necessary resources - mainly financial but also human resources - and fully compliant with the Local Finance Law, local authorities will have great difficulty in implementing these functions and responsibilities, to the detriment of the rights of local populations.

### **Moving from commitments to action is often difficult**

The principle of equality and non-discrimination was recognised at the constitutional level as early as the original version of the Constitution of the Portuguese Republic of 1976 (Article 13). Since then, fighting inequalities in their most varied forms and manifestations has been the object of laws, policies, plans and strategies that, at the formal level, are among the most advanced, appropriate and focused in Europe.

The most recent strategic instruments are the above-mentioned Strategy for Equality and Non-Discrimination 2018-2030 (including 3 Plans over 4 years), as well as the Strategy for the Integration of Roma Communities 2013-2022, the Strategy for the Integration of Homeless People 2017-2023, the National Strategy for Active and Healthy Ageing 2017-2025, the National Programme for Territorial Cohesion, the III National Action Plan for the Implementation of United Nations Security Council Resolution 1325 (2000) on Women, Peace and Security 2019-2022, the IV Action Plan for Preventing and Combating Trafficking in Human Beings 2018-2021, the Strategic Plan for Migration 2015-2020, amongst other strategic documents linked to equality and inclusion. By the end of 2019, a National Strategy for Children's Rights and the National Strategy for People with Disabilities are expected to be adopted. Cooperation protocols between the Commission for Citizenship and Gender Equality (CIG) and municipalities for equality and non-discrimination (about 180) are also noteworthy.

All these progresses at strategic level are important for clarifying policy options and defining actions within a multi-annual framework, representing the necessary collective commitment of all sectors in setting out the measures to be adopted and actions to be taken.

However, the profusion of these instruments contrasts in many cases with implementation difficulties, weak ownership by all stakeholders, insufficient coordination and institutional inertia or inability to implement them in an integrated, efficient and timely manner. In practice:

- The adoption of legislation and the definition of measures are, in many cases, a reactive response. In other words, they are a response to European directives that have to be transposed into the national framework or arise from European Parliament resolutions and Council of Europe recommendations, for example. It is difficult to generate consensus and mobilise policy makers around common visions and structured actions in areas such as poverty and social inclusion, or for truly ambitious measures to decrease gender inequality. This makes some measures appear late or falling short of expectations, because they are the lowest common denominator.
- Often, each strategic document goes its own way, without cross-referencing or interlinking between the various instruments and initiatives. In the case of gender equality, for example, there are no links between the Portuguese Cooperation Strategy on Gender Equality, the CPLP Action Plan for Gender Equality and Women's Empowerment, the National Plans under the strategy "Portugal More Equal", nor with the National Strategy for Citizenship Education or with the existence of a Development Citizenship discipline in schools.
- The weakness of implementation commitments and the low political priority given to some of these issues means that the competent entities do not feel pressured to implement them. As non-binding strategies are generally available, and there is a scarcity of resources and human resources overload in the competent bodies, this contributes to a lack of responsibility that favours inertia. One example is a number of municipal gender equality plans, drawn up with EC funds but then neglected for lack of financial and human resources and implementation/monitoring mechanisms.

- Strategic frameworks will have no results unless they are turned into concrete plans and measures. For example, Portugal has been committed to the approval of a European Pillar of Social Rights, but this is not implemented domestically; its implementation will have to include a European action plan and a national roadmap, with measures and indicators that can guide and hold the competent authorities accountable.
- Monitoring commitments is a challenge and falls short of what is desired. Most strategic documents have inclusive and participatory drafting processes, but are then poorly monitored or not evaluated independently with the participation of relevant stakeholders, particularly in terms of impact assessment, lessons learned and what needs to be improved in the future. There are also cases of strategies or plans where an evaluation was carried out after the approval of a new document.
- Weak monitoring and supervision, often resulting from inadequate technical, human and material resources in the relevant institutions, also make accountability mechanisms weak and sanctions or penalties of those who do not comply with the law are limited, for example with regard to gender inequality or labour relations.

#### **Complementarity and coordination between actors and initiatives remains a major challenge**

Since inequality is a structural problem in Portuguese society, not confined to a specific sector or indicator and manifesting itself in various aspects of citizens' lives, these inequalities must be fought on many fronts and be increasingly mainstreamed and included in policy implementation. The fight against poverty, social exclusion and inequality involves such diverse issues as quality and inclusive education, equal opportunities and non-discrimination, employment

support, access to decent housing, access to health and social protection, and policies of greater tax and wage equity.

This creates a certain dispersion, given the profusion of actions, projects, initiatives and actors in the various sectors. The design and implementation of the Community Multiannual Support Framework is an example of this, having disbursed the existing funds through an array of programmes and measures, making it impossible to monitor resources for poverty reduction. Even in Portugal's voluntary report on the implementation of 2030 Agenda this is evident, where the implementation of the SDG consists of a description of single measures with no interconnection or shared vision. In addition, many actions and projects to combat inequality are often limited in scope and have short duration, while more structured, long-term programmes with consistent, adequate and sustainable funding are lacking. Only with more structured and long-term programmes would be possible to ensure a more comprehensive and continuous approach, with increased and lasting impact.

On the other hand, the current system of social protection and support for the most vulnerable people/households is distributed over a wide range of programmes and initiatives. These form a fragmented mosaic with overlapping areas that make it difficult to cross-check data, or monitor effectiveness and efficiency. Further simplification, rationalisation and harmonisation of existing social benefits, as well as clear identification of the target beneficiaries could increase effectiveness and have greater impact on the most vulnerable.

Notwithstanding the commitment of the Portuguese authorities to preventing and combating violence against women, the difficulties of coordination

between entities are evident, for example, in cases of domestic violence. The Homicide Retrospective Analysis Team on Domestic Violence, which has been in operation since January 2017, analysed several cases between 2015 and 2017, and diagnosed what failed in each part of the system. Often the failures are linked to lack of coordination. The report of the Group of Independent Experts (GREVIO) on the situation in Portugal with regard to the implementation of the Istanbul Convention of the Council of Europe (January 2019), highlights the strategic/legislative progresses but points out shortcomings in putting plans into practice, and in the training and coordination between stakeholders (Council of Europe, 2019)<sup>38</sup>. In particular, cooperation and communication between judicial bodies (including family courts and criminal courts), social services, child protection services, law enforcement agencies and those responsible for public health could be improved. The report also stresses the need to give CIG the necessary competences and resources to improve interministerial coordination and inter-institutional cooperation. Finally, there is a need to strengthen cooperation mechanisms with civil society organisations, in particular to ensure inclusive and transparent consultation processes.

### **It is necessary to assess the impact of policies on poverty and inequality**

In Portugal, there is no integrated poverty reduction strategy or any impact assessment of public policies and measures on poverty reduction and inequality.

On the one hand, after a phase of correcting the asymmetries caused by the economic crisis and the adjustment period, it is necessary to affirm the fight

against poverty and social exclusion as a national endeavour, within the framework of an integrated strategy with political weight, defining objectives, targets and instruments for effective implementation.<sup>39</sup>

At present, the idea that poverty and inequality relates to the social sector or to social protection policies is still prevalent, but effective responses require a concerted and common effort across sectors and policies. Although the National Parliament has recognised poverty as a human rights violation since 2008, it has not yet been possible to mobilise decision-makers towards a political consensus on this issue. The strategy may help clarifying concepts, addressing the causes and mobilising the various stakeholders into common action.

On the other hand, the impact of policies and measures on reducing (or increasing) poverty and inequality must be systematically taken into account. This assessment is not carried out independently and comprehensively with regard to the implementation of the EU Structural Funds, for example. At the legislative/normative level, there is a recent proposal for implementing a prior assessment of the laws approved by the National Parliament, the central and regional government, in order to know their impact on poverty and social exclusion (*poverty proofing*), which should be approved and implemented in practice. Although this mechanism has already been formally established for assessing the impact of legislative initiatives on gender equality, it has not yet been implemented because of the shortage of time and resources.

# 3. PORTUGAL'S CONTRIBUTION TO REDUCING INEQUALITY AT GLOBAL LEVEL

## Official Development Assistance is still focused in the poorest countries

In 2017, Portuguese development aid was EUR 338 000 000, which represents 0.18 % of Gross National Income - GNI (Camões IP). In absolute terms, Portugal ranks 23rd in the ranking of 29 OECD donor countries and, in relative terms, is among the European countries that allocate the lowest percentage of their GNI to development aid. Despite the effort made in recent years, it has not yet been possible to recover from the sharp decline after 2011, when ODA accounted for 0.31 % of GNI. The overall commitment to allocate 0.7 % of GNI to ODA seems therefore unrealistic in the Portuguese case, since it has never been close to reaching this goal, nor is there a sustained and upward trajectory to achieving it.

Portuguese ODA to the poorest countries, the LDCs, represents 0.06 % of GNI. This is in line with European average figures, where aid to LDCs also continues to be far from the internationally agreed target of allocating 0.15 %-0.20 % of GNI to these countries. Bilateral aid targeted specifically at promoting gender equality and the environment accounts for a small share of total Portuguese bilateral aid, well below the OECD/DAC donor averages (OECD, 2018).

Bilateral ODA (EUR 148 000 000 in 2017) has been declining, both in absolute terms and in the proportion of total ODA, accounting only for 30 % of ODA in 2017, while historically accounting for about 2/3 of the total. On the other hand, multilateral ODA (EUR 236 000 000 in 2017) has increased in recent years and has been responsible for an increase in total

ODA since 2015, mainly to the European Development Fund (EDF) and the European Commission budget for countries not covered by the EDF, but with an increase to various funds and international organisations to which Portugal contributes financially. The defence of multilateralism is a relevant component of Portuguese external action, which is particularly significant in the current context. However, the growth in the proportion of multilateral aid may be of concern, either because it reveals disinvestment in bilateral programmes where Portuguese cooperation had a differential impact, or because of the practical difficulty in ensuring that multilateral funds effectively target the poorest and the most vulnerable.

The emphasis on new strategic options is worth mentioning, such as the mobilisation and management of delegated cooperation projects and fiduciary funds (*trust funds*), on which there has not been sufficient reflection and debate. While this commitment allows Portugal to diversify its financing sources, develop new partnerships, fill gaps in Portuguese cooperation funds and implement larger development programmes, it is not clear what the impact of these aid programmes is in both the partner countries and for the organisational model of Portuguese cooperation.

In geographical terms, Portuguese ODA continues to be concentrated mainly in 6 countries (the Portuguese-Speaking African Countries - PALOP and Timor-Leste). All of these are Least Developed Countries (LDCs) except Cape Verde, three are Small Island States and three are fragile countries.<sup>40</sup>

However, the proportion devoted to other countries has been increasing, so it is necessary to balance the diversification of geographies with maintaining priorities in the most vulnerable countries, with greater needs and fragilities, and which by definition are most in need of development aid.

On the other hand, several priority countries for Portuguese cooperation currently considered LDCs will be able to graduate from 2021 (Angola, São Tome and Principe and Timor-Leste). Portugal has advocated in international fora, particularly in the OECD, the need to take into account the challenges of transition in low- and middle-income countries, including existing inequalities. In particular, it is important not to penalise these countries and find forms of cooperation other than development aid, including technology transfer, support for innovation or support for coherent and sustainable policies.

The lack of medium-term predictability is a factor that makes it difficult to assess the prospects for Portuguese ODA, since there is no information on the schedule or future commitments of ODA amounts. One positive note is the fact that Portuguese ODA is little inflated, as for example the internal costs of refugees are not relevant. One negative note is the fact that a large portion of bilateral aid is not implemented using the national systems of partner countries, which does not contribute to appropriation.

### Portugal's contribution to global development is positive

Since 2003, the **Commitment to Development Index**<sup>41</sup> has represented an assessment, albeit limited, of donors' contributions to global development. Portugal ranks ninth out of 27 countries, with lower results regarding trade (due to bureaucratic customs and logistics and insufficient trade infrastructures) and development aid (due to low financial costs) and better results in technology (due to the priority given to research & Development), environment (because of CO<sub>2</sub> emissions below donor average and not producing fossil fuels) and migration (through ratification of international pacts and integration

policies). Since 2010, when it occupied the first place in the ranking, Portugal has been descending positions in this index.

Given the insufficient existing instruments for assessing the actual contribution of the international community to sustainable development (including the mobilisation of resources for the global commons), as well as the diversity of funding and actors that have an impact on development processes (in addition to development aid), Portugal has been participating in the ongoing discussions to implement the statistical measure **TOSSD - Total Official Support for Sustainable Development**.<sup>42</sup> In particular, it has stressed the need to involve various actors, including partner countries, the United Nations and civil society in defining a measure that is as comprehensive and inclusive as possible. Despite the major technical challenges, the goal is that, from 2020, this measure shall be agreed at the United Nations and implemented to analyse the financing of the SDGs.

As regards **foreign direct investment - FDI**, the Portuguese strategy focuses more on attracting investment than on promoting Portuguese investment abroad. Even so, there are programmes for the internationalisation of Portuguese companies, some of which have important commercial and investment relations in development cooperation partner countries. Existing instruments for promoting **the private sector participation in development** have been limited in scope due to factors such as the scarcity of funds, the characteristics of the Portuguese business sector, weak institutional capacity and difficulties in coordination between Portuguese companies, national and international banks. Recently, there has been an effort to improve the performance of development finance, with the recapitalisation and restructuring of the Portuguese Development Finance Institution (SOFID) to focus more on supporting investment in developing countries, for example with the signing of agreements with various funds and international bodies. This is the case of the cooperation agreement with the European Investment Bank (EIB) for financing in ACP countries, signed in

October 2018,<sup>43</sup> to enable Portuguese companies to access development financing and new risk mitigation instruments. In November 2018, the "Lusophone Compact" was signed, an agreement between the Portuguese State and the African Development Bank to support private investment in PALOP nations.<sup>44</sup> It is now necessary to put these instruments into practise and to monitor them, particularly in how they contribute to more sustainable and inclusive development.

With regard to **trade**, Portugal incorporates the European Union's rules defining special and differential treatment for developing countries. Within the common trade policy, free trade agreements and other agreements with regions and third countries, Portugal has advocated the importance of integrating development objectives into trade policy. The Portuguese position in the negotiations on the post-Cotonou EU-ACP agreement was to maintain the integrity and *acquis* of Cotonou as a framework agreement for relations between the EU and the ACP States, at a time when a number of European states advocated the dissolution in regional agreements.

As regards **migration**, Portugal is still mainly a country of emigration. It is the EU member with the largest remittances from its emigrants (more than EUR 3 500 000 000 in 2017) and also one of the few that have a positive balance in the difference between the remittances received from their emigrants and the remittances sent by the immigrants in Portugal to their countries of origin. As regards immigrants, Portugal is recognised internationally as one of the countries in Europe with better immigration and integration policies, which is based largely on an appropriate normative and institutional framework, which seeks not so much to manage flows, but rather to promote inclusive policies. The fact that Portugal has a lower proportion of migrants and refugees than in many European countries is also significant in this context, making it easier to manage flows. A recent legislative example is the adoption of Law No 93/2017 laying down the legal framework

for the prevention, prohibition and fight against all forms of discrimination based on racial or ethnic origin, colour, national origin, ancestry and region. In practice, however, much can still be done in the actual implementation of all existing measures, the rapidity of response and the coordination between all the existing instruments and stakeholders (e.g. between integration plans, social support, residence permits, employment support). There are also areas for improvement in access to rights in practice, in particular in terms of immigrants' political participation, or in non-discrimination of immigrants based on racial and ethnic origin.

At the multilateral level, Portugal has signed up to the Global Compact for Safe, Orderly and Regular Migration, approved in December 2018 at the United Nations, and has supported the inclusion of migrations in the SDGs. It has specifically stated that the protection of migrants' human rights is a cross-cutting political priority and that all means must be put in place to combat human trafficking and labour exploitation.

### Portugal supports the voice of the poorest countries at multilateral level

In negotiating the SDGs, Portugal stressed the importance of addressing inequality and taking into account the needs of the poorest, most fragile and vulnerable countries. Indeed, in a number of multilateral and interregional fora (e.g. EU-Africa or EU-ACP), Portugal often presents itself as a consensus facilitator, who takes into account the positions of the poorest countries, advocating their appropriation and leadership of their own development process and a greater voice for these countries in international discussions (Ferreira, Faria, Cardoso, 2015).<sup>45</sup> Given the increasing difficulty of the poorest and most marginalised countries to make themselves heard - even within developing countries, due to the preponderance of some emerging countries - Portugal has often been active in defending the positions of these countries, being recognised as a useful partner and as an honest broker.

Examples of such action are the positions it has taken under the 2030 Agenda (including the inclusion of a goal on peace and security, reaching common positions with São Tomé and Príncipe and Guinea-Bissau, and against the position of the BRICS), in aid effectiveness agendas and development financing (to maintain the commitment of 0.7 % ODA/GNI or for special attention to the needs of fragile states), or regarding EU Development Policy (e.g. to maintain the 50 % commitment on development aid to Africa) (Ferreira, Faria, Cardoso, 2015). More recently, Portugal has also stand out in defending gender equality and the elimination of all forms of violence against women.

Taking into account future perspectives, there are issues where the interaction between external and internal aspects may result in some contradictions. Defending the interests of LDCs in international institutions may be more difficult as Portuguese cooperation moves to low-middle-income partners. Moreover, defending the commitment to 0.7 % ODA/GNI, taken multilaterally as a position alongside the poorest countries (and also in the face of pressure from other donors to drop the commitment) may become unsustainable over time as it contradicts the situation of the Portuguese ODA if there is no progressive increase of ODA to ensure credibility in advocating for this goal.

### **There is a loss of capacity regarding the added value of bilateral cooperation**

Many Portuguese bilateral cooperation projects have contributed to fight inequalities in partner countries, particularly in the areas of education, health, capacity-building and institutional cooperation. Examples of this are: the assistance provided for strengthening education systems and governance in education, supporting non-discriminatory legislative and legal frameworks, reforming tax systems and capacity-building in public finance, supporting the design and implementation of social protection programmes, the training of technical staff in various sectors and the strengthening of statistical capacities. This support, which goes far beyond technical assistance, but which acts in the definition of legal frameworks,

in strengthening institutions in education and the reinforcement of human development, or in improving the performance of social functions, matches the needs of partner countries, particularly of the poorest and most fragile countries.

Although Portugal has technical knowledge and experience, there is no integrated and shared vision of capacity development actions, which contributes to an image of poor coordination and fragmentation. In addition, in recent years there has been a loss of operational capacity, including loss of responsiveness at the sectoral/public level, difficulty in mobilising qualified human resources for long-term technical support missions in partner countries, the persistence of unfavourable legal and institutional frameworks, or even the abolition or downgrading of institutions.

### **The fight against gender inequality is not properly integrated into Portuguese development cooperation**

The Strategic Concept of Portuguese Development Cooperation 2014-2020 affirms that gender equality is a cross-cutting priority and that the objective is to strengthen action in this area, particularly by encouraging the empowerment of women and girls in partner countries. However, the evaluation of gender mainstreaming in Portuguese development cooperation in 2018 concluded that the international commitments undertaken did not translate into priorities in practice and that there is a large gap between rhetoric and concrete measures, with Portugal being one of the countries "which has given less attention to gender issues in development cooperation, both in specific projects and in its mainstreaming" (Camões I.P., 2018). The Sectoral Strategy of Portuguese Cooperation for Gender Equality, drafted in 2011, had no practical effects and is outdated, and a new strategy is currently planned.

In terms of development education, it should be noted that the National Strategy of Development Education - ENED 2018-2022 was defined with the participation of organisations focused gender equality. This has led to the inclusion of this perspective within the framework of human rights and of a fairer and

more balanced world. With regard to humanitarian aid, the Portuguese engagement in the "*Call to Action*" initiative is of note. It addresses situations of violence and gender inequality in emergencies and humanitarian crises.<sup>46</sup> Some Portuguese development cooperation projects have contributed in practice to the empowerment of women in some situations, such as in Guinea-Bissau, although impact assessment is difficult given the absence of specific targets and indicators. In recent years, the focus in more specific issues has been evident, such as female genital mutilation<sup>47</sup> and support for sexual and reproductive health rights, in addition to a strong multilateral commitment to SDG 5.

However, the idea remains that only projects dealing with women are linked to gender equality. This concern is not systematically included in the design and implementation of all policies, programmes and projects, or is frequently limited to a reference to mainstreaming, rather than the definition of specific objectives, targets and gender indicators, adjusted to the reality of each partner country and based on a joint reflection. If there is no structured critical thinking on this dimension, then there is a weak systematisation in the dialogue with partner countries and, consequently, in cooperation programmes. On the other hand, there are no specialised human resources dedicated to gender equality, either in the programming of cooperation with partner countries or in the design, implementation and evaluation of development projects. There is no adequate training of human resources in development institutions and there is no budget for gender equality, nor are gender-sensitive cooperation budgets. In implementing the 'Portugal More Equal' Strategy at national level, the process of reporting on these issues in institutional terms is only now beginning.

## Policy Coherence for Development is still undeveloped

Improving the coherence between sectoral policies and development objectives is crucial to contribute to a more people-centred, fairer, less unequal and more inclusive development.<sup>48</sup> Portugal has the necessary institutional and normative instruments to promote Policy Coherence for Development (PCD): a specific Council Resolution in 2010, the reformulation of the Interministerial Commission for Cooperation mandate in order to include PCD, since 2013, and the establishment of a network of focal points in sectoral ministries since 2015.

However, the practical application of these instruments is still far from the established objectives. Portugal does not make a prior assessment of the impacts of its policies on developing countries, and its contribution to global development is rarely taken into account in setting national policies. On the other hand, within the framework of the development policy itself, the coordination difficulties of the Portuguese cooperation system are well known, including the fragility of the coordinating agency and the fragmentation of initiatives and actors, which hampers the development of a shared vision or a common voice. Thus, despite some initiatives by Portuguese civil society to promote expertise and raise awareness on the need for greater policy coherence,<sup>49</sup> this remains a distant issue for policy makers.

All this is linked, in large part, to the low leverage and political weight that development cooperation has in public policies, including weak capacity to raise awareness on the issue, to influence decisions, or to integrate the development perspective into other sectoral areas, compared to other domestic interests considered more relevant or urgent. Even in the implementation of the 2030 Agenda, the predominance of the national/domestic approach is clear, with a dilution or downgrading of the contribution to global development.

## Recommendations

### 17 recommendations to improve the implementation of SDG 10 and the fight against inequalities by Portugal

#### At domestic/national level

##### 1. A national cause

Concrete follow-up of the 2008 Resolution of the Portuguese Parliament, which considered poverty as a human rights' violation, taking the fight against poverty and inequality as a **national cause included in the political agendas**. This implies:

- i. The definition and implementation of a **National Strategy for poverty eradication and social exclusion** that advocates a systemic and integrated vision of social problems and represents a state commitment beyond the legislature, aligned with the 2030 Agenda and embodied in concrete responsibilities;
- ii. The implementation of **poverty proofing** mechanisms in public policies, in the State budget and in legislation (including in normative acts of the central government and local authorities and in the legislative projects and proposals submitted to the National Parliament).

##### 2. Redistribution of wealth

Focus on more inclusive growth through **policies of income and wealth redistribution** which go well beyond social policies, including within the framework of **economic policy** (strengthening social investment) and **tax justice** (including greater progressiveness of income taxation systems, revision of excise duties for essential goods and those with a positive social and environmental impact, the fight against tax evasion, among other measures).

##### 3. Social protection

Strengthen social protection measures and the social **benefits system, to make it more coherent, fair and effective**, including: (i) to redefine, simplify and harmonise social benefits; (ii) promote access and ensure that the instruments progressively approximate the poverty threshold; (iii) increased focus in poverty among those who work, given the job insecurity and low salary levels in Portugal. National priorities should be established for a **minimum income system appropriate to the** needs of the most vulnerable, including **protection of the elderly** against poverty and social exclusion.

##### 4. Employment and training

Promote active employment policies, particularly targeting the **integration of vulnerable and disadvantaged groups** in the labour market. Invest in **quality and differentiated skills development, in order to promote** lasting professional integration of young people. Reinforce **decent work**, including measures to: improve working conditions, to fight precariousness, to define a more flexible organisation of working time to enable better reconciliation of personal and professional life, and to promote qualification and lifelong learning.

##### 5. Multiple inequalities

Pay particular attention to policies and measures focusing on the **intersection between multiple inequalities** and discrimination - regional, gender, racial/ethnic, income, age - that reinforce each other and perpetuate poverty and social exclusion, in order to have a greater impact on the specific needs of the most vulnerable groups.

## 6. 2030 Agenda

Promote awareness-raising and **incorporation of the 2030 Agenda**, and in particular the SDGs linked to the fight against inequality, in the work agendas of institutions and organisations in Portugal, both public and private, in all sectors.

## 7. Participation and dialogue

Strengthen **dialogue and the participation of citizens** (particularly the most vulnerable groups facing poverty and social exclusion) **and civil society as an effective partner**, in all aspects and sectors, not only in drafting reform programmes, plans and measures to combat inequalities and poverty, but also in their appropriation, implementation and monitoring. This implies the introduction of participatory mechanisms, with inclusive strategies and instruments. Only with effective participation of different actors in the decision-making process will greater and better transparency of public policies, as well as their greater adequacy to local and national needs, be possible.

## 8. Regional asymmetries

In the implementation of public and investment policies, actively seek the correction of regional asymmetries, by implementing a **positive discrimination** in favour of the most disadvantaged regions and the interior, particularly at the level of **public investment** in infrastructure, the quality of basic social services, support for the revitalisation and modernisation of productive capacity and the creation of quality employment.

## 9. A social Europe

In the European Union, **push for reinforcing EU competences in the social field**, because major challenges are shared by the Member States. Only by striving for a genuine European commitment that is binding for Member States, and by guiding the European model towards **social rights and social cohesion** can comprehensive responses be reached to reduce poverty, inequality and discrimination. In Portugal, **implement the European Pillar of Social Rights** through a roadmap which makes explicit the implementation and monitoring of social rights through targets, measures and indicators.

## 10. Community support framework

Develop efforts towards a more effective organisation, implementation and monitoring of **the framework of Community support and Structural Funds**, guided by the fight against inequality and social exclusion, through (i) greater complementarity and coordination between funding programmes and instruments, (ii) the enhanced involvement of civil society actors, and (iii) reinforced monitoring of the impact of European Structural Funds on poverty reduction and inequality, including the commitment to allocate 20 % of the ESF to poverty and social exclusion.

## 11. Gender equality

All policies must systematically take account of the specific conditions and needs of women and men in their planning, definition, implementation, monitoring and evaluation. It is therefore necessary to:

- i. Bolster the **enforcement of legislation** on gender equality (namely in the business sector and at local level), including penalties for non-compliance with labour laws, parity and equal pay.
- ii. Extend and consolidate **the assessment of the impact of** public policies and budgetary policies on gender equality, by making **gender budgeting** operational and systematic.
- iii. Develop additional efforts to progressively update the **parity threshold** in the representativeness laws to 50 %.

- iv. Invest in **strong governance** for women's human rights, through stronger and more coordinated institutional mechanisms for equality, and ensure the **systematic involvement of organisations** focused on equality.
- v. Ensure strict enforcement of laws criminalising violence against women and take additional measures to **prevent and protect women** and girls from gender violence, particularly in the domestic sphere.
- vi. Strengthen the collection and availability of gender-sensitive **statistics** (e.g. data on discrimination and violence against women, some of which are not yet collected in Portugal).

#### At external/global level:

- 12. Do not neglect the **external dimension** of the 2030 Agenda for Sustainable Development, and avoid its dilution or relegation in the domestic/national dimension. This entails the reinforcement of Portugal's contribution to global development and **the active engagement of Portuguese development cooperation actors in the implementation of all SDGs**.
- 13. Being impossible to fulfil the commitment to allocate 0.7 % of GNI to Official Development Assistance (ODA), given the economic conditions in Portugal, it is necessary to establish a **realistic timetable for a sustained increase** in Portuguese ODA, which engages all development cooperation actors and can provide greater predictability and transparency.
- 14. Taking into account the possible graduation of several Portuguese cooperation partner countries, press the international community to pay special attention to finding **new forms of cooperation and to respond to the needs of these countries** with a view to fighting inequality and poverty.
- 15. In bilateral aid, work towards a **more integrated and shared vision of capacity development actions**, by integrating institutional capacity-building and technical support programmes in various sectors (governance, legislative and legal frameworks, public finance, social protection, statistics) as key to supporting partner countries in reducing inequalities.
- 16. **To integrate more systematically gender equality in Portuguese cooperation**, including: (i) include and implement the gender equality dimension in programmes with partner countries, based on joint reflection; (ii) integrate gender equality in the design and implementation of actions and projects, with specific objectives, targets and gender indicators; (iii) work on the definition and implementation of a Sectoral Strategy of Portuguese Cooperation for Gender Equality, linked to other existing strategies; (iv) strengthen expertise and human resources dedicated to gender equality; (v) promote gender-sensitive budgets.
- 17. Reinforce **policy coherence for development**, by implementing the existing normative and institutional instruments and by assessing the impact of sectoral policies on global development.

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## Database:

### Portugal:

National Statistics Institute (INE) [www.ine.pt](http://www.ine.pt)  
Office of Strategy and Planning, Ministry of Labour,  
Solidarity and Social Security (GEP-MTSSS)  
[www.gep.msess.gov.pt/](http://www.gep.msess.gov.pt/)  
Pordata, FFMS [www.pordata.pt](http://www.pordata.pt)  
Portugal Desigual (impact of the crisis):  
<https://portugaldesigual.ffms.pt/>

### Eurostat:

<https://ec.europa.eu/eurostat>  
Survey on Living Conditions and Income, 2018 (EU-SILC)  
European Union Labour Force survey, 2018  
Structure of Earnings survey, 2017  
ESSPROS (social protection)  
Eurostat: SDGs and me  
<https://ec.europa.eu/eurostat/cache/digpub/sdgs/>  
EU Statistics on Agenda 2030:  
<https://ec.europa.eu/eurostat/web/sdi>  
EIGE – European Institute for Gender Equality  
<https://eige.europa.eu/>

### Eurobarometers:

Regular Eurobarometer on Public Opinion in the EU,  
Autumn 2018  
Work-life balance, October 2018  
EU citizens and development cooperation, June 2018  
Gender Equality, June 2017

## Useful links:

### National

EAPN Portugal/European Anti-Poverty Network  
[www.eapn.pt/](http://www.eapn.pt/)  
Commission for Citizenship and Gender Equality (CIG)  
[www.cig.gov.pt/](http://www.cig.gov.pt/)  
Committee on Equality in Labour and Employment  
(CITE)  
[cite.gov.pt/](http://cite.gov.pt/)  
Portuguese Platform for Women's Rights (PpDM)  
[plataformamulheres.org.pt/](http://plataformamulheres.org.pt/)  
Maria Alzira Lemos Resource and Digital Knowledge  
Centre  
<https://recursos.plataformamulheres.org.pt/>  
UMAR - Alternative Women's Union and Response  
[www.umarfeminismos.org/](http://www.umarfeminismos.org/)  
Portuguese Youth Network for Equality  
<http://redejovensigualdade.org.pt/blog/>  
CIEG - Interdisciplinary Centre for Gender Studies  
(ISCSP)  
[cieg.iscsp.ulisboa.pt/](http://cieg.iscsp.ulisboa.pt/)  
Observatory of Inequalities  
[observatorio-das-desigualdades.com/](http://observatorio-das-desigualdades.com/)  
Camões - Institute of Cooperation and Language  
[instituto-camoes.pt](http://instituto-camoes.pt)

### Global

Sustainable Development and the 2030 Agenda  
[www.un.org/sustainabledevelopment/](http://www.un.org/sustainabledevelopment/)  
Global Inequality:  
<https://inequality.org/>  
OECD: Inequality  
[www.oecd.org/social/inequality.htm](http://www.oecd.org/social/inequality.htm)  
Make Europe Sustainable for All  
<https://makeeuropesustainableforall.org/>  
Indicators of SDG 10 in the EU  
<https://ec.europa.eu/eurostat/web/sdi/reduced-inequalities>

# ANNEXES



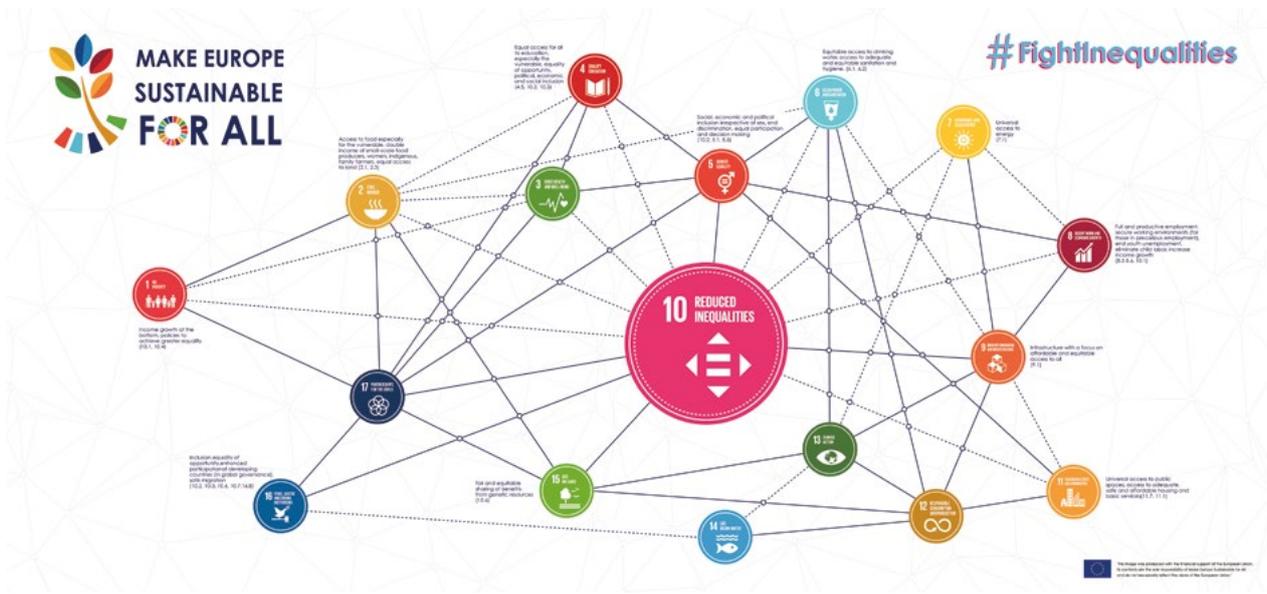
## Annex 1: Targets and Indicators of Sustainable Development Goal 10

Reducing inequalities within countries and between countries

TARGETS	INDICATORS
<b>10.1</b> By 2030, progressively achieve and sustain <b>income growth of the bottom 40 % of the population</b> at a rate higher than the national average	10.1.1 Growth rates of household expenditure or income per capita among the bottom 40 % of the population and the total population
<b>10.2</b> By 2030, empower and promote the social, economic and political inclusion of all, irrespective of <b>age, sex, disability, race, ethnicity, origin, religion or economic</b> or other status	10.2.1 Proportion of people living below 50 % of median income, by age, sex and persons with disabilities
<b>10.3</b> Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and <b>promoting appropriate legislation, policies and action</b> in this regard	10.3.1 Proportion of the population reporting having personally felt discriminated against or harassed within the previous 12 months on the basis of a ground of discrimination prohibited under international human rights law
<b>10.4</b> Adopt <b>policies, especially fiscal, wage and social protection policies</b> , and progressively achieve greater equality	10.4.1 Labour share of GDP, comprising wages and social protection transfers
<b>10.5</b> Improve the regulation and monitoring of <b>global financial markets and institutions</b> and strengthen the implementation of such regulations	10.5.1 Financial Soundness Indicators
<b>10.6</b> Ensure <b>enhanced representation and voice for developing countries</b> in decision-making in global international economic and financial institutions to deliver more effective, credible, accountable and legitimate institutions	10.6.1 Proportion of members and voting rights of developing countries in international organisations
<b>10.7</b> Facilitate orderly, safe, regular and responsible <b>migration</b> and mobility of people, including through the implementation of planned and well-managed migration policies	10.7.1 Recruitment cost borne by employee as a proportion of yearly income earned in country of destination 10.7.2 Number of countries that have implemented well-managed migration policies

<p><b>10.a</b> Implement the <b>principle of special and differential treatment for developing countries</b>, in particular least developed countries, in accordance with World Trade Organisation agreements</p>	<p>10.a.1 Proportion of tariff lines applied to imports from the least developed countries and developing countries with zero-tariff</p>
<p><b>10.b</b> Encourage <b>official development assistance and financial flows</b>, including foreign direct investment, <b>to States where the need is the greatest</b>, in particular least developed countries, African countries, small island developing States and landlocked developing countries, in accordance with their national plans and programmes</p>	<p>10.b.1 Total resource flows for development, by recipient and donor countries and type of flow (e.g. official development assistance, foreign direct investment and other flows)</p>
<p><b>10.c</b> By 2030, <b>reduce to less than 3 % the transaction costs of migrant remittances</b> and eliminate remittance corridors with costs higher than 5 %</p>	<p>10.c.1 Remittance costs as a proportion of the amount remitted</p>

## Annex 2: SDG 10 interconnections with other SDGs



Source: Make Europe Sustainable for All campaign: [makeeuropesustainableforall.org/campaigns/](http://makeeuropesustainableforall.org/campaigns/)

## Annex 3: The Strategy “Portugal More Equal”

The National Strategy for Equality and Non-Discrimination 2018-2030 ("Portugal More Equal"), adopted in March 2018, focuses on non-discrimination on the grounds of sex and on promoting gender equality. It translates into 3 action plans that set concrete measures and goals by 2021:

Pillars/Action plans	Strategic objectives	Examples of measures
<b>Action Plan for Gender Equality</b>	<ol style="list-style-type: none"> <li>1. Ensure governance that includes the fight against discrimination based on sex and the promotion of gender equality in policies and actions at all levels of government.</li> <li>2. Ensure the conditions for full and equal participation of women and men in the labour market and professional activity.</li> <li>3. Ensure the conditions for education and training free of gender stereotypes.</li> <li>4. Promote equality in higher education and scientific and technological development.</li> <li>5. Promote equality in health throughout the life cycles of men and women.</li> <li>6. To promote a culture and media free of sexist stereotypes and promoters of equality.</li> <li>7. Include the promotion of equality between women and men in the fight against poverty and social exclusion.</li> </ol>	<p>Actions to prevent Roma girls dropping out of school</p> <p>Capacity-building of businesses for reconciliation, through practical tools to assess risk factors in the workplace that undermine reconciliation.</p> <p>Training girls and older women in digital skills</p>
<b>Action Plan for Preventing and Combating Violence against Women and Domestic Violence</b>	<ol style="list-style-type: none"> <li>1. Prevent - eradicate social tolerance of various types of violence against women and domestic violence, raise awareness of their impact and promote a culture of non-violence, human rights, equality and non-discrimination.</li> <li>2. Support and protect - broaden and consolidate the intervention.</li> <li>3. Intervene with aggressors, in order to promote a culture of responsibility.</li> <li>4. Develop the skills of professionals and services..</li> <li>5. Investigate, monitor and evaluate public policies.</li> <li>6. Prevent and combat harmful traditional practices, including female genital mutilation and early and forced marriages.</li> </ol>	<p>Create a standard of clinical guidance for health professionals to act on in cases of domestic violence.</p> <p>Training for magistrates, judicial officers and police forces to avoid gender discrimination in the justice sector</p> <p>Opening of shelters for women with disabilities, victims of domestic violence</p>
<b>Action Plan to Fight Discrimination on the grounds of Sexual Orientation, Gender Identity and Expression, and Sexual Characteristics</b>	<ol style="list-style-type: none"> <li>1. Increase knowledge about the actual needs of LGBTI people and discrimination.</li> <li>2. Ensure that these issues are mainstreamed.</li> <li>3. Fight discrimination on the basis of sexual orientation and gender identity, and prevent and combat all forms of violence against LGBTI people in public and private life.</li> </ol>	<p>Guide for employers to prevent discrimination in the workplace and promote the integration of LGBTI people.</p> <p>Create a platform for complaints about discrimination.</p> <p>Training of health professionals to ensure adequate care provided to transsexuals.</p> <p>Emergency shelter for LGBTI victims of violence, in Porto</p>

## Annex 4: Inequality in Portugal at a Glance

### Income inequality

Reference year	2014	2015	2016	2017	2018
National poverty threshold (€/per year)	5 061	5 269	5 443	5 610	
<b>At risk of poverty rate (%)</b>					
Before social transfers	47,5	46,1	45,2	43,7	
After social transfers regarding pensions	26,4	25,0	23,6	22,7	
After social transfers	19,5	19,0	18,3	17,3	
<b>People at risk of poverty or social exclusion (%) - Europe 2020 indicator</b>					
		26,6	25,1	23,3	21,6
<b>Material deprivation (%)</b>					
Material deprivation rate		21,6	19,5	18,0	16,6
Severe material deprivation rate		9,6	8,4	6,9	6,0
<b>Indicators of income inequality</b>					
Gini coefficient	34,5	34,0	33,9	33,5	32,6
Inequality of income distribution: quintile share ratio S80/S20	6,2	6,0	5,9	5,7	5,3
Inequality of income distribution: interdecile ratio S90/S10	11,1	10,6	10,1	10,0	8,9

Gini coefficient

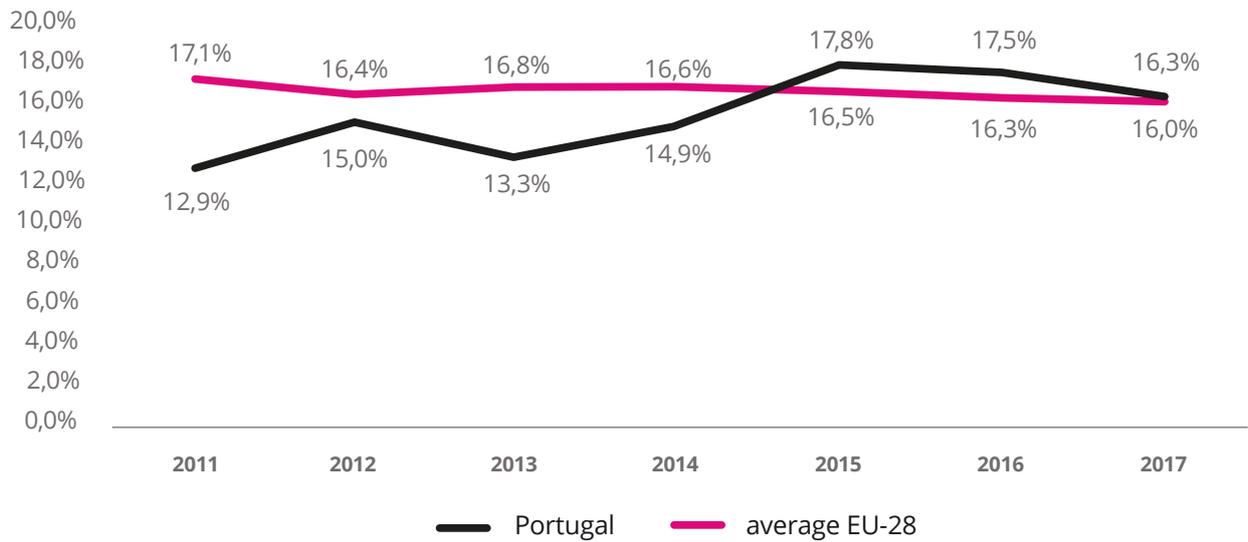


Income quintile share ratio (S80/S20)



## Gender inequality

### Unadjusted gender pay gap



### People at risk of poverty or social exclusion



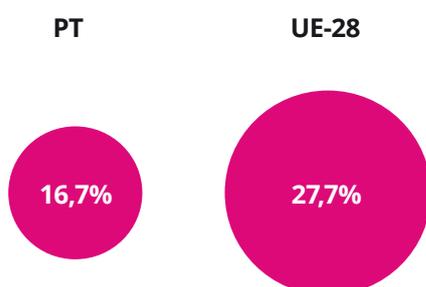
### Women employment rate

**73%**  
(average EU28: 66,5%)

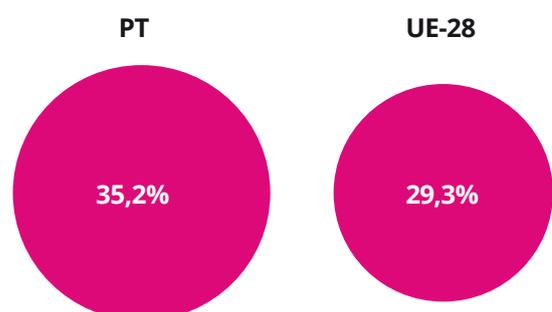
### Share of women in part-time employment

**10%**  
(média UE-28: 30,8%)

### Share of female members of government



### Share of women members of parliament



- <sup>1</sup> Available at <https://www.coe.int/en/web/european-social-charter/charter-texts>. Portugal signed this treaty in May 1996 and ratified it in May 2002.
- <sup>2</sup> The pillar defines 20 principles and fundamental rights, which are structured around three categories: (i) equal opportunities and access to the labour market, (ii) fair working conditions, and (iii) social protection and inclusion.
- <sup>3</sup> Member States have exclusive competence and precedence in labour law, minimum wages, education, health and social protection systems - that is why they must implement the pillar principles and also provide most of the funding.
- <sup>4</sup> Human Development Index adjusted for Inequality: <http://hdr.undp.org/en/composite/IHDI> and profile of Portugal in <http://hdr.undp.org/en/countries/profiles/PRT>
- <sup>5</sup> The priority SDGs for Portugal are SDG 4 (Quality Education), 5 (Gender Equality), 9 (Industry, Innovation and Infrastructure), 10 (Reduce Inequality), 13 (Climate Action) and 14 (Life Below Water).
- <sup>6</sup> At-risk-of-poverty rate: proportion of the population whose equivalent income is below the poverty line (in 2017, in Portugal, EUR 5 610 per year or EUR 468 per month).
- <sup>7</sup> This indicator used at European level takes into account the number of people in poverty, in material deprivation and with low labour intensity. The Europe 2020 strategy for smart, sustainable and inclusive growth, adopted in 2010, has set a common goal in the fight against poverty and social exclusion: to reduce the number of Europeans living below the poverty line by 25 % and to lift more than 20 000 000 people out of poverty. Note: comparisons with other European countries are made on the basis of the EU of 28 countries (EU-28). Portugal does not deviate much from the EU-28 average for many of the indicators, but this includes the Eastern European countries, often with figures close to those of Portugal. Comparative analyses with the EU before enlargement (15 countries) or with the Euro zone (19 countries), for example, would reveal greater disparities between Portugal and the European average.
- <sup>8</sup> Portugal was under the Economic and Financial Assistance Programme between 2011 and 2014.
- <sup>9</sup> The Gini coefficient measures the concentration of income distribution in Portugal. The S80/S20 and S90/S10 ratios measure the inequality between the population with the highest and lowest incomes, i.e. the disparity between the richest 20 % and the poorest 20 % in the case of S80/S20 and the disparity between the richest 10 % and the poorest 10 % in the case of S90/S10.
- <sup>10</sup> In 2018, the school drop-out rate was 11.8 %, the lowest ever, confirming the downward trend (in 2011 it was 23 %), although still above the target set by the European Union of 10 % by 2020. There are significant regional disparities: in the Autonomous Region of the Azores, school drop-out rates reach 28.3 %.
- <sup>11</sup> The Europe 2020 growth and jobs strategy sets the goal of increasing the percentage of graduates to 40 % of the population, although Portugal is far from achieving it.
- <sup>12</sup> 25.7 % of the population with basic education and 4.9 % of the population with higher education.
- <sup>13</sup> Indicator 10.4.1 of SDG 10 target 10.4.
- <sup>14</sup> In Portugal, youth unemployment (people under the age of 25) topped 38 % in 2013, and is currently around 20 % (EU Labour Force Survey). The younger section of the population that is neither working nor studying is also declining, from a peak of 14.1 % in 2013 to 9.3 % in 2017 (idem).
- <sup>15</sup> Eurostat composite indicator: population at risk of poverty or social exclusion. If we take into account the rate of poverty risk in Portugal, this is 17.9 % for women and 16.6 % for men.
- <sup>16</sup> These are the Eurostat data (indicator: unadjusted gender pay gap); the ILO data show that Portuguese men earn, on average, 22.1 % more than women (ILO, 2019).
- <sup>17</sup> Indicator 5.5.2 of Target 5.5 of SDG 5.
- <sup>18</sup> To find out more about gender inequality in terms of power and decision-making in companies, see: [https://www.cig.gov.pt/wp-content/uploads/2017/08/IG\\_Poder-e-tomada-de-decisa%CC%83o-nas-empresas.pdf](https://www.cig.gov.pt/wp-content/uploads/2017/08/IG_Poder-e-tomada-de-decisa%CC%83o-nas-empresas.pdf)
- <sup>19</sup> Indicator 5.5.1 of Target 5.5 of SDG 5.
- <sup>20</sup> The proportion of people employed part-time in Portugal was 8.6 % in 2017, compared to a European average of 18.7 % (EU-28). If we consider only the eurozone countries, this percentage exceeds 21 % (EU-19) (EU Labour Force Survey). In the case of women, the difference is even greater: while in Portugal women employed part-time are only about 10 % of total female employment, the European average is 30.8 % (Eurostat data).
- <sup>21</sup> RSI is the successor to another similar benefit created in 1996, the Minimum Guaranteed Income. It is a minimum income scheme for people and families in severe economic need, combining a monetary benefit with a contract for social, professional and community integration.
- <sup>22</sup> The national minimum wage has been increasing steadily since 2014, after a period of stagnation, from EUR 485 a month in that year to EUR 600 in 2019, agreed after social consultations.
- <sup>23</sup> Updating of the amounts of the family allowance and increases for single parents.
- <sup>24</sup> In 2017, public investment reached historically low levels, representing only 1.8 % of GDP.
- <sup>25</sup> [National Strategy for Equality and Non-Discrimination 2018-2030 \("Portugal More Equal"\)](#), 8 March 2018, by Resolution of the Council of Ministers No 61/2018. At strategic level, there were previously five National Plans for Gender Equality, Citizenship and *Non-discrimination*, the last of which was effective between 2014 and 2017.
- <sup>26</sup> On this subject, see PpDM (2018a) and the article by Ana Isabel de Sá "[A promoção da igualdade de género através do Orçamento do Estado funciona?](#)", Observador, 21 February 2019.
- <sup>27</sup> Law 60/2018, of 21 August, on the promotion of equal pay for equal work and equal value, which entered into force in January 2019.
- <sup>28</sup> The 40 % parity threshold is the internationally agreed concept in the Council of Europe in Recommendation REC (2003)3 of the Committee of Ministers on the balanced participation of women and men in political and public decision-making. However, the general understanding is increasingly that parity can be understood as meaning equal representation, that is, 50-50. This is emphasized in the United Nations CEDAW Committee's recommendation of 20 November 2015 to the Portuguese State, which states that "the Committee urges the State party to increase the representation of women in political life by amending its Parity Law, so as to achieve 50 % representation of both sexes in all legislative assemblies at European, national and local levels. The same should be done in the Autonomous Regions".

- <sup>29</sup> Law No 62/2017, of 1 August.
- <sup>30</sup> Created by Law No 112/2009.
- <sup>31</sup> Law No 38/2018, of 17 August.
- <sup>32</sup> Portugal is among the EU countries where the pension system depends exclusively on the state, since most EU countries have mixed systems. This is one of the reasons why Portugal has one of the highest proportions of pension expenditure as a percentage of GDP.
- <sup>33</sup> In Portugal, in January 2019, there were 100 553 households or 219 194 individual beneficiaries of RSI and the average value of the benefit was EUR 263.30 per household and EUR 117.60 per person (GEP-MTSSS).
- <sup>34</sup> [Resolution of the Council of Ministers no. 72/2016.](#)
- <sup>35</sup> [Resolution of the Council of Ministers no. 116/2018.](#)
- <sup>36</sup> In the period 2014-2020, these are the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund. The European Commission estimates that, between 2015 and 2017, 84 % of public investment in Portugal will depend on European funds, the highest percentage in the European Union.
- <sup>37</sup> Commitment set out within the framework of the 2020 strategy.
- <sup>38</sup> Council of Europe Convention on preventing and fighting violence against women and domestic violence ([Istanbul Convention](#)), 2011. Report on Portugal, January 2019, available at: [www.cig.gov.pt/2019/01/relatorios-grevio-consulta-online/](http://www.cig.gov.pt/2019/01/relatorios-grevio-consulta-online/)
- <sup>39</sup> There is currently only one Regional Strategy to Fight against Poverty and Social Exclusion in the Azores 2018-2028.
- <sup>40</sup> Target 10.b of SDG 10: Encourage official development assistance and financial flows, including direct foreign investment, to those countries where the need is greatest, in particular the least developed countries, African countries and Small Island Developing States (...).
- <sup>41</sup> An assessment of 7 areas is done: development aid, finance, technology, environment, trade, security and migration. Commitment to Development Index 2018: [www.cgdev.org/publication/commitment-development-index-2018](http://www.cgdev.org/publication/commitment-development-index-2018)
- <sup>42</sup> More information at [www.oecd.org/dac/financing-sustainable-development/tossd.htm](http://www.oecd.org/dac/financing-sustainable-development/tossd.htm)
- <sup>43</sup> The agreement includes funding of EUR 12 000 000 for Portuguese Small and Medium Enterprise projects in the ACP countries.
- <sup>44</sup> The initiative aims to promote private sector projects in PALOPs (as well as potential public-private partnerships) valued at more than USD 5 000 000 000, which could be supported by the Compact for the PALOPs. The Portuguese Government has underwritten EUR 400 000 000 of guarantees in the State Budget for 2019 to fund projects in these countries.
- <sup>45</sup> Target 10.6 of SDG 10.
- <sup>46</sup> Multi-stakeholder initiative with 82 partners (25 States and donors, 15 International Organisations, 42 Non-Governmental Organisations). More information at [www.calltoactiongbv.com/](http://www.calltoactiongbv.com/)
- <sup>47</sup> In Portugal, three consecutive action programmes were implemented, specifically focusing on this form of violence, making Portugal a pioneer country in this area.
- <sup>48</sup> In a context where development challenges are complex and multidimensional, Policy Coherence for Development (PCD) is based on the need to ensure that public sectoral policies - migration, climate change, trade, food sovereignty - contribute to development efforts. In this sense, it is an important tool for effective transformation and for achieving the SDGs. The European Union (EU) and its Member States have taken over PCD as a political commitment and legislative obligation in the Treaty of Lisbon (Article 208).
- <sup>49</sup> See for example [www.coerencia.pt](http://www.coerencia.pt)









The European-wide project **Make Europe Sustainable for All (MESA)** is coordinated by the European Environmental Bureau (EEB) and implemented in 15 European countries by 25 partners. It aims to raise citizens', CSOs', and policy-makers' awareness on the Agenda 2030 and the Sustainable Development Goals (SDGs), adopted by the 193 Member states of the United Nations in 2015. At the core of the project are campaigns and advocacy on inequalities, sustainable agriculture, gender equality, climate change, migration and sustainable consumption and production. This report was produced as part of the **Fighting Inequalities** in Europe campaign of the project, and contributes as well as the global **Faces of Inequality** campaign, which gives social exclusion, poverty and discrimination a face.

#SDGS4All ■ <https://makeeuropesustainableforall.org> ■ <https://makeeuropesustainableforall.org/fight-inequalities>  
<https://gcap.global/faces-of-inequality>

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Created in March 1985, The Portuguese NGDO Platform is a private non-profit organization that represents more than 60 national NGDOs, representing and supporting them both in the national and international levels.

The Platform works with NGDOs promoting a fairer and more equitable world, and in areas like Development Cooperation, Education and Communication and Humanitarian and Emergency Aid.

The Portuguese Confederation of Environmental Defense Associations - CPADA founded in 1991, is the largest environmental organization in the country, comprising some 100 ADA / ONGA (Environmental Defense Associations / Non-Governmental Environmental Organizations).

The Confederation general objective is the defense of the environment, in its multiple aspects, in particular through the phenomenon of associativism. It is a national network, a forum for debate on environmental issues, a space of solidarity and the social partner par excellence in environmental policy.