

TiPSE

The **T**erritorial **D**imension of **P**overty and **S**ocial **E**xclusion in Europe

Applied Research 2013/1/24

Work Package 2.4

Case Study Report

Porto, Portugal

Isabel Ramos Lobato

October 2013

This report is one of the deliverables of the TiPSE project. This Applied Research Project is conducted within the framework of the ESPON 2013 Programme, partly financed by the European Regional Development Fund.

The partnership behind the ESPON Programme consists of the EU Commission and the Member States of the EU27, plus Iceland, Liechtenstein, Norway and Switzerland. Each partner is represented in the ESPON Monitoring Committee.

This report does not necessarily reflect the opinion of the members of the Monitoring Committee.

Information on the ESPON Programme and projects can be found on www.espon.eu

The web site provides the possibility to download and examine the most recent documents produced by finalised and ongoing ESPON projects.

© ESPON & ILS, 2012.

Printing, reproduction or quotation is authorised provided the source is acknowledged and a copy is forwarded to the ESPON Coordination Unit in Luxembourg.

The ESPON TiPSE Project:

The TiPSE project has been commissioned by the European Observation Network for Territorial Development and Cohesion (ESPON) programme. It is concerned with the issue of poverty, and processes of social exclusion in Europe.

One of the key challenges for the EU, in its pursuit of social, economic and territorial cohesion, is to address regional or local concentrations of poverty and social exclusion. In terms of practical governance, this remains a national responsibility within the context of EU strategic guidance. In practice, regional or local administrations are often in 'the front line'; implementing national policies to ameliorate deprivation and exclusion. At a higher level, the EU defines its role as identifying best practices and promoting mutual learning.

Poverty and social exclusion are essentially relative concepts, arguably only meaningful within a specified geographical context. This underlines the essential roles to be played by observation, measurement, and careful data analysis, as preparations for intervention. The TiPSE project aims to support policy, both by enhancing the evidence base and by identifying existing good practice.

A central objective of the TiPSE project is to establish macro and micro-scale patterns of poverty and social exclusion across the ESPON space. This will be achieved by compiling a regional database, and associated maps, of poverty and social exclusion indicators. Such quantitative analysis of geographical patterns is considered a fundamental part of the evidence base for policy.

In addition, in order to better understand the various social and institutional processes which are the context of these patterns, a set of ten case studies are to be carried out. These will be more qualitative in approach, in order to convey holistic portraits of different kinds of poverty and social exclusion as experienced in a wide variety of European territorial contexts. The principal goal for these investigations will be to bring forward clear illustrations of the social, economic, institutional and spatial processes which lead to poverty and social exclusion in particular geographic contexts.

The selection of case study areas has been carried out with careful regard to the wide variety of geographic, cultural and policy contexts which characterise Europe. The ten case studies are also intended to highlight a range of different 'drivers' of poverty and social exclusion, including labour market conditions, educational disadvantage, ethnicity, poor access to services and urban segregation processes. A second objective of the case studies will be to identify policy approaches which can effectively tackle exclusion, and thus strengthen territorial cohesion.

The TiPSE research team comprises 6 partners from 5 EU Member States:

No.	Partner	MS	Principal Researchers
LP	Nordregio - Nordic Centre for Spatial Development	SE	Petri Kahila
2	UHI Millennium Institute	UK	Philomena de Lima
3	Newcastle University	UK	Mark Shucksmith
4	Institute of Economics Hungarian Academy of Sciences	HU	Katalin Kovács
5	ILS - Research Institute for Regional and Urban Development	DE	Sabine Weck
6	EKKE - National Centre for Social Research	EL	Thomas Maloutas
7	The James Hutton Institute	UK	Andrew Copus

LIST OF ABBREVIATIONS

ACIDI	–	Alto Comissariado para a Imigração e Diálogo Intercultural (Commissariat for Immigration and Intercultural Dialogue)
AMP	–	Área Metropolitana do Porto (Greater Metropolitan Area of Porto)
CMP	–	Câmara Municipal do Porto (town hall Porto)
CNAI	–	Centros Nacionais de Apoio ao Imigrante (National Centre for Support for Immigrants)
ECB	–	European Central Bank
GAS	–	Gabinete de Apoio Social
GIP	–	Gabinetes de Inserção Profissional (Offices of Professional Insertion)
IAS	–	Indexante de Apoios Sociais (Index of Social Benefits)
IEFP	–	Instituto de Emprego e Formação Profissional
IMF	–	International Monetary Fund
INE	–	Instituto Nacional de Estatística (Statistics Portugal)
NEET	–	Not in employment, education or training
NLI	–	Nucleos Locais de Inserção (Local Nucleus for Insertion)
NSRF	–	National Strategic Reference Framework
OECD	–	Organisation for Economic Co-operation and Development
PPE	–	Plano Pessoal de Emprego (personal employment plan)
RMG	–	Rendimento Mínimo Garantido (guaranteed minimum income)
RSI	–	Rendimento Social de Inserção (social integration income)
SD	–	Subsídio de Desemprego (unemployment benefit)
SEF	–	Serviço de Estrangeiros e Fronteiras (Service of Foreigners and Frontiers/part of the Portuguese Ministry of the Interior)
SSD	–	Subsídio Social de Desemprego (unemployment assistance)
YEI	–	Youth Employment Initiative

CONTENTS

Executive summary	viii
1 The regional context	1
2 Characteristics of social exclusion and poverty: patterns and processes of youth unemployment in Porto	14
2.1 Unemployment as a socially selective phenomenon	14
2.2 Patterns of unemployment and poverty	21
2.3 Experience of unemployment.....	26
2.4 Conclusion	27
3 Analysis of underlying processes and trends	29
3.1 The role of politics in combating youth unemployment	29
3.2 Development over time and the influence of policies and/or other factors	35
3.3 Policy challenges and policy solutions.....	41
4 Validity of European-wide data analysis from a local perspective	46
5 Transferability of results.....	47
6 Conclusions for policy development and monitoring	49
7 Literature	52
Annex 1: Additional maps and tables	57
Annex 2: List of interviewed experts	60
Annex 3: List of interviewed unemployed young people	61

TABLES

Table 1: Demographic characteristics	5
Table 2: Economic activity by sector	6
Table 3: Gross value added by sector and per head 2010	7
Table 4: Unemployment rate 2001 and 2012	8
Table 5: Education level 2011	10
Table 6: Poverty and social exclusion indicators	10
Table 7: Unemployment rate by age group	16
Table 8: Unemployment by education level	59

FIGURES

Figure 1: Grande Porto in the context of the ESPON space	1
Figure 2: Grande Porto and AMP	2
Figure 3: Corine Land Cover Grande Porto 2006	3
Figure 4: Districts of Porto	4
Figure 5: Population development in Porto and its neighbouring cities	5
Figure 6: Education level by blocks (<i>quarteirões</i>)	9
Figure 7: Risk of poverty rate Portugal of age groups	11
Figure 8: Development of the Portuguese unemployment rate by age group	16
Figure 9: Unemployment rate of foreigner population of extra-community countries	17
Figure 10: Unemployment rate Porto 2011 by blocks (<i>quarteirões</i>)	19
Figure 11: Youth unemployment by education level in Portugal (15-24 year-olds)	20
Figure 12: Unemployed by age group and education level in Porto 2011	21
Figure 13: Risk-of-poverty rate by employment status in Portugal	22
Figure 14: Unemployment and main source of income in Porto 2011	24
Figure 15: Unemployment and main source of income in Porto 2001 and 2011	25
Figure 16: Emigrants by age group	43
Figure 17: Eight EU-countries with the highest youth unemployment rates 2012	47

Figure 18: Unemployment rate 2011 by gender	57
Figure 19: Families with or without unemployed 2011 by block	58
Figure 20: At-risk-of-poverty rate of families without dependent children by work intensity in Portugal	59
Figure 21: At-risk-of-poverty rate of families with dependent children by work intensity in Portugal	59

Executive summary

This case study focuses on the city of Porto and its larger subregion Grande Porto, a coastal region located in the north of Portugal. With its 1,278,941 inhabitants, Grande Porto ranks after Grande Lisboa as the second biggest subregion in Portugal. However, in contrast to the whole region, Porto is challenged by a progressive population decline since the 1980s – assigned to its negative population development (and a subsequent process of distinctive ageing) as well as to outmigration in favour of Porto's neighbouring cities. Grande Porto is part of the highly industrialised region Norte, whose production structure is mainly based on traditional sectors (e.g. textiles, clothing and leather). Since the 1990s, there has been a severe decline of industrial activities within the whole region accompanied by a huge cut of employment. Between 2001 and 2011, the unemployment rate in Porto and Grande Porto almost doubled. With a share of 18.2%, the unemployment rate in the city of Porto is comparatively high. Nevertheless, Porto still is the principal employment centre within the region; its economy is based mainly on the tertiary sector (especially on commerce, company services, accommodation and public administration and education). One of the main location factors of the city of Porto is its diverse educational offer which attracts especially highly qualified people. Despite the high share of unemployed in the city of Porto, it should be noted, however, that indicators of socio-economic disadvantage (e.g. the unemployment rate, or the share of population receiving social security benefits, the educational level) vary a lot between the different neighbourhoods illustrating the relatively high social segregation within the city of Porto.

Disparities and inequalities in Portugal are a result of different underlying processes:

a. Economy and labour market: The increase of the Portuguese unemployment rate since the early 2000s is mainly related to the structural problems of the Portuguese economy (even intensified by the economic and financial crisis): in most cases, the traditional industrial sectors are labour-intensive, have a very low productivity and are strongly export-oriented; competitiveness is still strongly dependent on low labour costs and therefore highly vulnerable in terms of globalisation and financial crisis.

b. Educational attainment: There has been a huge expansion of the Portuguese education system; the share of people above 21 with a university degree has almost doubled between 2001 and 2011 (15.1%). However, despite the huge expansion, educational attainment still remains a challenge; Portugal still lags behind at upper secondary and tertiary levels. In addition, educational disparities still exist. This form of social exclusion is highly related to processes of unemployment.

c. Housing: The problem of housing is one of the most important factors for the reduction of poverty and social exclusion in Portugal. Although efforts to improve housing conditions have already taken place within the last decade, deficits in terms of the quality of housing can still be observed – often related to overcrowding and degradation of buildings.

Strong families and traditional support networks based on kinship, neighbours or friends are regarded as key elements of the familialistic Southern European welfare model. However, fragmentation and diversification processes in terms of family structures become visible. Whereas the number of families with a higher size decreased, the share of one-person households as well as lone-parent family households increased significantly. To some extent, this has weakened the familialistic tradition with its patterns of cross-generational income and responsibility sharing in order to deal with scarcity of income and of services. Consequently, it is likely that also the role of families in protecting from poverty and social exclusion is decreasing; integration into higher segments of the labour market and therefore also access to high quality education seems to be more and more essential for combating poverty and social exclusion.

The analysis of quantitative data in Porto showed that unemployment is a severely discriminating and socially selective phenomenon: women are more vulnerable than men, younger age groups more than older ones and low qualified more than highly qualified. However, especially among younger population groups it becomes evident that higher educational levels do not protect against precarious employment, which constitutes a growing and significant problem of the Portuguese labour market. Although the risk of material deprivation is elevated in case of unemployment, the relation between poverty and unemployment is not linear: Portuguese unemployed, particularly the younger generation, can rely on strong social networks that provide (financial) support. However, financial family support decreased; likely to be related to changing family structures, but rather to a shrinking ability of families to support their disadvantaged members.

Poverty was not one of the main issues on the political agenda in Portugal during the dictatorship. Only in the mid of the 1980s, several social policies were introduced. Today, the unemployment benefit and the unemployment assistance are the most important benefits of the Portuguese unemployment protection scheme; accompanied by the social integration income as a minimum baseline income introduced in 1997. In terms of unemployment and poverty, the two most important actors on the Portuguese national and local level are the social insurance and the employment agency. Although there are several other institutions and initiatives, especially on the local level, they usually depend financially as well as concerning their normative adjustment on these two institutions. Besides the unemployment subsidies, the Portuguese employment policy comprises several active measures to combat unemployment such as internships (in particular for younger people), recruitment support or measures of vocational and further education, accompanied by several programmes and projects on the local level (employment agencies, Youth Foundation, 'City of Professions' etc.). In addition to these official opportunities of support, the family has a very strong role in combating poverty and overcoming unemployment e.g. by providing income support or mobilising networks to liaise jobs. Moreover, subsistence economy and informal work play a role in combating poverty as well. A project that aims at renovating an abandoned manor and cultivating a community kitchen garden is also frequented by some unemployed living in the same area. 'I think that today

there is an opportunity to return to these kind of things because we need to create other sources of revenues' (local expert, Porto)." (Ramos Lobato, 2013b, p. 50)

Throughout the last years, the Portuguese employment market has changed. Integration into the labour market, especially for young people, has become more difficult; a wider group of people in Portugal is affected by or at risk of unemployment. Moreover, to a large extent, integration into the employment market takes place via precarious jobs. Within the last years, neoliberal reforms of the Portuguese labour market as an answer to the economic and financial crisis and the resulting pressure of the troika have reduced employment protection and unemployment support. Unemployment benefits have suffered from significant cutbacks in duration and amount in combination with an increasing combat of fraud or penalisation of non-fulfilment of regulations. Due to the varying generosity of the benefits depending on age and contribution period, these reforms have further promoted the insecurity of young people. Due to cutbacks of benefits and their differentiation by age, social inequalities are perpetuated and the risk of social exclusion increases. The consequences of the crisis as well as the reduction of public expenditure leads consequently to shrinking family incomes and at the same time threatens their capacities to provide support for needy family members. Moreover, the rise of unemployment as well as the consolidation of a neoliberal mindset has contributed to a reinforcement of an individual perspective on employability, which tends to transfer the responsibility for existing principal economic problems to the unemployed.

Besides the decreasing social protection, two further policy challenges might even become more important within the following years: Interviews and newspaper articles show that frustration and resignation of young (unemployed) people increases; a whole generation is growing up with poor economic prospects, precarity and uncertainty. Consequently, due to the poor employment chances in Portugal, more and more (young) people decide to leave the country. In contrast to the emigration in the 1960s, however, current emigrants are comparatively younger, come predominantly from urban contexts and are more qualified. The increasing emigration rate, especially of young people, in combination with the changing qualification level of emigrants illustrates the economic relevance of the current emigration and makes it consequently to a main challenge for Portuguese policies.

1 The regional context

This case study focuses on the city of Porto and its larger subregion Grande Porto. Grande Porto is part of the Norte NUTS 2 region in Portugal that is with a GDP per capita of 13,061 Euros (2010) the economically weakest of the five Portuguese regions (Instituto Nacional de Estatística/INE, 2011). Grande Porto is a coastal subregion located in the north of Portugal, with the Atlantic Ocean on its western side. It consists of eleven municipalities, e.g. Porto (227,000 inhabitants) Vila Nova de Gaia (303,000 inhabitants) and Matosinhos (175,000 inhabitants), which are among the biggest urban centres in Portugal (see **Error! Reference source not found.**¹) (INE 2011). Together with five other municipalities of the subregion Entre Douro e Vouga they constitute the larger Greater Metropolitan Area of Porto (Área Metropolitana do Porto – AMP) (see **Error! Reference source not found.**). Grande Porto is assigned to the NUTS 3 level.

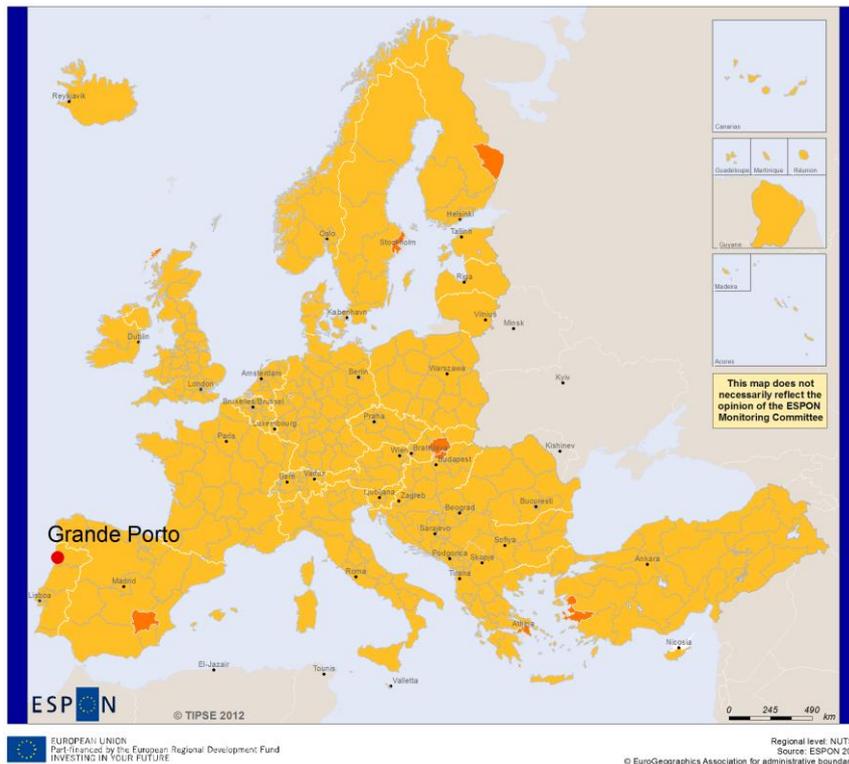


Figure 1: Grande Porto in the context of the ESPON space

¹ The map shows eleven municipalities that form Grande Porto. This delimitation is used for the National Strategic Reference Framework 2007–2013 (NSRF) that constitutes the reference document for the programming of European Union Funds at national level for the 2007–2013 period. Within the statistics provided by the INE, Santo Tirso and Trofa are not part of Grande Porto; it accordingly consists of only nine municipalities. Therefore, data of the INE, which will be provided in the following, does not include Santo Tirso and Trofa.

With its 1,278,941 inhabitants, Grande Porto ranks after Grande Lisboa as the second biggest subregion within Portugal (INE, 2012). According to the Corine Land Cover Classification, Grande Porto has relatively diverse land use patterns: It is classified as predominantly urban and has a comparatively high population density, especially within the city of Porto (see Table 1). However, the northern parts of the subregion are mainly covered by agricultural land, whereas the southern and eastern areas of the coastal region are covered by forest and semi natural areas. In addition, especially around the city of Porto many industrial sites can be found.

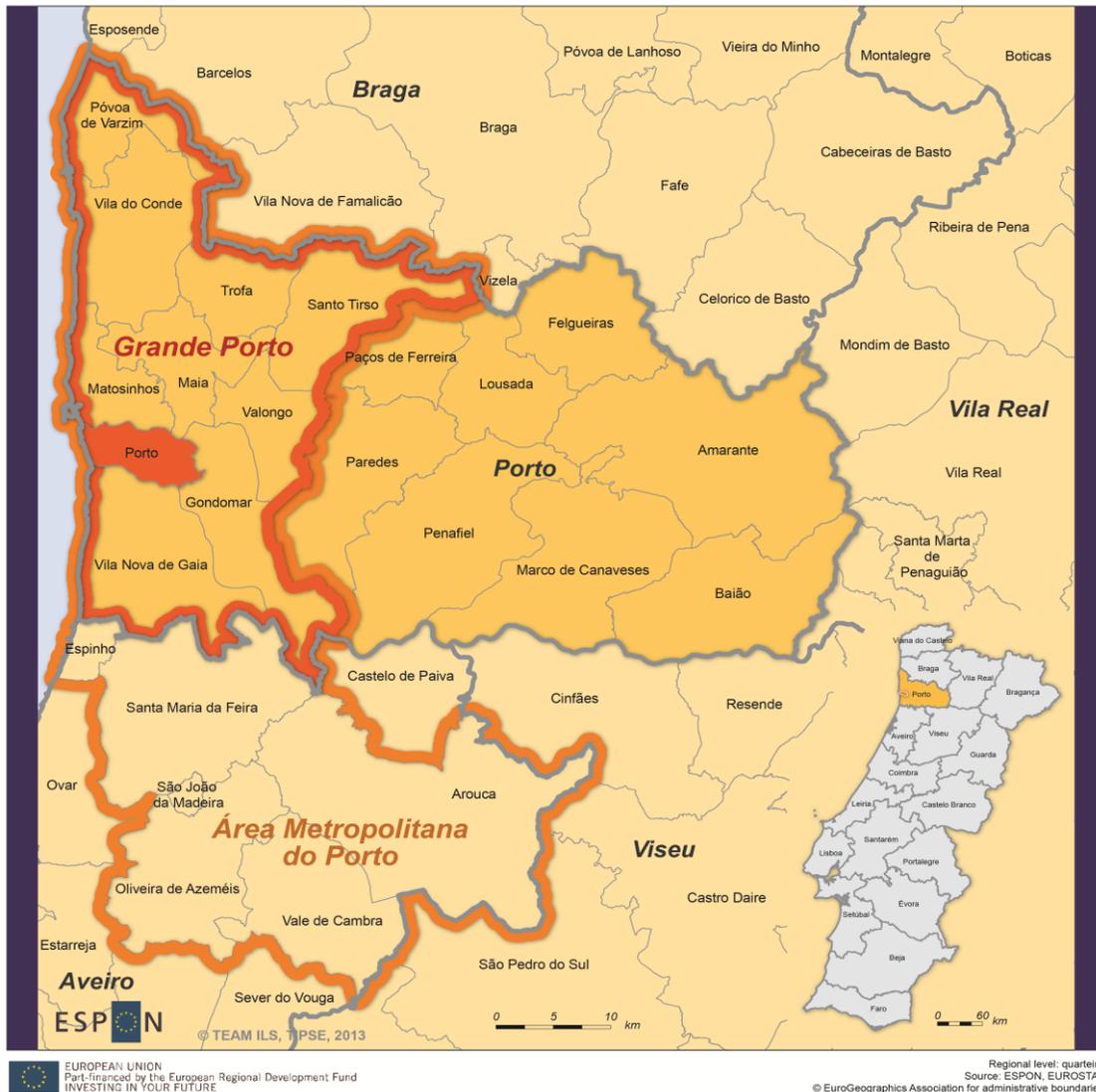


Figure 2: Grande Porto and AMP

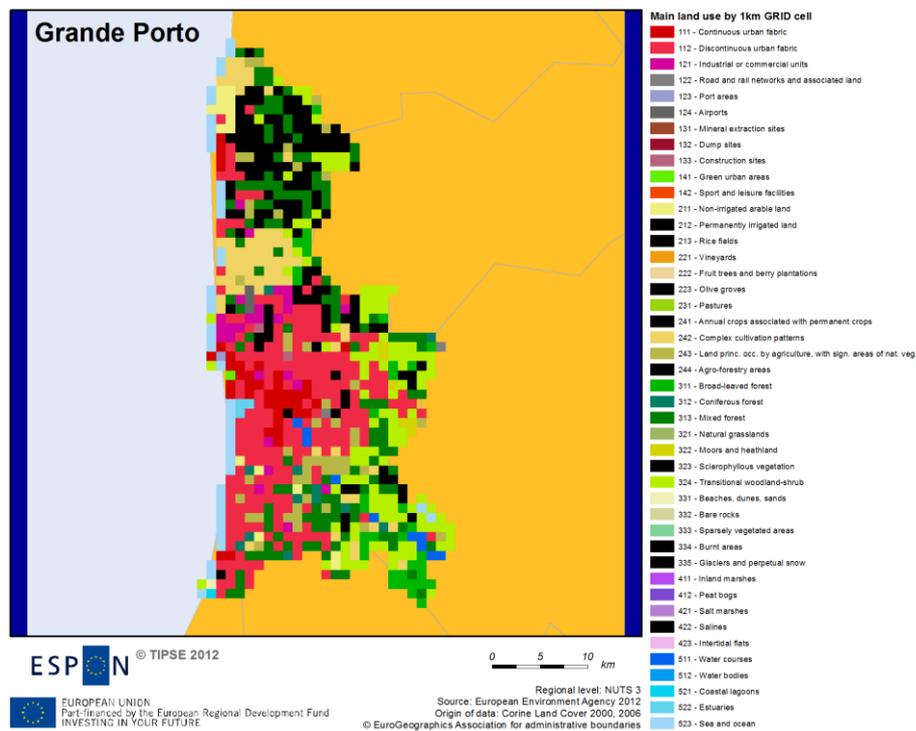


Figure 3: Corine Land Cover Grande Porto 2006

In contrast to Grande Porto, Porto is challenged by a progressive population decline since the year 1981 (see Table 1 and Figure 5). Within thirty years, Porto lost almost 100,000 inhabitants (INE, 2012). The excessive population loss is related to its negative natural population development; in addition, it is directly assigned to migration processes – in favour of Porto’s neighbouring cities (see Figure 5). Due to the high housing costs in Porto and to the increasing offer of new houses in the adjacent cities particularly young couples leave Porto and move to its surroundings (CMP, 2008a, p. 19).² However, the population development varies a lot between the different districts of Porto. Rising income, change of lifestyle preferences as well as the facilitated access to credits led in the 1980s and 1990s to a high rate of residential construction within suburban areas and consecutively to a population loss within the city centres of several Portuguese cities. This development eventuated in the so called *doughnut effect* in Porto that describes the loss of population and economic activities within the city centre surrounded by a circle of suburban development (Balsas, 2007, p. 235ff). Miragaia, São Nicolau, Sé and Vitória (see Figure 4) the four districts within the historic centre of Porto, lost around 45% of their population between 1990 and 2011 (INE, 2011). In addition, severe socio-economic segregation processes and structural decay becomes visible within the historic centre of Porto.

Besides the population decline, its distinctive ageing becomes visible. The birth rate in Porto declined from 11.6‰ in 1991 to 8.0‰ in 2011, which is much lower than the rate of Grande Porto or the national average (INE, 2011). The old-age dependency ratio increased significantly within the last years and reached a level which is well

² In the majority of cases, they continue working within the city of Porto. Accordingly, day and night population of Porto varies significantly.

above the regional and national average (see Table 1). However, the ageing of the population varies significantly between the different districts; especially the historic centre of Porto is affected. Since elderly people are particularly vulnerable in terms of poverty and social exclusion in Portugal, this development should be analysed carefully.



EUROPEAN UNION
Part-financed by the European Regional Development Fund
INVESTING IN YOUR FUTURE

Regional level: *quarteirões*
Source: INE Portugal, Urban Atlas

This map does not necessarily reflect the opinion of the ESPON Monitoring Committee

Figure 4: Districts of Porto

Table 1: Demographic characteristics

	Porto	Grande Porto	Norte	Portugal	EU27
Total population (in 1000) (2010)¹	208	1,286	3,743	10,637	501,120
Population density (2011)²	5,736	1,580	173.3	114.5	116.6
% aged <15 (2011)³	18.5	21.8	22.3	22.6	15.6
% aged 65+ (2011)³	36.1	24.4	25.4	29	19.1
Population change 2001 to 2013	-9.71	2.11	0.06	1.99	n/a
Crude migratory rate (%) (2012)⁴	-1,99	-0,54	-0,45	-0,36	-
% Non-Portuguese (2011)⁵	2.70	1.60	1.22	3.41	-

Sources:

1. INE; Eurostat Database, Regional Statistics (Reg) Table [tps00001]
2. INE (Census 2011) and Eurostat Database; Regional Statistics (Reg) Table [demo_r_d3dens]
3. INE (Census 2011) and Eurostat Database, Regional Statistics (Reg) Table [demo_r_pjanaggr3]
4. INE - Crude Rate of Net Migration: The ratio of the net migration during the year to the average population in that year. The value is expressed per 1000 inhabitants.
5. INE (Census 2011)

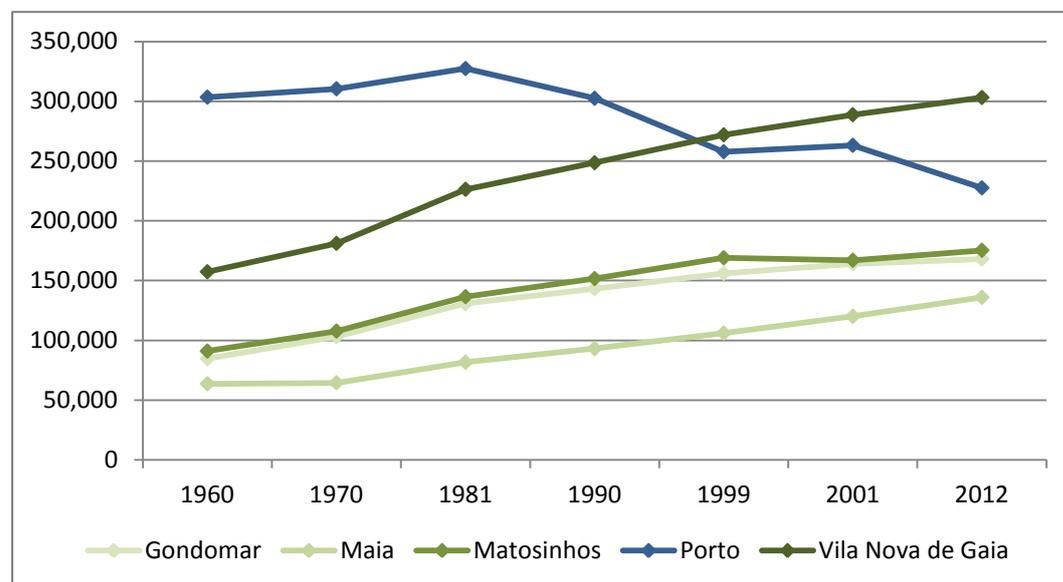


Figure 5: Population development in Porto and its neighbouring cities

Source: INE

In terms of the family structures, fragmentation and diversification processes become visible. Besides the increasing number of families within the city of Porto, a reduction of its size is observed (3 to 2.3 persons between 1990 and 2011) (INE, 2011). Within the last decade, the traditional prevalence of families with a higher size turned to an increase of one-person households and to the reduction of larger families with more than four members (CMP 2008a, 20). In addition, the share of lone-parent family households increased significantly within the last two decades and is well above the national average (22.19% Porto; 14.89% Portugal). The historic centre and the eastern district Campanhã (see Figure 4) are mainly affected by this development. As strong families and traditional support are regarded as key elements of the Southern European welfare model – the so called familialistic welfare model – changing family structures are strongly linked with processes of poverty and social exclusion.

In comparison to other European countries, the share of people with a foreign nationality in Portugal as well as in Porto is relatively low (see Table 1). Almost 50% of the immigrants come from lusophone countries, predominantly from the former colonies Brazil, Cape Verde Islands and Angola. Immigrants from the Ukraine (10.99%) and Rumania (8.99%) are also part of the five largest foreign population groups in Portugal (SEF, 2012, p. 17). As a result of the financial crisis, the number of non-Portuguese inhabitants in Portugal decreased in 2010 for the first time since the beginning of the 1980s (SEF, 2012, p.15). Whereas the net migration in 2007 still accounted for 21,771 immigrants it decreased to -37,352 in 2012 (INE 2013). The drastic austerity programmes of the Portuguese government as well the increasing unemployment rate drive a growing number of people to leave the country.

Grande Porto is part of the highly industrialised region Norte, whose production structure is mainly based on traditional sectors (e.g. textiles, clothing and leather). In most cases, these sectors are labour-intensive, have a very low productivity and are strongly export-oriented. Despite some modernisation within the last decades, however, competitiveness is still strongly dependent on low labour costs and therefore highly vulnerable in terms of globalisation and financial crisis. Grande Porto is classified by the ESPON CU typology as an industrialised region where the industrial branches are losing importance. Within the 1990s, there has been a severe decline of industrial activities in Grande Porto and in the city of Porto. The process of industrial decline was accompanied by a huge cut of employment and resulted in vast abandoned industrial areas at the margins of the city. Between 1991 and 2005 the city of Porto lost 28,700 jobs (18.9% of the total employment within Porto in 1991), which corresponds to an annual growth rate of -1.5% (CMP, 2008b, p. 28). Today, the economic activity of the industrial sector is distinctively lower in Grande Porto than in the Norte region; in Porto it only accounts for 14.3% in 2009 (see Table 2).

Nevertheless, Porto stays the principal employment centre within the AMP (CMP, 2008b, p. 111). Its economy is based mainly on the tertiary sector (especially on commerce, company services, accommodation and public administration and education); Porto's economic activity in this sector accounts for 85.4%, which is severely higher than the regional and national average (see Table 2). One of the main location factors of the city of Porto – especially in comparison to the rest of the AMP or Grande Porto – is its diverse educational offer which attracts especially highly qualified people.

Table 2: Economic activity by sector

Category (2009) in %		Porto	Grande Porto	Norte	Portugal	EU27
Agriculture, forestry and fishing		0.3	1.5	9.6	9.7	2.2
Industry	In total	14.3	35.5	48.0	36.3	
	Industry (excl. construction)	n/a	14.6	20.1	14.5	18.3
	Manufacturing	n/a	13.8	19.2	13.3	17.4
	Construction	n/a	7.1	8.7	8.5	7.6
Services	In total	85.4	63.0	42.3	54.1	72.0
	Wholesale, retail, accommodation and food services, transport	n/a	25.7	18.0	21.6	21.2

	Information and communication	n/a	1.6	0.7	1.3	1.3
	Financial and insurance	n/a	2.2	1.3	1.8	1.6
	Real estate	n/a	0.8	0.5	0.7	0.3
	Professional, scientific, admin. and support	n/a	9.4	4.6	6.5	16.0
	Public admin., defence, education, health and social work	n/a	17.7	13.2	17.3	27.4
	Arts, entertainment, recreation	n/a	5.6	4.0	4.9	4.2

Source: INE and Eurostat Database, Regional Statistics (Reg) Table [nama_r_e3em95r2]

Table 3: Gross value added by sector and per head 2010

		Porto	Grande Porto	Norte	Portugal	EU27
	NACE Rev. 2 Category	GVA per head of employed population (€)				
A	Agriculture, forestry and fishing	n/a	204	423	702	-
B-E	Industry (excl. construction)	n/a	5,557	6,466	5,418	-
F	Construction	n/a	1,812	1,898	1,917	-
G-I	Wholesale, retail, transport, accomm., food services	n/a	7,668	5,677	7,230	-
J	Information and communication	n/a	1,537	679	1,117	-
K	Financial and insurance	n/a	1,870	1,081	2,101	-
L	Real estate	n/a	3,688	2,656	2,605	-
M-N	Professional, scientific, admin. and support	n/a	2,532	1,332	2,049	-
O-Q	Public admin., defence, education, health and social work	n/a	6,850	5,378	6,648	-
R-U	Arts, entertainment, recreation	n/a	1,069	711	880	-
	Total	n/a	32.787	26.301	30.669	31,514

Source: INE and Eurostat Database, Regional Statistics (Reg) Table [nama_r_e3vab95r2]

Since the beginning of the last decade, the unemployment rate in Porto and Grande Porto increased continuously and almost doubled from 2001 to 2011. With a share of 18.2%, the unemployment rate in the city of Porto is comparatively high (see Table 4). The high unemployment rates in Porto and Grande Porto are partly the result of the industrial decline and the subsequent loss of jobs within the region, but also due to macroeconomic reasons and especially to the economic crisis – which is illustrated by the simultaneously rising unemployment rate on the national level (see Table 4). Due to the relatively elevated number of working poor as well as the fact that unemployment is less stigmatised (Loison, 2003; see chapter 2), the relation between unemployment and processes of poverty and social exclusion is not linear in Portugal. Nevertheless, the vulnerability of unemployed to situations of material deprivation is strong – especially by considering the timely and financially restricted unemployment benefit.

Despite the high share of unemployed in the city of Porto, it should be noted, however, that indicators of socio-economic disadvantage (e.g. the unemployment rate, or

the share of population receiving social security benefits, the educational level) vary a lot between the different neighbourhoods. The varying indicators of socio-economic disadvantage consequently illustrates the partly high social segregation within the city of Porto – particularly between the western coastal districts on the one hand and the eastern neighbourhoods, the historic centre and the neighbourhoods within the outskirts of Porto on the other hand (see chapter 2).

Table 4: Unemployment rate 2001 and 2012

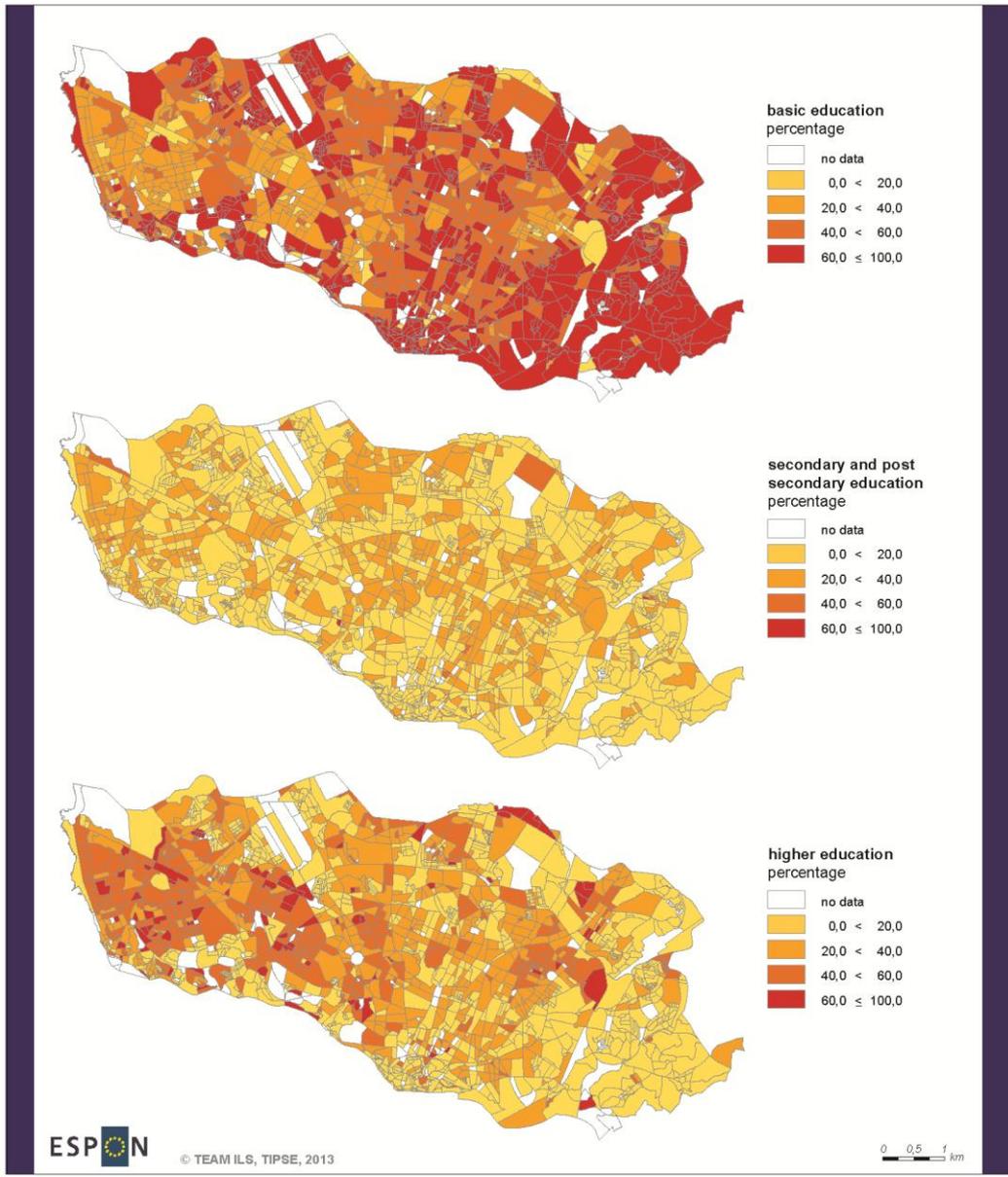
in %	2001 ¹	2012 ²	Long-term unemployment 2011 ³ (as a percentage of the total unemployment)
EU 27	9.1 (2003)	10.4	44.4
Portugal	6.7	15.7	54.0
Norte	6.6	16.1	n/a
Grande Porto	8.0	16.4 (2011)	n/a
Porto	10.2	18.2	n/a
Lisbon	7.3	11.4	n/a

Sources:

1. INE (Census 2001 & 2011) and Eurostat Database; Table [lfsa_urgan]
2. INE (Inquérito ao Emprego and Census 2011) and Eurostat Database; Table [lfst_r_lfu3rt]
3. INE (Inquérito ao Emprego) and Eurostat Database; Table [lfsa_upgal]

As shown in Table 5, the educational attainment in Porto is more favourable in comparison to other administrative levels. Especially the share of people with a university degree is almost twice as high in Porto than the national average. Despite this favourable situation, it should be noted that also in Porto 45.6% of the population with more than 15 years-old have not even completed the compulsory education (basic education 3rd cycle). In addition, the share of early school leaver is in comparison to other European countries and the European average relatively high (see Table 5). However, by analysing educational indicators within the city of Porto, substantial disparities between the different districts appear (see **Error! Reference source not found.**). The highest shares of people with the lowest qualification level (basic education - cycle 1), and, at the same time, the lowest rate of population with a university degree can be found within the districts of the historic centre and in Campanhã. The share of population with completed tertiary education varies between 6.6% in São Nicolau (historic centre) and 56.5% in Nevogilde (western part of Porto).³

³ This is partly related to the different age structure of the two districts. As already explained, especially the districts within the historic are affected by the increasing ageing of the population within the city of Porto. Due to the low educational attainment during the dictatorship of Salazar, the educational level of older generations in Portugal differs severely from the level of younger population groups.



EUROPEAN UNION
Part-financed by the European Regional Development Fund
INVESTING IN YOUR FUTURE

This map does not necessarily reflect the opinion of the ESPON Monitoring Committee

Figure 6: Education level by blocks (*quarteirões*)

Source: INE

Table 5: Education level⁴ 2011

in % of total population	Porto	Grande Porto	Norte	Portugal	EU27
% Early school leaver (2012) ¹	n/a	n/a	21.3	20.8	12.8
Without educational qualification ² (in % of population above 15)	3.4	7.3	10.3	10.4	n/a
Basic education – cycle 1 ² (in % of population above 15)	26.4	29.7	32.5	29.9	n/a
Basic education – cycle 2 ² (in % of population above 15)	12.6	16.0	18.0	15.7	n/a
Basic education – cycle 3 ² (in % of population above 15)	17.0	18.9	18.5	19.1	n/a
Basic education total ² (in % of population above 15)	47.7	64.6	69.0	64.7	n/a
Secondary education ² (in % of population above 19)	16.7	17.2	15.0	16.8	n/a
Tertiary education (in % of population above 21) ³	27.6	18.2	13.1	15.1	26.8 (25-64 year-olds)
Tertiary education 2001 (in % of population above 21) ⁴	17.9	10.8	7.1	8.6	20.8 (in 2003; 25-64 year-olds)

Sources:

1. INE and European Commission
2. INE (Census 2011)
3. INE (Census 2011) and Eurostat Database; Regional Statistics (Reg) Table [edat_lfse_11]
4. INE (Census 2001) and Eurostat Database; Regional Statistics (Reg) Table [edat_lfse_11]

Table 6: Poverty and social exclusion indicators

	Porto	Grande Porto	Norte	Portugal	EU27
% Early school leaver (2012) ¹	n/a	n/a	21.3	20.8	12.8
€ Disposable income (2009) ²	1,217.30	1,059.90	901.40	1,034.20	n/a
% Severe material deprivation (2010) ²	n/a	n/a	n/a	8.6	n/a
% Low work intensity ³	n/a	n/a	n/a	8.2	n/a
% At-risk-of-poverty rate (2012) ⁴	n/a	n/a	n/a	18.0	16.9 (2011)

Sources:

1. INE and Eurostat
2. INE
3. Eurostat Database, Regional Statistics Table [ilc_lvgl21]
4. INE and Eurostat Database, Regional Statistics Table [ilc_li02]

The disposable income in Porto is in comparison to the regional and national average comparatively high (see Table 6). However, the disposable income in Grande Lisboa (1,365.4 €) and Lisbon City (1,508.8) illustrate the differences between the capital (region) and (Grande) Porto (INE, 2011). Social inequality is also evidenced by the rate of people whose disposable income after social transfers is below the at-risk-of-poverty threshold (60 % of the national median) and the people facing severe material deprivation. Unfortunately, the at-risk-of-poverty rate is only available on the na-

⁴ In Portugal, basic education contains nine school years and is divided into three different cycles: first cycle: 7-9 years, second cycle: 10-12 years and third cycle: 13-15 years. Although basic education is compulsory in Portugal, the share of early-school leavers is comparatively high.

tional level in Portugal. It improved slightly from 20.4% in 2003 to 18.0% in 2010. In addition, Figure 7 shows that the distinctive differences of the at risk of poverty rate between the different age groups converged – particularly the in 2003 still vast disparities between the working age population and elderly people.

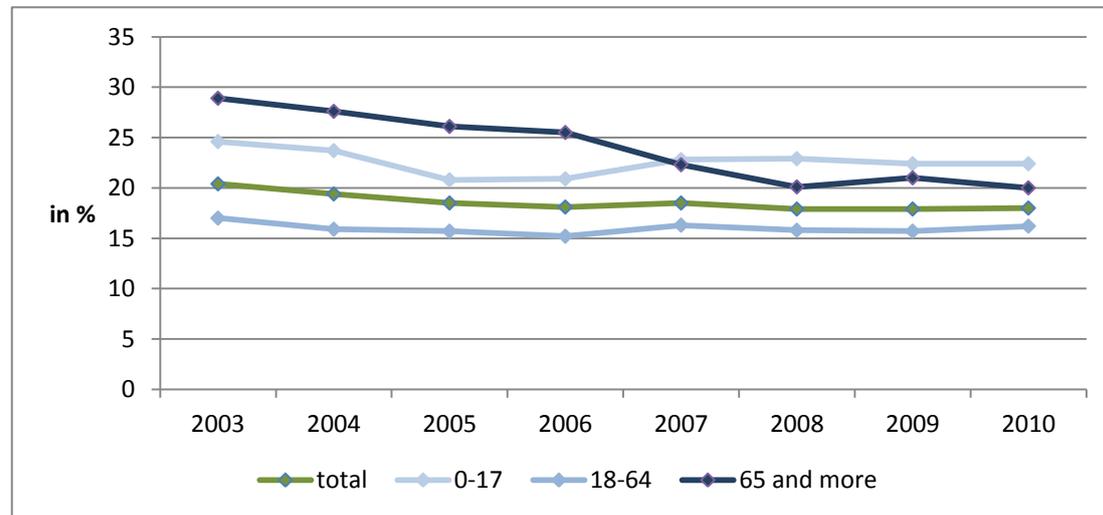


Figure 7: Risk of poverty rate Portugal of age groups

Source: INE

The above mentioned forms of social disparities and inequalities are a result of different underlying processes:

a. Economy and labour market

By promoting liberalisation and privatisation programmes after joining the European Economic Community in 1986, Portugal could overcome its financial crises in the late 1970s and early 1980s and contributed to rapid growth (Santos Pereira & Lains, 2012, p. 110). However, since the late 1990s the Portuguese economy began to display several structural problems, stagnated and its unemployment rate rose to historical levels. This development is mainly related to the structure of the Portuguese economy: the loss of competitiveness in national and international markets due to the collapse of an industrial model that is based on low labour costs, a low level of technical and organisational innovation, the production of goods with a low technological level, a significant stress on traditional industrial sectors (e.g. clothing and footwear) as well as low productivity (Gonçalves, 2005, p. 128; Parente, et al. 2011, p. 75). In addition, the restructuring of the companies based on the restriction of the number of jobs, the closure of companies and the industrial relocation to other countries reinforced the process of economic decline, especially in the Northern Region where the destruction of employment was particularly intense in the manufacturing industry. Therefore, it affected in particular the AMP and the region Vale do Ave due to the strong presence of traditional industrial companies, the high rates of less qualified workers and their low competitiveness within the increasing worldwide competition.

Nevertheless, it must be underlined that employment and higher levels of education do not automatically protect against precarity and poverty in Portugal (Parente et al., 2011, p. 76). Although the in-work at-risk-of-poverty rate declined between 2004 and

2011 from 12.5% to 10.3%, it is still higher than the European average (8.9%) (Eurostat database Table [ilc_iw01]).

b. Educational attainment

There has been a huge expansion of the Portuguese education system. Whereas only 8.6% of the Portuguese population above the age of 21 had a university degree in 2001 (EU 27 in 2003: 20.8 of 25-64 year-olds), the share has almost doubled to 15.1% in 2011 (see Table 5). Despite the huge expansion, educational attainment still remains a challenge: Only 50% of the 25-34 year-olds attained at least upper secondary education in Portugal in 2010 – compared with the OECD average of 82% (OECD, 2012a) and although Portugal is one of the OECD countries showing the most rapid progress in improving basic education, it still lags behind at upper secondary and tertiary levels.⁵ In addition, educational disparities still exist. In comparison to other OECD countries, Portuguese children from families with lower educational levels are least likely to attain a higher level of education than their parents. More than 60% of them have not completed secondary education and less than 20% have a university degree (OECD, 2012a). At the same time, young adults from highly educated families in Portugal have the greatest likelihood to continue with higher education – across the OECD countries the chance to visit higher education is 1.9 times as high for 20-34 year-olds from highly educated families; in Portugal it is more than three times as high (OECD, 2012a). Unequal access to education is another form of social exclusion and highly related to processes of unemployment.

c. Housing

The problem of housing is one of the most important factors for the reduction of poverty and social exclusion in Portugal (Teixeira et al., 2010). Although efforts to improve housing conditions have already taken place within the last decade, deficits in terms of the quality of housing can still be observed; deficits in terms of quality often relate to elevated overcrowding – which is a useful indicator to identify difficulties in having access to housing⁶ – as well as the still high number of degraded buildings especially within the city centres of many Portuguese cities. Besides the so called *ilhas*⁷, a characteristic form of precarious housing in Porto, different forms of poverty and social exclusion, such as bad living conditions, low wages, unemployment, low levels of education or consumption and traffic of drugs can be observed especially

⁵ The persistence of low levels of educational attainment in Portugal can partly be seen in the legacy of its past. The gap between Portugal and other Western European countries increased especially during the Portuguese dictatorship (1932-1974) that did not attribute much value to education. By the end of the dictatorship in 1974, one third of the Portuguese population were illiterate, only one third of the population with more than 15 years had full primary education, merely 3% had completed secondary education and almost 1% had a university degree (Santos Pereira & Lains, 2012, p. 128).

⁶ In Porto, 13% of the accommodations are overcrowded; a number that varies between 4% in Nevogilde and 27% in Sé (INE, 2011).

⁷ *Ilhas* were constructed since the beginning of the 20th century in the backyards of the bourgeois houses. The bourgeoisie took advantage of the housing shortage at that time by constructing little houses beyond the control of the local government and rented them out to whole families. The *ilhas* are accessible only by a door besides the main building, which leads to a narrow corridor. Several small 'houses' that only consist of one room and have bad hygienic conditions, line up on both sides of the corridor (Barata Salgueiro, 2000, p. 195). Although a lot of families have already been rehoused within rehabilitation programmes during the dictatorship, there are still 1,082 *ilhas* distributed across Porto with a high concentration in the central districts (CMP, 2008a, p. 83).

within the 48 social housing neighbourhoods with its approximately 40,000 inhabitants situated in the outskirts of Porto (CMP, 2008a, p. 80f).

“When we are talking about social exclusion in the city of Porto, we are talking about these territories; territories of exclusion. They are territories of exclusion, because there you can find high rates of unemployment, elevated shares of poverty, low levels of educational attainment, small social networks, small social and geographic mobility, but there are also symbolic factors and negative images [...] which reproduce and aggravate the more objective factors” (I08⁸)⁹.

The requalification, opening and connecting of the social housing neighbourhoods is a fundamental contribution to combat the stigma of its inhabitants that often leads to forms of auto-exclusion, as well as to improve social cohesion (CMP, 2008a, p. 82; Teixeira et al., 2010).

Strong families and traditional support networks are regarded as key elements of the familialistic Southern European welfare model. Due to the precariousness of state provision, the importance of informal networks, based on kinship, neighbours or friends, in providing support and care is very high (Wall et al., 2001, p. 213). The concept of the so called welfare society emerged that coexists with the weak-welfare state and therefore compensates the deficits in state provision. However, as already mentioned, family structures are changing and informal support networks are found to be unevenly distributed in the Portuguese society (Wall et al., 2001, p. 230 – see chapter 2). To some extent, this has weakened the familialistic tradition with its patterns of cross-generational income and responsibility sharing in order to deal with scarcity of income and of services (Saraceno, 2006, p. 112); in a country, unlike other Mediterranean countries, with high rates of female employment, rooted in the 1960 and 1970 when mass emigration and military recruitment of young men to the colonial wars created severe labour shortages in a period of strong industrial development and were crucial elements for the growth of female employment in Portugal (Tavora, 2012, p.64). Consequently, it is likely that also the role of families in protecting from poverty and social exclusion is decreasing; integration into higher segments of the labour market and therefore also access to high quality education seems to be more and more essential for combating poverty and social exclusion. As a consequence of the high number of job losses within the last decade, its subsequent high unemployment rate – especially of young people – and its concurrent role as an important labour market in Portugal, Porto provides an interesting case to analyse patterns, drivers and consequences of youth unemployment and policy responses in an international perspective.

⁸ All statements of the different expert interviews are anonymised in this report as well as translated by the author.

⁹ All interview quotations in the report were translated by the author from Portuguese into English.

2 Characteristics of social exclusion and poverty: patterns and processes of youth unemployment in Porto

The thematic focus of the Porto case study is on the relationship between unemployment and processes of poverty and social exclusion. The analysis will show that although the vulnerability of unemployed to situations of material deprivation is strong, the relation between unemployment and processes of poverty and social exclusion is not linear in Portugal. The patterns of educational polarisation across the neighbourhoods within the city of Porto are clearly reflected within the patterns of unemployment. However, higher educational degrees seem not to protect against precarious employment, especially for the younger generations.

2.1 Unemployment as a socially selective phenomenon

The Portuguese employment policies moved in the 1990s and 2000s from a rather rigid model, with stringent regulations for the protection of workers' rights, towards a more flexible labour market. The long process of deregulation of employment has followed the EU employment strategy up to the more recent development of the 'flexicurity' model (Baglioni & Mota, 2013, p. 321). Originally, these attempts to make the labour market more flexible and less regularised are particularly applied to new entrants, whereas workers employed with a permanent contract "continue to enjoy a rather thick system of legal protection that makes their dismissal rather onerous for employers" (Baglioni & Mota, 2013, p. 321). Consequently, there has been an increasing polarisation between a core group of well-protected workers and the more precariously employed – mainly young people. However, it has to be stated that Portugal has recently adopted policies that aim at diminishing this gap by reducing the strictness of regulations in both groups – the strong deregulation of employment has placed younger and older workers on the same level in terms of the rigidity of their contractual arrangements. At the same time, the Portuguese unemployment rate increased from being one of the lowest (3.8%) across the European Union (EU25 8.6%; Germany 7.2%; France 9.1%; Denmark 4.4% or Sweden 5.6%) (Eurostat) in 2000 to a level four times as high in 2012 (15.7%) (INE) (see Figure 8)

Unemployment is a severely discriminating and socially selective phenomenon that affects different population groups in an unequal way (Gonçalves, 2005, p. 132). Its social selectivity becomes evident by analysing the unemployment rate by gender. Especially within the first half of the 2000s, the growth rate of unemployment of men was severely higher than the female one, which is partly related to the job losses in sections of the secondary sector that are mainly occupied by men (Gonçalves, 2005, p. 132). Nevertheless, it has to be emphasised that unemployment is still a female phenomenon (see Figure 18 in the Annex). Despite the increasing importance in

terms of the volume and quality of the jobs that women occupy¹⁰ in Portugal, they are still slightly more vulnerable to unemployment than men (Gonçalves, 2005, p. 133). In addition, especially women who entered the labour market within the last 15 years are predominantly affected by precarious jobs. Within this age group (18-34) situations like temporary contracts, contracts by temporary personnel agencies, 'green receipts'¹¹ or the total absence of contracts correspond to almost 40% (Queirós, 2011, p. 27). It has to be stated, however, that in comparison to the other three southern European countries Portugal shows significantly higher levels of gender equality; this is mainly related with lower gender differences in employment, unemployment, income and socio-economic power (Tavora, 2012, p. 74; Gallie & Paugam, 2000, p. 3).¹²

The increase of unemployment affected all different age groups in Portugal. Despite the attempts to reduce the gap between younger and older workers, however, especially younger age groups (15-24 year-olds) have a severely higher vulnerability to unemployment (see Figure 8). The elevated vulnerability to unemployment of younger age groups is partly related to their mainly temporary contracts whose expiry is one of the main reasons for the transition to unemployment and demonstrates the weaknesses of the Portuguese labour market especially in times of crisis (Gonçalves, 2005, p. 134 & 141). During these times, young people are the privileged victims of the employers for the reduction of their workforce. Consequently, the Portuguese unemployment rate of the 15-24 year-olds increased between 2000 and 2012 by 29 percentage points from 8.6% to 37.7% (25-34 year-olds: 14 percentage points), which is more than twice as high as the growth of the total unemployment rate. Whereas the unemployment rate of older age groups within the city of Porto is comparative to the national one, youth unemployment¹³ is comparatively high (see Table 7).

¹⁰ In 2008, approximately 60% of the higher qualified jobs in Portugal are occupied by women (Queirós, 2011, p. 18).

¹¹ Green receipts were originally used for the payment of self-employed. Often sarcastically named as „forced labour”, they are now a popular instrument in Portugal to employ employees without a contract. The affected persons have to do the same work as the normal employees, but without any employment rights. The economic and financial crisis has even exacerbated the problem. Especially young Portuguese are employed with the so called green receipts. Thus, they can be made redundant at any time and in most of the cases they do not have a social insurance.

¹² Although the Portuguese welfare system is more supportive of female employment than in other Southern European countries, de-familialisation has been similarly incomplete. “Moreover, familism still manifest in the traditional gender division of labour in the home and on social attitudes that support traditional gender roles.” (Tavora, 2012, p. 74).

¹³ Although the term ‘youth unemployment’ is used frequently in literature and press, the internal heterogeneity of young people has to be emphasised to understand that the ways of transition to work or the processes of the entry and exit of inactivity are strongly associated with the socio-economic background of young people (Gonçalves, 2005, p. 135).

Table 7: Unemployment rate by age group

		Porto	Grande Porto	Norte	Portugal	EU27
Unemployment rate (2011)	In total¹	17.6	16.4	14	13.2	10.0
	15-19 years ²	59.2	51.7	40	45.3	n/a
	20-24 years ²	35.0	28.6	23	24.4	n/a
	25-29 years ²	19.9	16.4	14	14.0	n/a
	55-64 years ²	15.5	17.9	17	13.8	n/a

Sources:

1. INE (Census 2011) and Eurostat Database Table [une_rt_m]
2. INE (Census 2011)

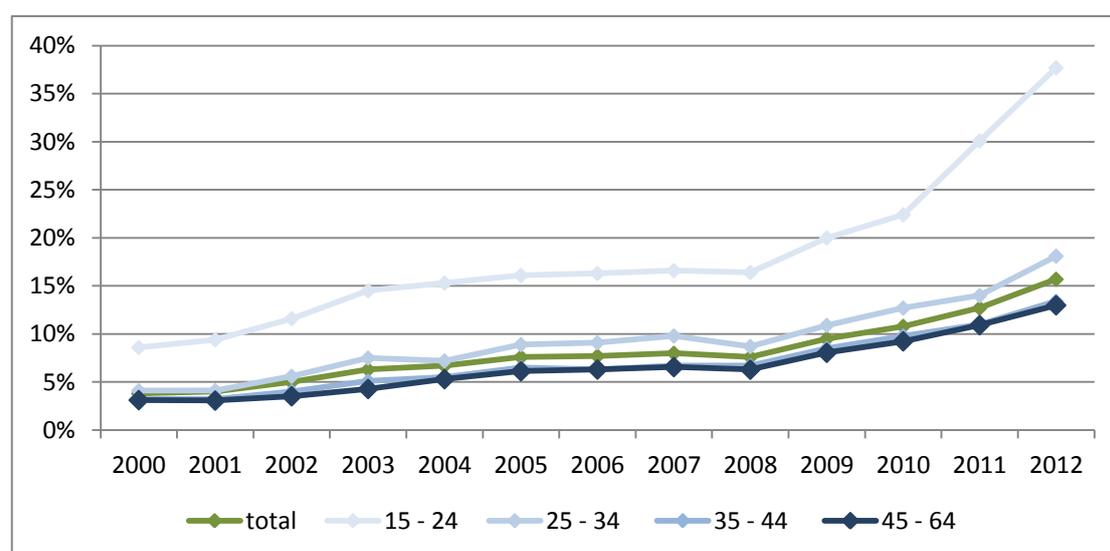


Figure 8: Development of the Portuguese unemployment rate by age group

Source: INE

In addition to differences between the unemployment rate by gender and age, disparities between the Portuguese and non-Portuguese population can be observed. Due to the relatively low number of non-Portuguese in Portugal (see Table 1), the topic does not attain considerable public attention – in comparison to other European countries like Germany or France. Nevertheless, it should be stated that non-Portuguese are particularly vulnerable to unemployment (see Figure 9); the unemployment rate of foreigners from extra-community countries in 2012 is almost twice as high (29.1%) as the national average (15.7%) (INE).¹⁴

¹⁴ Nevertheless, it should be noted, that immigrants are not seen as “scapegoats” (Migration Policy Group 2010), but rather as equal victims of the recession. Therefore, national consensus and support for integration has not been reduced.

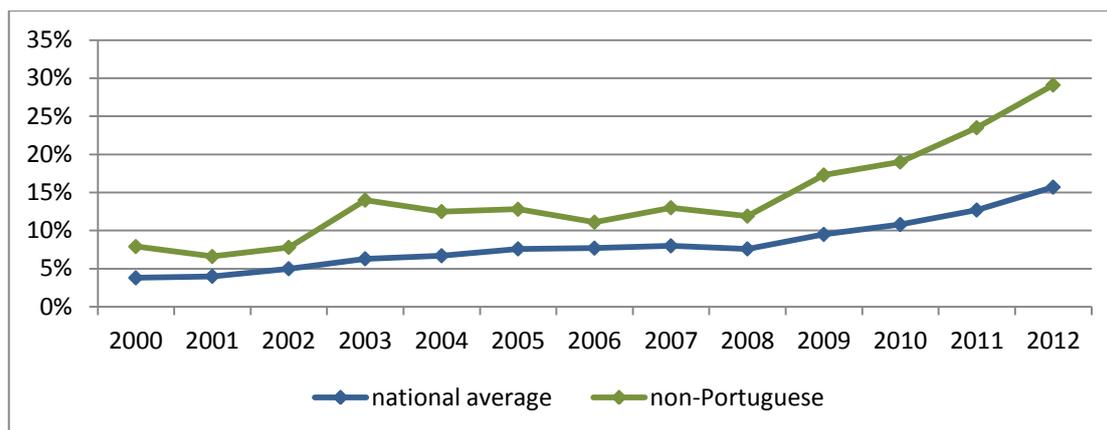


Figure 9: Unemployment rate of foreigner population of extra-community countries¹⁵

Source: INE

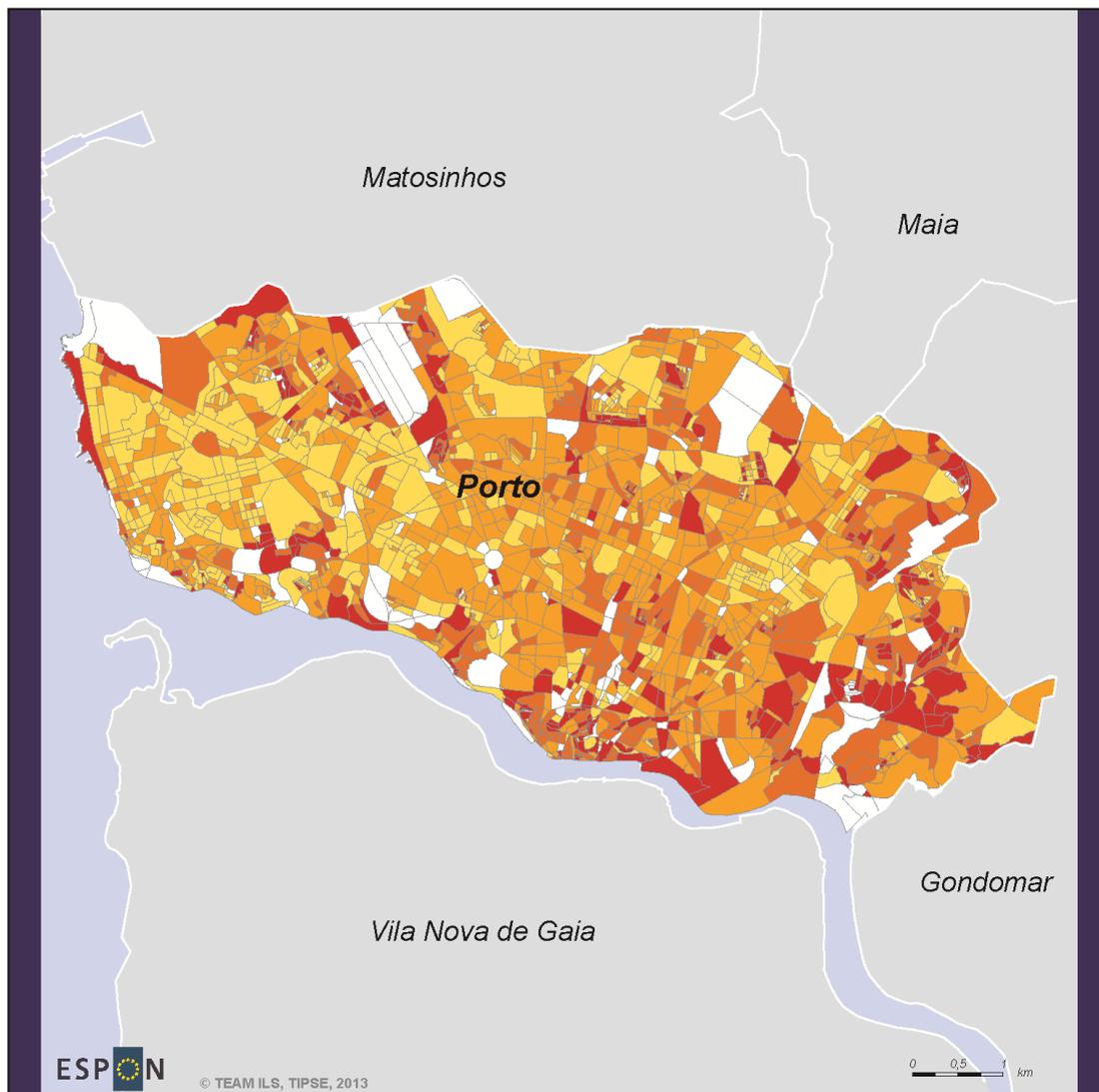
As already shown in Table 4, the unemployment rate in Porto is higher than in the other administrative units; however, the analysis of socio-spatial disparities within Porto shows that indicators vary a lot between the different districts. Unemployment, education level and the share of people depending on social security benefits are distributed unequally. The following map (see Figure 10) shows a clear polarisation between the western districts on the one hand and the eastern district Campanhã and the historic centre on the other hand: Whereas the deprived districts in the historic centre and Campanhã are strongly affected by high unemployment (Vitória 27.1%; Campanhã 24.2%), the unemployment rates of the privileged districts Nevogilde and Foz do Douro, situated in the Western parts of the city directly at the coast, are merely half as high (8.7%; 11.0%) (INE Census, 2011) (see Figure 10). By analysing unemployment on a small-scale level, a high correlation between the blocks with an elevated unemployment rate (as well as the share of families with or without unemployed family members; see Figure 19 in the annex) and the location of social housing neighbourhoods becomes evident.

The socio-spatial polarisation of the city of Porto is a result of different migration processes: (1) migration of the upper class to the exclusive residential areas of Porto near the coast at the beginning of the 1920s, which induced a reversion of the original socio-economic slope of the city (Breuer, 2008, p. 182f); (2) the numerous relocation of population with a low socio-economic background from the historic districts into social housing neighbourhoods at the urban fringe and especially to the eastern district Campanhã during the dictatorship and also after 1974. (3) a high rate of residential construction within suburban areas in the 1980s and 1990s due to rising income, change of lifestyle preferences, the facilitated access to credits and the rising decay in the city. In addition, areas are now characterised by high unemployment rates are former industrial sites where many working-class families used to live (e.g. Campanhã).

¹⁵ The unemployment rate of foreigner population from extra-community countries does only include non-Portuguese population from countries outside the EU. Nevertheless, the share can be considered as an approximate value since the majority of non-Portuguese in Portugal come from extra-community countries.

The aggravation of (youth) unemployment in Portugal affects all education levels; but in a slightly different way. Especially the unemployment rates of young people with the lowest and the highest educational level stands out, especially in terms of their evolution (see Figure 11). Whereas at the end of the 1990s, young people with the lowest educational level were least vulnerable to unemployment due to the huge amount of low qualified jobs (Gonçalves, 2005, p. 138), their unemployment rate was the highest in 2010 (41.9%) (INE). In addition, at the beginning of the 2000s the high unemployment rates of young people with a university degree become evident; the possession of this academic title did not seem to protect against exclusion from the labour market.¹⁶ This elevated vulnerability of high qualified young people is partly a result of the substantial reduction of recruitment of people for public administration due to the cutback of public expenditure in the context of the economic and financial crisis in Portugal since 2001 (Gonçalves, 2005, p. 139). Since the state has been one of the principal employers of high qualified young people within the last decades, the reduction had a huge impact on the Portuguese labour market. Until 2012, however, the Portuguese youth unemployment rates of the different educational levels have approximated; they range between 35.5% for the ones with secondary education and 39.4% with basic education (39.1% for young people with a university degree) (INE Estatísticas do Emprego).

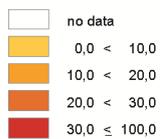
¹⁶ It has to be stated, however, that for some parts of university leavers to stay unemployed means to search for an adequate job that matches to their educational level, which is a form of preventing the social disqualification that would happen by accepting a job less qualified than their educational level. However, this tactic only applies to young people with a socio-economic background that allows for staying unemployed for a while and therefore illustrates the huge disparities between young Portuguese while talking about youth unemployment (Gonçalves, 2005, p. 138f).




EUROPEAN UNION
 Part-financed by the European Regional Development Fund
 INVESTING IN YOUR FUTURE

Regional level: quarteirões
 Source: INE Portugal, Urban Atlas

unemployment rate
percentage



This map does not
 necessarily reflect the
 opinion of the ESPON
 Monitoring Committee

Figure 10: Unemployment rate Porto 2011 by blocks (quarteirões)

Source: INE

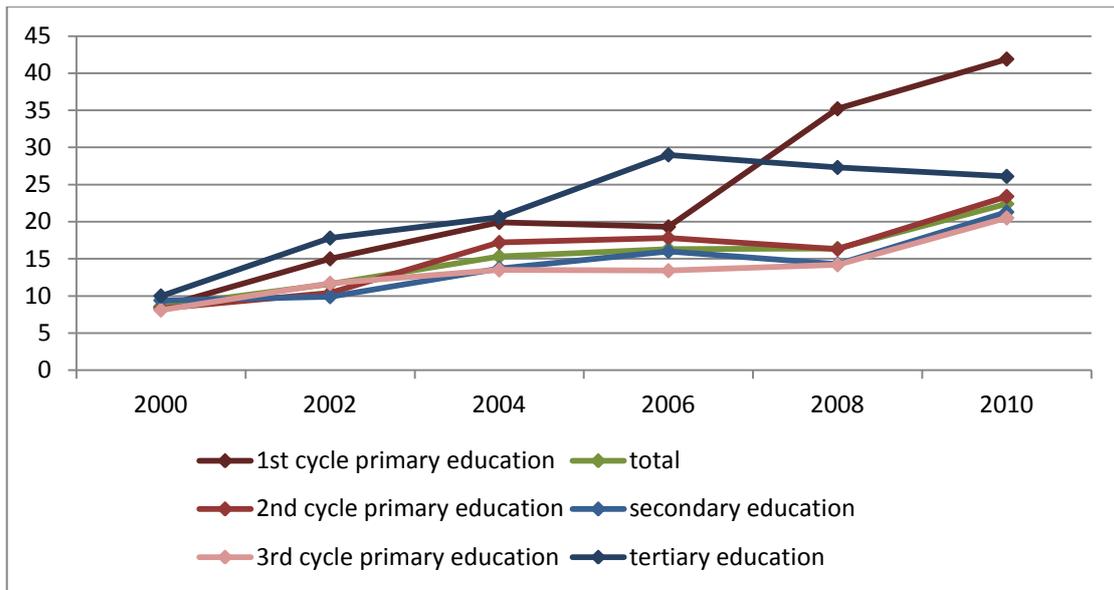


Figure 11: Youth unemployment by education level in Portugal (15-24 year-olds)

Source: INE

In the city of Porto, the situation is slightly different. Almost one third of the unemployed in the age group of the 15-19 year-olds completed tertiary education; for the 20-24 year-olds almost 40% did (see Figure 12). Consequently, a university degree does not seem to protect against exclusion from the labour market for the younger population. In contrast, in older age groups only a smaller share of the unemployed completed tertiary education. However, by comparing these numbers with the education levels for the different age groups of the total population, the situation seems to be quite different. Whereas the total unemployment rates approximated – with a slightly lower share for people with tertiary education – in the age group of the 15-24 year-olds, young people with only primary education seem to be affected by unemployment to a far greater extent than their age-mates with a university degree (INE). As a result of de-industrialisation in Grande Porto and Porto, low-skilled jobs that provided an entry for low-qualified workers into the labour market have been gradually declining in numbers since the 1990s. Post-industrial service jobs, by contrast, demand higher qualification levels that limit entry into employment for low-qualified workers. The accessibility to high quality education thus is a prerequisite for upward social mobility and for participation in the labour market.

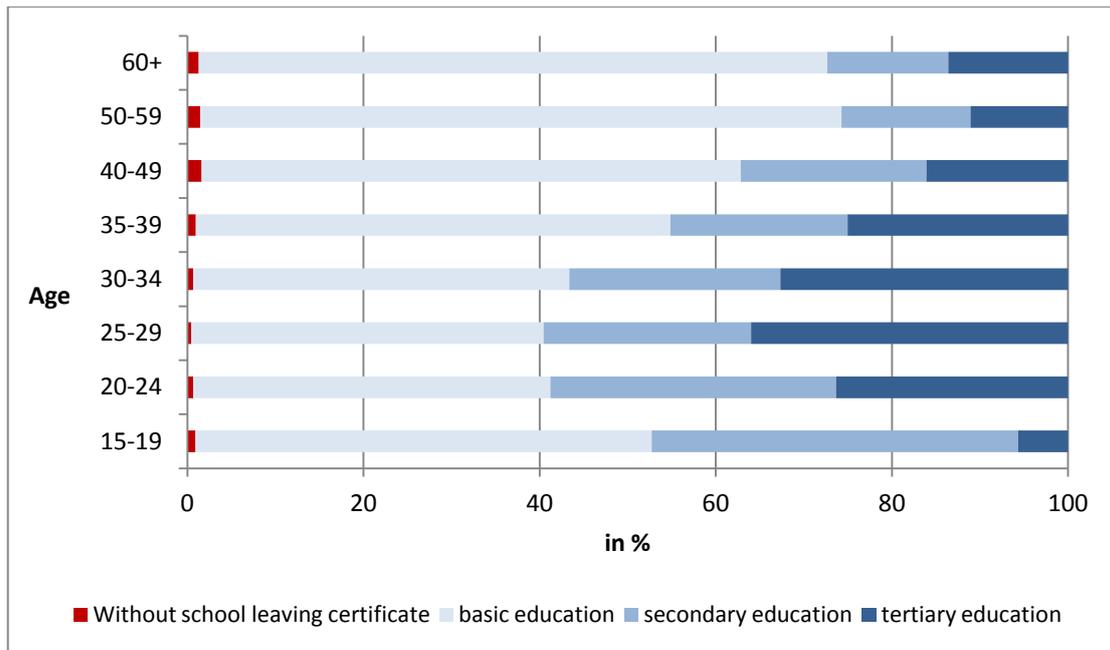


Figure 12: Unemployed by age group and education level in Porto 2011

Source: INE (Census 2011)

2.2 Patterns of unemployment and poverty

The vulnerability of unemployed to situations of material deprivation is strong. Figure 13 shows that the risk of poverty is more than three times as high for unemployed (36%) as for employed persons (10.3%) and twice as high as the national average (18%) (INE). In addition, it becomes apparent that whereas the at-risk-of-poverty rates of employed, retired and other inactive persons decreased between 2003 and 2010, the share of unemployed in risk of poverty increased from 32% to 36% (INE). Families with unemployed members are also highly vulnerable to poverty (see Figure 20 and Figure 21), especially when husband and wife are both unemployed – in these situations, almost half of the families are poor (Alves, 2009, p. 137). However, there are huge differences between families with and without dependent children. Whereas ‘only’ 28.8% of the families without dependent children were in risk of poverty in 2008, 74.4% of the families with dependent children were (see Figure 20 and Figure 21 in the Annex) (INE). At the same time, there are only small differences between the at-risk-of-poverty rates of employed families with and without dependent children – consequently, a regular participation in the labour market seems to be crucial for the reduction of poverty in Portugal since unemployment leads to an elevated risk of poverty as well as to particularly vulnerable social segments that accumulate disadvantages (Caleiras, 2008, p. 2).

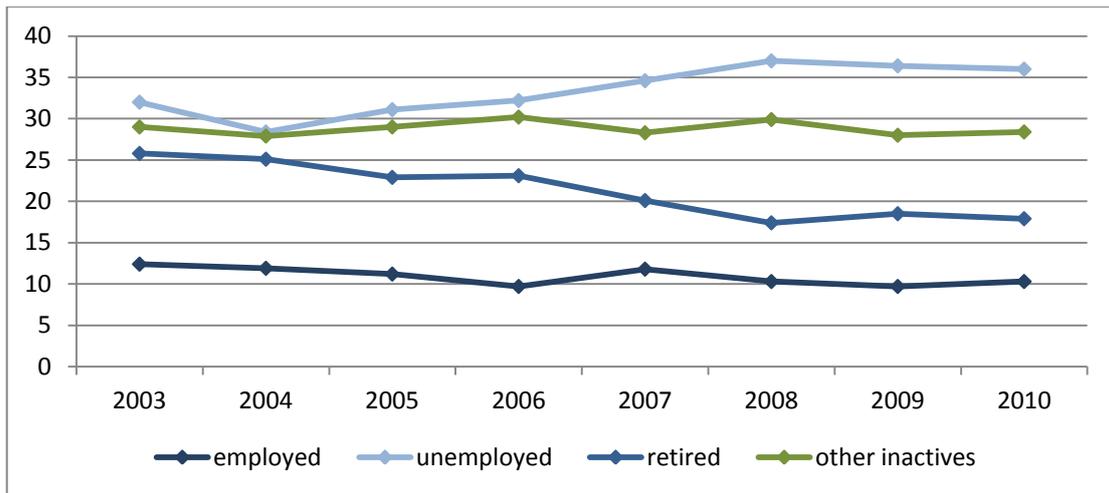


Figure 13: Risk-of-poverty rate by employment status in Portugal

Source: INE

The increased vulnerability of unemployed is even strengthened by the national housing market. The facilitated access to credits as well as the national prioritisation of ownership led to a high rate of house ownership in Portugal, which even exacerbates the financial situation in times of unemployment. “What happens is that the families are often highly indebted; losing your job and your monthly salary, you quickly got into a spiral of debts” (I03). This becomes visible while talking to the young unemployed Milena Monteiro¹⁷ (28 years, married, two children).

“We have a house, but are still paying for it. It is not ours. [...] The salary of my husband is only for the house, for paying the expenditure and everything. My unemployment benefit, which is 300 Euros, is for food during the month. But when the unemployment benefit stops in December, how will our live look like?”

In addition, the house property diminishes the chance to get access to the RSI, as Milena Monteiro illustrates:

“The house is not mine yet, but they [social services department; author’s note] say that this is a value that I have. If I lived in a social housing neighbourhood, I would have to pay less and perhaps I would have the right to receive RSI, but since I live in a house, in an apartment that I bought, they say that I have a good life.”

In addition, the low significance of the rental market leads to less spatial flexibility while searching for a new job.

The typology of Gallie & Paugam (2000)¹⁸ clustered countries as welfare families based on variations of their unemployment policies. Portugal, together with the other three Southern European countries, was classified as being a sub-protective unem-

¹⁷ All names of young unemployed interview partners were changed by the author.

¹⁸ They proposed four different welfare regimes: the subprotective, the liberal/minimal, the employment-centred and the universalist. This typology is a refinement of the work of Esping-Andersen (1990). However, the authors warned that there are specific and relevant differences among the classified countries.

ployment welfare regime. Countries in this regime are characterised by offering the unemployed less than the minimum level of protection needed for subsistence, a low share of people receiving benefits, the absence of active employment policies and the low expenditure on unemployment benefits (Gallie & Paugam, 2000, p. 5; Loison, 2003, p. 115). Recent studies, however, showed that although these four countries are considered to be part of the same welfare state family, substantial differences exist. According to a study on unemployment policies by Baglioni & Oliveira Mota, (2013), Portugal seems to be more inclusive, representing a hybrid system that combines characteristics of continental European welfare states with characteristics more common in Southern European regimes; “Portugal is rather an ‘alike but not alike’ case among the Mediterranean welfare states when it comes to unemployment issues” (Baglioni & Mota, 2013, p. 325f).

Whereas the eligibility rules for unemployment insurance benefits are comparatively rigid¹⁹ and Portugal has adopted a strict policy for punishing abuses (Baglioni & Mota, 2013, p. 324), it used to stand out as having a more generous benefit system than the EU average concerning the duration and amount of unemployment insurance benefits (Stovicek & Turrini, 2012). However, there have been severe changes of the labour market policy in Portugal especially within the year 2012; unemployment benefits have suffered from significant cutbacks (see chapter 3.2.2). Moreover, the generosity of unemployment benefits varies widely depending on age and contribution period. As a result of this polarisation of social protection, especially young people are excluded or have only access to lower levels of benefits (see chapter 3.2.2). However, with the implementation of the social integration income (RSI)²⁰, Portugal has at least tried to compensate flexibility and proactive policy changes as well as its labour market dualisation.

Due to the comparatively lower levels of welfare benefits, informal work is a relatively common strategy to raise sufficient income in Portugal. It is anchored within a strong ethics of work that excoriates idleness in Portugal and is based on an increasing distrust of the state²¹ (Caleiras, 2008, p. 11; Loison, 2003). Moreover, it is less seen as something illegal, but more as an inevitable necessity to face the shortage of revenues. In addition, the family has a very strong role in combating poverty and overcoming unemployment in Portugal. Families try to promote the welfare of its members by providing income support to unemployed family members, promoting housing through cohabitation of parents with their adult children (60.9% of the 18-34 year-olds in Portugal lived with their parents in 2011; 48.3% EU27 average | Eurostat Database Table [ilc_lvps08]), mobilising clientelistic networks to gain jobs or by providing child and elderly care (Tavora, 2012, p. 68; Caleiras, 2008, p. 12; Loison, 2003, p. 116).

Especially among young people who in the majority of cases do not have access to unemployment benefits, it is very common to draw on the family – particularly in fi-

¹⁹ Whereas to qualify for unemployment benefit, workers were required to have a record of dependent employment of 450 days in 24 months prior to becoming unemployed, they are only required to have 360 days of dependent work since the changes in 2012 (Segurança Social, 2013a).

²⁰ The social integration income is formerly known as ‘guaranteed minimum income (RMG)’.

²¹ The cultural heritage of the Portuguese society leads a lot of citizens to adopt an attitude characterised by fatalism and passivity regarding their relation with institutions of the welfare state (Loison, 2003, p. 118).

financial terms (see Figure 14). However, Figure 15 compares the main source of income for unemployed in the years 2001 and 2011 and shows that the role of the family in terms of financial support decreased slightly. In addition, the share of unemployed whose main source of income is based on the unemployment benefit decreased from 40.3% to 26.5% (INE Census, 2001 & 2011). This reduction can be ascribed to the decline of unemployment protection (in amount and number of beneficiaries) within the 2000s as well as to the increasing number of youth unemployment who in the majority of cases do not have access to unemployment benefits. On the other hand, state provision in terms of the social integration income seems to gain more importance – which is remarkable considering the low amount of RSI and the relatively strict criteria to get access to it. The importance of state provision also becomes evident by analysing and comparing the development of the at-risk-of-poverty rates before and after social benefits: Whereas the share after social benefits decreased from 23.0% in 1994 to 17.9% in 2011, the at-risk-of-poverty rate before social transfers increased from 37.0% to 45.4% within the same time period (INE).

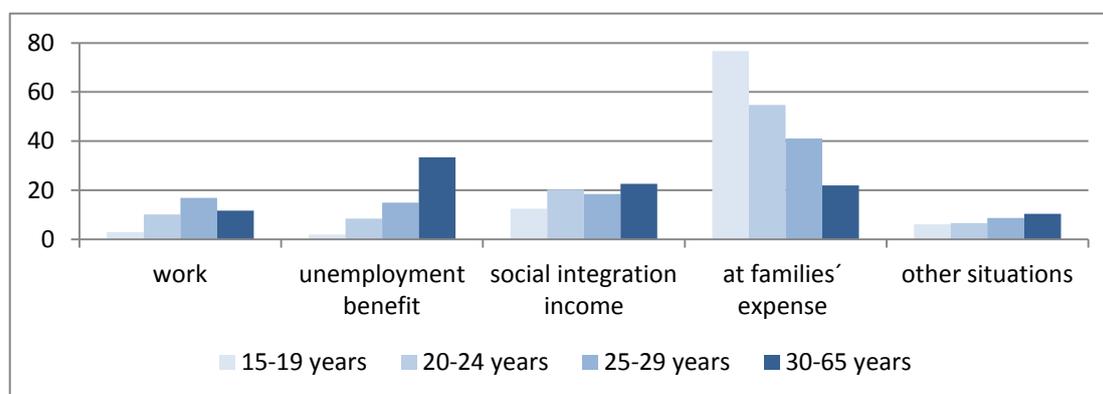


Figure 14: Unemployment and main source of income in Porto²² 2011

Source: INE (Census 2011)

²² The share of the category “at families’ expense” is distinctively higher for Portugal than for the city of Porto independently of the age group, which could refer to differences between rural and urban areas in terms of the role of the family in Portugal.

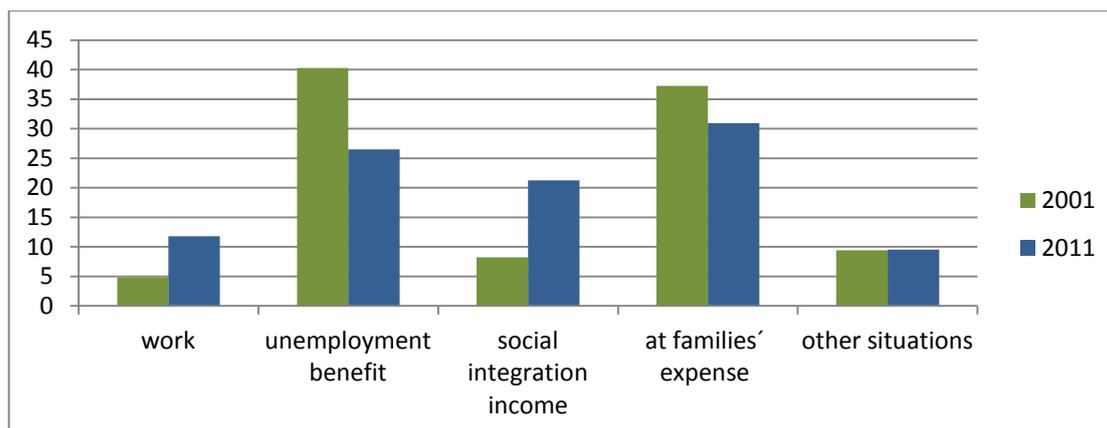


Figure 15: Unemployment and main source of income in Porto 2001 and 2011²³

Source: INE (Census 2001 and 2011)

However, exclusion from the labour market must not be seen as the major factor in explaining poverty in Portugal, which becomes evident by analysing the unemployment and poverty rates at the beginning of the 2000s – whereas unemployment was relatively low at that time the Portuguese poverty rate was one of the highest within the EU (Bruto da Costa et al., 2003, p. 114). Therefore, experiences of unemployment do not translate automatically into situations of poverty and social exclusion in Portugal. Other factors seem to be vital to understand Portuguese poverty rates as well: (1) The first factor is based on the strong persistence of the informal economy, which on the one hand reduced unemployment (especially during the last decades), but on the other hand contributed to elevated vulnerability to poverty. (2) The second factor is related to the precariousness of employment and (3) the third one is based on the relatively high degree of inequality in income distribution in Portugal (Bruto da Costa et al., 2003, p. 114; Eurostat). In addition, poverty is fuelled by the generational re²⁴production of circles of poverty and marginality as well as by elderly pensioners (Capucha et al., 2005, p. 233).

As already pointed out, it is important to note that a significant proportion of people living in poverty in Portugal do have a job (Alves, 2009, 138) – the risk-of-poverty rate of employed is 10.3% (see Figure 13). The relatively elevated share of working poor (EU27 8.9% in 2011; Eurostat) is related to the high correlation between poverty and low educational levels in Portugal (Wall et al., 2001, p. 225). In order to raise sufficient income there is a relatively common trend among employed workers of having an additional job, or two, within the informal economy as well as the trend to continue doing so when unemployed – the so called income-pooling strategies (Borges Pereira, 2011, p. 484; Tavora, 2012, p. 65). In addition, the growing number of precarious employment (temporary contracts, green receipts, professional internships, temporary employment agencies, no contract etc.) constitutes a significant problem of the Portuguese labour market, especially for the younger generation; Portugal

²³ The variable “work” can appear in this figure although Figure 15 shows the main source of income of the unemployed population. This is related to the fact, that the table is based on the unemployed population in the week of 14 - 20 March 2011, whereas the main source of livelihood is registered for the last 12 months.

ranks third among the EU27 countries concerning the share of temporary contracts (Eurostat Database Table [lfsa_etpga]). At the same time, it has to be stated that educational attainment, independent of its level, does not protect against precarious employment²⁵ (Parente et al., 2011, p. 76). Furthermore, “Portugal seems to be a case *sui generis* in terms of being the only country whose rise of educational attainment levels [...] does not only fail to protect against precarious employment, but rather turns it to be even more vulnerable” (Oliveira & Carvalho, 2010, p. 91).

2.3 Experience of unemployment

Besides the economic and financial consequences, unemployment has also a social and personal dimension. However, it must be stated, that unemployed persons constitute a socially very heterogeneous group, hence, experiences of unemployment are also diverse. This means that unemployment varies according to the social composition of the agents it affects, to their social networks and social capital they can mobilise and to their economic and psycho-social condition etc. (Borges Pereira, 2011, p. 470; Caleiras, 2008, p. 3). However, in general it is experienced negatively; unemployment creates feelings of dejection, devaluation and social inadequacy. It results in processes of adaptation and resignation, which cumulate to a certain type of destabilisation and disorganisation of the previous forms of live. Consequently, unemployment causes a drop in daily practices and routines as well as a reduction of social capital and conditions of insecurity in relation to the future, which result in unemployment becoming a self-perpetuating trap (Caleiras, 2008, p. 9; Borges Pereira 2011, p. 488; Gonçalves, 2005, p. 146).

Interestingly, international studies could show that unemployment has comparatively less severe impact on social networks in Portugal than in other European countries (e.g. Denmark, France, Germany, UK): The likelihood for unemployed of living alone is negative, neighbourhood relationships are comparatively more developed and the likelihood of receiving financial support or maintenance of relatives and friends is significantly positive (Paugam & Russell, 2000). Portuguese unemployed can draw on remarkable social networks, particularly on family level (Borges Pereira, 2011, 484). Also in terms of stigmatisation, different studies revealed a distinctiveness of the Portuguese society: in contrast to other European countries, unemployment seems to be experienced as less stigmatising and seems not to evoke feelings of embarrassment. This is partly confirmed by interviews.

“The people are not ashamed, hide themselves at home or feel excluded and marginalised, but living in these areas [social housing neighbourhoods; *author’s note*] leads to a kind of territorial stigmatisation that – together with poverty – causes social exclusion. [...] It is perhaps worse, coming from a social housing neighbourhood than being unemployed. This is why the territorial question is so important here. The correlation between unemployment and social exclusion is not that easy and not that direct, it is not that easy to explain like for example the relation between unemployment and poverty, I think” (I08).

²⁵ A study about the employment of the graduates 2010 (Masters degree) of the University of Porto illustrates that although 71% are employed two years later, 68.4% have a precarious job and 51.9% earn less than 1,100 Euros a month (Gonçalves & Menezes, 2012, p. 15ff).

Besides the high integration into social networks which give support, unemployment seems not to lead to a loss of status in Portugal due to the possibilities of compensating its effects with informal work (Loison, 2003; Paugam & Russell, 2000, p. 26f). In addition, the low levels of stigmatisation are explained by Portugal's economic development. Paugam & Russell (2000, p. 261) argue that in countries where unemployment is highly linked to weak economic development and has persisted for some years, it does not affect social relations since the high number of precarious wage earners form a social class together with the unemployed, who are therefore not heavily stigmatised. In addition, the weak stigmatisation is also explained by the strong normative pressure that lies on the relatives to support their disadvantaged family members (Loison, 2003, p. 119).

However, the possibilities of compensating the negative consequences of unemployment on the individual level vary significantly between different population groups (for more information see Loison, 2003). A research study revealed that due to new emerging forms of socialisation younger unemployed people in Portugal are less likely to get depressed by their situation than older ones, for whom employment is more like a moral obligation. The argument of the study is, that young Portuguese are very realistic; their expectations are lower, their fall consequently smaller and therefore, they seem to be "good prepared for dealing with unemployment" (Luís Coimbra²⁶, in Correia Pinto, 2012). At the same time, the study calls attention for the high support of young unemployed by their families, which, in case of things continue like they are at the moment, will not be as strong for future generations. "The financiers of this unemployment are, until now, the families. The situation would be much more complicated if they did not exist" (Luís Coimbra²², in Correia Pinto, 2012). Family-based social capital seems to have clear limits and during the last years "uncertainty has become a more relevant experience of unemployment" (Borges Pereira, 2011, p. 488) – also in Portugal. The question arises whether the changing family structures influence the existing compensation strategies in a negative way.

2.4 Conclusion

Data shows the social selectivity of unemployment in Portugal: women are more vulnerable than men; youth unemployment is significantly higher than the unemployment rates of other age groups and people with lower educational degrees are affected more often than highly qualified people. However, especially among younger population groups it becomes evident that higher educational levels do not protect against precarious employment, which constitutes a growing and significant problem of the Portuguese labour market. Temporary contracts and especially employment via green receipts led to a weak social protection of young people, to the exclusion from unemployment benefits and as a consequence to higher risks of poverty. Nevertheless, it has to be stated that although the risk of material deprivation is elevated in case of unemployment, the relation between poverty and unemployment is not linear: The relatively high share of informal work, an increasing amount of precarious em-

²⁶ This is a quotation of Joaquim Luís Coimbra, lecturer at the faculty for psychology at the University of Porto, in a newspaper article by Mariana Correia Pinto.

ployment and inequality in income distribution result in an elevated share of working poor.

By analysing data, the socio-economic polarisation of the city of Porto becomes evident. The historic centre, the eastern district Campanhã and the social housing neighbourhoods are significantly higher affected by unemployment than the western districts. In this context, the high correlation between unemployment rates, educational attainment and housing conditions should be mentioned. Especially within the social housing neighbourhoods, an accumulation of different forms of poverty and social exclusion can be observed, which makes their requalification and opening to one of the most important factors for combating poverty and social exclusion.

Portuguese unemployed, particularly the younger generation, can rely on strong social networks especially with relatives and neighbours. Besides their financial support, the high embeddedness in social networks as well as the general economic development in Portugal leads to lower rates of stigmatisation. Being unemployed seems to be significantly less stigmatising than living in a social housing neighbourhoods (I08) – which also illustrates the high importance of the factor housing for the combat of poverty and social exclusion. However, there are differences in family support – at least in financial terms – between the national and the local level in Porto. It can be supposed that these differences are related to weaker family ties in urban than in rural areas and a simultaneously higher dependence on state intervention. Moreover, it has to be stated that financial family support decreased between 2001 and 2011 whereas the importance of state benefits increased. The decreasing family support and the increasing importance of state benefits can be related to changing family structures, but also to a shrinking ability of families to support their disadvantaged members financially; family-based social capital has clear limits “as the number of unemployed [...] increases, the tendency for forced economic inactivity to become a very long duration is aggravated, giving rise to an important group of long-term unemployed (Borges Pereira, 2011, p. 488 according to Demazière, 2006).

3 Analysis of underlying processes and trends

Based on the previous analysis for Porto, this chapter sets out to identify main factors shaping the identified processes and trends. In the following, the attempts of central/local state public and third sector organisations to combat youth unemployment are illustrated. Changing discourses within official labour market policy as well as the role of informal networks are analysed. The chapter ends with an analysis of good and bad practice examples.

3.1 The role of politics in combating youth unemployment

3.1.1 Labour market policies on the central state level

Since poverty was not addressed as a problem until the mid-1980s, it was never one of the main issues on the political agenda in Portugal (Capucha et al., 2005, p. 206). Therefore, in comparison to other European countries, Portugal lacked behind in implementing social protection schemes. Only after the dictatorship, Portugal introduced an unemployment benefit (*subsídio do desemprego* – SD), and extended this protection by implementing the unemployment assistance (*subsídio social de desemprego* – SSD) in 1985 (Adão e Silva & Trigo Pereira, 2012, p. 134). Finally, filling a gap in Portuguese social protection schemes, the right to a minimum income (RSI) was the flagship of the so called new generation of social policies implemented by the Socialist Party in 1997 (Capucha et al., 2005, p. 235).

Passive measures of employment policy

The most important benefits of the current Portuguese unemployment protection scheme are (1) the unemployment benefit (SD) and (2) the unemployment assistance (SSD). Due to the economic and financial crisis and the resulting pressure of the troika – consisting of the European Commission, European Central Bank (ECB) and the International Monetary Fund (IMF) – the unemployment benefits have suffered from significant cutbacks in duration and amount (Adão e Silva & Trigo Pereira, 2012, p. 139). The compulsory unemployment insurance requires comparatively long eligibility periods (360 days of dependent work in 24 months prior to becoming unemployed) (Segurança Social, 2013a/b). The amount of the unemployment benefit corresponds to 65% of the former average salary and is capped in terms of its minimum (100% IAS 419.22 Euros) and maximum amount (2.5 times the IAS 1048.05 Euros). The duration period varies severely according to the age of the recipient and to the period of payment contributions (between three and 18 months) (Segurança Social, 2013a).

The unemployment assistance covers unemployed persons who do not have access to the unemployment benefit. It defines shorter eligibility periods (180 days of dependent work in 12 months prior to becoming unemployed), whereas parents with dependent children are exempted from the contribution obligation. In contrast to the SD, the amount of the SSD is fixed, whereby it depends on the household structure –

single households receive 70% of the IAS (335.38 Euros) and beneficiaries with children 100% of the IAS (419.22 Euros) (Segurança Social, 2013b). The access to the SSD is dependent on the financial resources of the recipients and its duration period is shorter in comparison to the SD (Capucha et al., 2005, p. 235; Adão e Silva & Trigo Pereira 2012, p. 134). In addition, the social integration income (RSI) constitutes a minimum baseline income to cover essential needs; it is not only addressed to unemployed registered in the employment agency (Adão e Silva & Trigo Pereira, 2012, p. 134). The RSI does not fulfil its universal approach since it is bound to a strict means test and only pays the difference between the real household income and the amount of the RSI that depends on the household structure (maximum amount 178.15 Euro). Thus, it does not really permit exiting from poverty (Saraceno, 2006, p.114). The receipt has to be renewed every twelve months (Segurança Social, 2013c).

All three protection schemes are addressed to employable persons and consist not only of financial benefits, but also on measures of job-seeking, vocational training, education etc. The onus of combating the causes that bring people to the scheme is not unilaterally borne by the applicant, but results from an agreement²⁷ between the recipient and the community, which shall stress the joint responsibility in the reintegration process (Capucha et al., 2005, p. 235). The beneficiaries are committed to active job seeking as well as to accept appropriate jobs, socially necessary work, vocational education etc. (Segurança Social, 2013abc). The same conditions apply to non-Portuguese population, with the exception of the RSI. Since non-Portuguese population is obliged to live at least one (citizens of the EU) or three years (citizens of non-EU countries) in Portugal to have access to the RSI, they are not protected by these kinds of public benefits throughout their first year(s) in Portugal in case of unemployment.

“They [non-Portuguese citizens; author’s note] do neither receive support from the social insurance, nor from the employment agency, they do not have access to the employment benefit. [...] In a lot of cases, they live with relatives, or with friends, normally they live with another person who works and can absorb the expenses until they find a job. In these cases, we contact the ‘Office for Social Assistance’²⁸ (*Gabinete de Apoio Social - GAS*), who immediately initiate a request for foodstuff and other forms of support” (I10).

In terms of unemployment and poverty, the two most important actors on the Portuguese national and local level are the social insurance in form of the Ministry of Solidarity, Employment and Social Security and the employment agency (IEFP). Although there are several other institutions and initiatives, especially on the local level, they usually depend financially as well as concerning their normative adjustment on these two institutions. “Thus, there are two institutions of the central state that are very strong in terms of the welfare state. [...] Everything that exists in terms of differ-

²⁷ In case of the unemployment benefit and assistance, this agreement is called ‘personal employment plan’ (*plano pessoal de emprego - PPE*); in case of the RSI it is called ‘contract of insertion’ (*contrato de inserção*).

²⁸ The GAS is part of the ‘National Centres for Immigrant Support’ (*Centros Nacionais de Apoio ao Imigrante - CNAI*). Its objective is to provide support and adequate responses for immigrants who are in a socioeconomic vulnerable situation (Alto Comissariado para a Imigração e Diálogo Intercultural n.y.)

ent offices, programmes and initiatives is all initiated and conducted by these two authorities” (I08). In addition, during a lot of years, any social work was conducted by the church, especially the *Santa Casa de Misericórdia*, an institution with much power and economic resources. It is still a considerable actor, “but the fight against poverty of the church is highly limited to charity” (I03).

Active measures of employment policy

Besides the described unemployment subsidies, the active measures of the Portuguese employment policy comprise (IEFP; Costa Dias & Varejão, 2012, p. 37f):

- a. internships
- b. job-creation measures (temporary integration of unemployed in public entities for socially useful activities)
- c. recruitment support (by granting financial support for private companies in case of recruitment of unemployed)
- d. support of the creation of self-employment
- e. vocational and further education

There are several programmes focusing explicitly on combating youth unemployment; e.g. the programme *Impulso Jovem*²⁹ that comprises twelve months internships in public administration or private companies. The internship shall develop the competencies of young people searching for their first or new job by improving their employability and promote the professional integration of young unemployed in certain sectors. The programme is designated to young people between 18 and 30 years; 64.3% of the participants have a university degree (Costa Dias & Varejão, 2012, p. 88). The employer is obliged to enable the intern to attend vocational education. However, there have been some significant changes within the programme. Until now, the Portuguese state financed 100% of the scholarships that rank between 420 and 690 Euros, depending on the educational level of the unemployed (IEFP, 2013a). From July until December 2013, these rules only apply to certain public authorities. At the beginning of 2014, only 80% of the scholarship is paid by the Portuguese state. In addition, the so called integration price (the total amount of the scholarship), which was given to employers who recruited the intern at the end of the internship on a permanent contract, was abolished in July 2013 (IEFP, 2013a).

Besides the internships, a recruitment support shall promote the increase of employment of young people. It provides financial support for employers who hire young unemployed (between 18 and 30 years) by refunding the social security contributions (100% in case of a permanent contract; 75% in case of a temporary contract) for a maximum of 18 months (IEFP, 2013b). Another important part of the fight against youth unemployment is the promotion and improvement of educational attainment. Besides the increase of compulsory education from nine to twelve years in 2009, there are several programmes promoted by the IEFP. On the hand, effort is made to reduce the high number of school dropouts by providing additional educational courses for young people (until 23 years) who are in risk of school dropout or have

²⁹ In July 2013, the programme was replaced by the programme *Estágios Empregos* that also focuses on young unemployed. There have been changes in the financial support of the employers (see text above).

already left school. Furthermore, there are several programmes promoting vocational education, professional specialisation or further education.

Moreover, there are several programmes that promote the creation of self-employment and economic growth. One of these programmes focuses explicitly on young people between 18 and 30 years, who are searching for their first job, have at least completed secondary education and have never had a permanent contract yet. The programme offers loans with a reduced interest rate as well as technical support for the creation and consolidation of the projects (IEFP, 2013).

3.1.2 Combating youth unemployment and poverty on the local level

On the local level, there are several institutions trying to combat youth unemployment. However, as already mentioned, the main actors also on the local level are the Ministry of Solidarity, Employment and Social Security or more specifically the local Institute of Social Security and the employment agency (IEFP). Consequently, the majority of institutions and initiatives are associated with and dependent on these two main actors. “In 90% of all institutions that you can find, the IEFP is behind it, they finance these activities or provide technical support; normally, it is the IEFP that is behind” (I10).

Besides the local employment agency, there are the so called ‘Offices of Professional Insertion’ (Gabinetes de Inserção Profissional - GIP) that are also responsible for the adaption between offer and demand of jobs. These offices can be public or private non-profit organisations and shall support the IEFP by combating (youth) unemployment. The GIPs have contracts with the IEFP determining their main activities and establishing quantitative objectives. The main aim of the GIP is to support unemployed in their (re)integration into the employment market (IEFP, n.y.b). They provide professional information for unemployed, support in job-seeking, dissemination of employment offers etc.

In addition, there are several non-profit organisations – mainly funded by the city of Porto or the IEFP – complementing the activities of the employment agency and the local Institute of Social Security. One example is the Youth Foundation (*Fundação da Juventude*) founded in 1990. It is seated in the city of Porto and has delegations in the regions Lisbon, Vale do Tejo and the Algarve. The main objective of the Youth Foundation is to realise initiatives designated to promote the integration of young people into the employment market. They try to promote actions for better jobs for young people, to encourage their development and social integration preventing situations of exclusion and marginalisation as well as to promote intercultural learning. The numerous projects encompass the areas (a) internships, (b) vocational and further education and (c) support of the creation of self-employment. (a) The Youth Foundation provides an online platform for bringing together offer and demand of internships and allocates approximately 300 to 400 internships each year (I09). (b) Courses of vocational education offered by the Youth Foundation are normally approved and financed by the IEFP (I09). (c) Similar to the general Portuguese trend, the Youth Foundation also offers support and information in starting own businesses, e.g. the project ‘*Ninhos de Empresas*’, designated to graduates. The project offers space for a symbolic rent for three years, the basic (technical) equipment, exhibition

rooms and technical support provided by a personal supervisor for young entrepreneurs.

The City of Professions (*Cidade das Profissões*³⁰) was founded in 2006 with the aim to provide costless support and information about the world of professions, jobs, education and entrepreneurship for the citizens of Porto. It's most important objective is to promote employability and entrepreneurship of the citizens by developing skills and abilities as well as promoting the knowledge about professions and the employment market. The City of Professions tries to promote a new mindset concerning education and employment as well as a more proactive behaviour and entrepreneurial culture among young people; furthermore it tries to realise partnerships and strategic alliances. They do neither provide any concrete job offers, nor educational courses, but personal advice or workshops about general questions such as employability, entrepreneurship, required competencies etc. In addition, they e.g. organise a so called 'Speed Recruitment', where every candidate has a five minutes job interview with each company that participates.

"I do not want to say that the person leaves with a job, but this has also something to do with the importance of self-confidence. [...] They met ten representatives of different companies and to submit the CV has a very significant impact on believing that it can be possible. [...] Even though the person does not suit the profile, the person gets a direct feedback and that is also important" (I06).

The City of Professions is part of the Foundation Social Porto (Fundação Porto Social), a non-profit organization founded in 1995 on the initiative of the city of Porto and not exclusively focused on education and employment. Its main aim is to promote social inclusion and cohesion in the city of Porto. The Foundation Social Porto tries to identify, analyse and respond to problems of population groups with specific necessities in cooperation with the city of Porto. Its work is area-based and focused on the promotion of specific vulnerable neighbourhoods in Porto. Concerning youth unemployment, the foundation initiated the so called 'Centre of Social Innovation Porto' that gathers innovative projects within the area of social entrepreneurship. They try to support projects that despite not being profitable have a significant impact on the society. Consequently, the foundation provides space, contacts to companies, universities etc. and supervisors.

Especially for immigrants, the so called 'National Centres for Support for Immigrants' (*Centros Nacionais de Apoio ao Imigrante - CNAI*) constitute a significant contact point, not only in case of unemployment. They were created in 2004 to respond to difficulties of immigrants on their way to integration in Portugal. Due to cultural differences, differences of the societal organisation and the legislative system, due to the quantity of different services to which the immigrants had to apply, the 'High Commission for Immigration and Intercultural Dialogue' (*Alto Comissariado para a Imigração e Diálogo Intercultural - ACIDI*) decided to create centres that comprise different services, institutions and offices for immigrant support in the same building – the CNAIs. They contain services for foreigners, the social services department, GIPs,

³⁰ The project was born following the international network of the cities of professions (*Réseau Cités des Métiers*) that was founded in the 1990s in France.

offices of the Ministry of Health, offices of the Ministry of Education etc. Similar to other institutions, they also provide programmes for the promotion of entrepreneurship. The project of the CNAI was considered as best practice example within the 'Handbook on Integration for policy-makers and practitioners' in 2004 by the European Commission Directorate-General for Justice and was awarded in 2005 first place by the 'Prize for Best Practices in the Public Sector' by the *Diário Económico* (ACIDI n.y.).

Furthermore, there are some associations that give support and represent the interest of unemployed or people working in precarious jobs. A relatively well known association is the so called Association to Combat Precarity - the Inflexible Precarious (*Associação de Combate à Precariedade - Precários Inflexíveis*). The association defends the rights of precariously employed, collects and distributes data and information about precarious employment and gives juridical advice to affected people. For example, two of the interviewed unemployed young people arraigned a hostel in Porto for employing them with illegal green receipts, which means that the employer did not afford social security contribution, holiday pay, Christmas pay or extra pay for night work, as Ana Quinta and Janaína Silva³¹ declared. The Inflexible Precarious supports the two young women in their court proceedings by giving juridical advice.

3.1.3 Role of informal networks

As already mentioned, the family has a very strong role in combating poverty and overcoming unemployment in Portugal by providing income support or mobilising networks to liaise jobs (Tavora, 2012; Borges Pereira, 2011).

"In the gap of the welfare state, especially during the last 30 or 35 years, the families functioned always like a cushion for poverty and marginalisation" (I08).

Especially for young people it is very common to draw on the family; they stay comparatively long in their parents' house (I05; I01; I03).

"In these times of crisis, the family is the most important support for young people; in a lot of cases, the situation is so serious that the grandparents are the ones supporting the family. Because they are the only ones who have revenues" (I06).

Although family structures have been changing in Portugal in recent years – especially in urban areas, where family support is less pronounced than in rural areas – the family still has a strong influence and "continues to be a fundamental key for combating poverty" (I03).

In addition, interviews with young unemployed in Porto illustrated the high significance of other informal networks such as friends in combating poverty and even unemployment. They help each other in finding jobs or at least some kind of informal work options, with food, clothes and accommodation in case they cannot stay at their parents' house.

³¹ All names of young unemployed interview partners were changed by the author.

“I do feel protected because fortunately I can rely on my parents and on my friends. They make me feel protected. [...] I can see that there are a lot of people in the same situation. But if we did not help and support each other, perhaps we would be lost at this time. What helps us a lot is that we are all together. We are in the same boat and can help each other. If we did not have friends and our family, we perhaps would all be homeless“ (Ana Quinta³²).

In addition, the fact that in the majority of cases the friends are in similar situations, these networks seem to protect young unemployed from feeling socially excluded or stigmatised. As Anna Quinta pointed out:

“We cannot participate in things that other people do. For example, I do not have the money to go out at night. We all like going out at night, we drink and are all together, outside. But we do not do these kinds of things. Normally, we meet in the house of someone and are together there.”

The importance of family and other informal networks also applies for immigrant population. However, since a lot of immigrants did not come to Porto with their whole family, informal networks with other immigrants and especially with members of the same ethnic group do play an important role in combating poverty and unemployment (I10) – especially due to the difficulties of immigrants in having access to public benefits. In order to exchange information about potential jobs and companies, different groups meet in different places throughout Porto regularly. In addition, these networks give also support in financially difficult situations.

“They also help each other with food and accommodation. I speak from my own experience since I am an immigrant as well. I have already hosted people in my house, who did not have a job; I helped persons who did not have anything to eat. Some of them eat today in my house, tomorrow in the house of another friend, today they sleep in my house, tomorrow in the house of another friend, because they do not have anything. This situation is very difficult, but there is always this kind of openness” (I10).

3.2 Development over time and the influence of policies and/or other factors

3.2.1 Trends on the Portuguese employment market

As stressed above, the Portuguese employment market has changed significantly throughout the last years. Therefore, integration into the labour market, especially for young people, has become more difficult. “There has been a drastic decrease of job offers in comparison to former years” (I04). Consequently, a wider group of people in Portugal is affected by or at risk of unemployment, as an employee of a job centre in Porto stated:

“More recently, there are more people coming to our job centre who come for the first time; people who have never been unemployed and are now addressing to our service for the first time. A few years ago, we only had clients who

³² All names of young unemployed interview partners were changed by the author.

have never been employed or only from time to time and who have always been recipients of the RSI or other social benefits.”

Another development of the Portuguese labour market is the delayed integration of young people into the employment market.

“The young people leave university with 24 or 25, search for a job but do not manage the integration into the employment market. The time goes by and in a lot of cases we have people with 28 or 29 who are still searching for their first job. [...] When they do not get a job, they continue to invest in their education. We already have and will have more and more young people who are highly qualified, but who have hardly any professional experience” (I06).

As mentioned in the quote, there has been an increase in youth participation in education and training, which, in a context of higher unemployment, might reflect a coping strategy to avoid or delay unemployment.

Moreover, while talking about (youth) unemployment, however, it should be noted that besides rising unemployment rates in Portugal, the integration into the employment market takes place to a large extent via precarious jobs, whose number increased significantly. The share of temporary work in Portugal has grown within the last years following a general European trend towards an increase in the diffusion of temporary contracts as a way to foster flexibility in the labour market.³³ “The diffusion of temporary work in 2009-2010 increased by 1 per cent, putting the country among the top five EU Member States with respect to the increase of temporary work” (Baglioni & Mota, 2013, p. 324). Moreover, people even accept jobs that do not correspond to their academic qualification level. In these cases, however, higher educational levels seem to be an obstacle for the recruitment process, which is explained by the expectation of the employer that over-qualified employees will only stay in the company until they get a better job. Therefore, an employee of a job centre in Porto confirmed:

“In a lot of cases, there is information that we do not write in the CV on purpose because it could complicate the recruitment process of a person. [...] For example, a person has a bachelor’s degree and only mentions the school-leaving qualification” (I10).

In addition, due to the weak situation of the employment market, especially young people are often forced to accept fake green receipts – another form of precarious employment in Portugal – that lead to instability and insecurity.

“Due to rising unemployment rates, a lot of people prefer working like this [with false green receipts; author’s note] instead of having nothing; they resign themselves to these conditions and do not complain. Because when you complain, you remain without a job” (I04).

³³ The share of 15-24 year-olds with a temporary job increased from 40.5% in 2000 to 59.8% in 2013 (EU27 41.2% in 2012) (Eurostat database [lfsq_etpga] 2013).

The young unemployed Ana Quinta³⁴ confirmed: “For me it was ok, because I needed to work urgently, so the working conditions were not so important for me.”³⁵

3.2.2 Change of Portuguese employment policies

As already implied, neoliberal reforms of the Portuguese labour market within the last years have reduced employment protection and unemployment support and have further promoted the insecurity of young people. As already mentioned, due to the economic and financial crisis and the resulting pressure of the troika unemployment benefits have suffered from significant cutbacks in duration and amount³⁶ in combination with an increasing combat of fraud, penalisation of non-fulfilment of regulations, the amplification of obligations of the beneficiaries and the diminished scope of rejection of adequate jobs – especially within the year 2012 (Adão e Silva & Trigo Pereira, 2012, p. 139).

These cutbacks also led to an increased gap between the statutory minimum wage and the amount of the unemployment benefit as well as to a relatively low share of unemployed receiving unemployment benefits. Moreover, the generosity of unemployment benefits varies widely depending on age and contribution period. Whereas 55% of the registered unemployed were protected in 2012, a severely smaller share of younger people was. This sub-protection of young people becomes visible by analysing the following information: whereas the share of young people (15-24 year-olds) of the total unemployed was 20.3% in 2011, the share of young unemployed registered with the employment agency (Instituto de Emprego e Formação Profissional – IEFP) diminishes to 11.5% and is even lower (5.7%) considering the total number of beneficiaries of unemployment benefits (Adão e Silva & Trigo Pereira, 2012, p. 137).

Although the 2012 revision of the Labour Code was justified as a means of facilitating youth recruitment and reducing labour market segmentation, it clearly extended the grounds for individual and collective dismissals. It increased flexibility, but reduced job security and downgraded wages. The alterations included the freeze of the national minimum wage, which has in combination with the freeze of the IAS in 2009 a great impact on youth wages. “Coupled with the decline of family incomes, the level of support for young people was greatly reduced” (da Paz Campos Lima 2013). Consequently, basic protection from the family plays a significant role – it depends on the family if and to what amount young people have access to public benefits. Due to cutbacks of benefits and their differentiation by age, social inequalities are perpetuated and the risk of social exclusion increases (Grimmer & Lahusen, 2009, 47).

³⁴ All names of young unemployed interview partners were changed by the author.

³⁵ It should be noted, however, that whereas the Portuguese parliament prohibited legislative alterations that would have allowed combating temporary work in July 2013, at the same time it approved a new legislation for combating fake green receipts. In how far the new legislation will restrain the abuse of green receives is unclear.

³⁶ The maximum duration of unemployment benefit was reduced from 900 to 540 days (for people older than 50 years) and the minimum duration from 270 to 120 days (for people younger than 30 years). In addition, the maximum amount of unemployment benefit was reduced from three times the Index of Social Benefits (IAS) (1,257 Euro) to 2.5 times of the IAS (1,048 Euros) (Segurança Social Portugal, 2013a).

With the increasing unemployment rate within the last ten years, a growing emphasis is laid on the importance of investment in active policies for education and employment. These initiatives concentrate on the promotion of the so called 'employability' of the active population. In this context, similar to other Western countries the changing connotation of the term 'employability' attracts attention. The rise of unemployment as well as the consolidation of a neoliberal mindset has contributed to a reinforcement of an individual perspective on employability. This new perspective "tends to transfer the responsibility for existing principal economic problems to the unemployed and their 'deficits'. Unemployment occurs due to 'the absence of qualifications', the 'difficulties of professional integration', 'immobility' and 'convenience of the labour force'" (Queirós, 2012, p. 235). Without the opportunity to intervene directly in supply, the intervention of many Western governments, including Portugal, concentrates on the demand side through employment as well as educational policies; the improvement of the individual employability is seen as the only possible political response to manage mass unemployment (Alves, 2007, p. 62). The transfer of responsibility to the unemployed becomes partly visible in interviews with local experts dealing with (un)employment and education, but also in the national employment policies.

3.2.3 Impact of Portuguese employment policies

As already explained in chapter 3.1.1 and 3.1.2, there are several programmes on the national as well as local level that are aimed at combating (youth) unemployment in Portugal. However, in light of Portugal's current economic situation, the question arises how effective the mentioned programmes, independently of their conceptual orientation or implementation. This question leads to a crucial point of the evaluation of the Portuguese employment policies – their success also depends on the economic situation of the whole country:

"I think these programmes are all useful, but if there will not be a change of the economic policies in Portugal in the sense of stronger incentives for economic growth, which is also linked to the European economic policy, the programmes do not work. They do not work, because there are no jobs. [...] And there are no jobs, because there is no economic growth. [...] At the moment, Portugal has the highest qualified young people for generations, but we are in a period of economic recession, which does create jobs neither for young people nor for the others. But young people are the most affected ones; they are the ones who are in the most onerous situation" (I05).

Thus, the effectiveness of the programmes has to be evaluated against the backdrop of Portugal's weak economic situation.

One of the principal strategies for combating youth unemployment is supporting internships for young people³⁷. A research study paid by the Portuguese state and the European Union, which evaluates the effects of the Portuguese employment policy between 2004 and 2011, illustrates a strong positive effect of internships on the probability of employment (the probability increased by 10 to 30 percentage points),

³⁷ Almost 95% of the participants of the IEFEP programme 'Estágio Emprego' (Former 'Impulso Jovem') are less than 34 years old, 46 % even less than 25 (Costa Dias & Varejão, 2012, p. 88).

especially for younger age groups (23-25 year-olds) (Costa Dias & Varejão, 2012, p.132f). Employees of the job centre and the youth foundation in Porto confirm these positive results; according to an employee of the employment agency in Porto, 70% of the young people participating in the programme 'Estágios Empregos' manage to integrate into the employment market afterwards (I01). However, the promotion of internships can only have a limited impact for the long-term integration of young people into the employment market since the programme itself does not create new employment. The huge emphasis on the promotion of internships in Portugal can lead to a situation where young people do one internship after another (I05) without having the chance to stay, as some young interview partners confirm. Moreover, the programme creates the risk that private companies use youth internships as free or cheap labour.

Besides the focus on internships for young people, support of (vocational) education is one of the principal aspects of the Portuguese employment policy, since there still are educational deficits – not only within the older generation. Besides the improvement of educational attainment, interviews showed that also the promotion of vocational education and therefore the adaption of supply and demand seems to be important for the Portuguese employment market.

“Young people easily improved their educational level and completed school education, but perhaps the companies did not need young people with a completed school education, but rather young people with a completed school education and vocational education” (I01).

Thus, the programme can be quite effective for low qualified young people, however, the mentioned research study evaluates these measures as the ones with the lowest performance³⁸ (Costa Dias & Varejão, 2012, p.133).

“Theoretically, this makes sense [the promotion of vocational education; author’s note]. But if it works in practice, this is another story. One important part is that people leave one education measure and enter the next one, because the important question is the economic dynamic. Of course, if the people have lower educational levels this could be an obstacle for their professional integration. But please mind that this Portuguese generation has the highest qualifications of the history, but they will not translate this advantage in jobs if there will not be any demand” (I05).

Parallel to the reinforcement of an individual perspective on employment within the Portuguese employment policy, several national and especially local institutions have started to promote programmes for self-employment – which is perhaps the most frequently criticised strategy. Even employees of the employment agency offer criticism and mention the high risks: “The mortality rate of these initiatives is highly elevated. [...] In the majority of cases, the young people are in a worse situation than before” (I01). Young people often act only from necessity. Whereas the ‘entrepreneur by chance’ has innovative and sustainable ideas, the ‘entrepreneur by necessity’ tries to

³⁸ These results should be treated carefully, however, since they only refer to the participants who enter unemployment after being employed. These participants form a relatively strict group in comparison to the whole group of participants in these measures, where young people searching for the first job are the majority (Costa Dias & Varejão, 2012, p.146).

create his or her own business only because he or she did not manage to integrate into the employment market (I06). Therefore, the promotion of self-employment can lead to an intensification of poverty since the failed entrepreneurs do not only end up with debts, but also with no right to unemployment benefits.

“To be an entrepreneur is not a question that can be solved immediately. I do not want to say that there are no cases of success, but this is not a measure that can solve the situation. [...] This undertone is a political one, which has a perverse effect. Responsibilities are shifted on to the people so that they have to resolve their own situations. Thus, they are the ones who have to transform their conditions and this does not work under the current economic and social dynamic of the country” (I05).

Cooperation

Besides the conceptual orientation and implementation of programmes combating (youth) unemployment and poverty, cooperation between the responsible institutions on the national and local level also influences the effectiveness of these programmes. Interviewees evaluated the collaboration predominantly positive – especially in comparison to former times.

“There have been several projects that all pursued a sectoral approach. The health ministry ran a project; the city of Porto ran another one. At the moment, there already is a series of projects that are implemented in collaboration in the sense that we combat poverty in a structured way” (I03).

In addition, interviewees point to the necessity of collaboration due to the limited financial resources during the financial and economic crisis. Thereby, collaboration is not restricted to cooperation between public or private institutions; some institutions do also have close links to private companies, schools or kindergartens (I01; I03; I04; I06; I07; I09).

Besides the CNAI, a best practice example for a collaboration to promote the integration and insertion of immigrants (see chapter 3.1.2), the so called ‘Local Nucleus for Insertion’³⁹ (Nucleos Locais de Inserção; NLI) are an often mentioned example for an institutionalised cooperation between different departments (employment agency, social services department and the city of Porto) in order to elaborate and accompany programmes for insertion.

“During the last years they [the NLIs; author’s note] worked really bad. Why? Because these nucleus did not get along with each other. Therefore, they did not collaborate. At the moment, they work together in order to arrange employment for the people who receive the RSI. [...] They realised that it is not worth to intervene in poverty when not everybody collaborates, because all these areas are interconnected” (I03).

³⁹ The NLI constitute operative local structures, coordinated by the social services department, with the objective to elaborate and accompany programmes for the insertion of people receiving the RSI. The aim is to autonomise these people so that they are no longer dependent on social security benefits. Beneficiaries are obliged to attend the meetings at the NLI as well as to sign and obey the obligations of the so called ‘contract of insertion’ (contrato de inserção).

In addition, another example for the growing collaboration is the so called ‘Social Network Porto’⁴⁰ (Rede Social do Porto) that is a union of different actors (public or private) working in the social sector in Porto⁴¹. The union was founded to develop effective partnerships between the different institutions and departments in order to guaranty an elevated effectiveness of the social responses in Porto. Its main aim is to combat poverty and to contribute to the promotion of the social development of Porto.

However, different statements of the interviewees illustrate that cooperation between the different actors still needs to be improved. In some cases, it is obvious that different institutions offer the same kind of projects (e.g. support to become self-employed) without collaborating and using synergy effects. One mentioned reason for the still lacking collaboration between institutions is the competition for clients and, consequently, for funding, which makes it even more important to collaborate in order to get to know more about the work of other institutions. “As soon as closer ties let us combat this suspicion, there would be a more positive way of work, because then people would understand that nobody is interfering in the work of the others” (I06). At the same time, unequal competences are blamed for failing cooperation.

“In a lot of cases, we feel that in practical terms collaborations do not exist. Because the logic of collaborations is to work more in a horizontal and not in a vertical way; and in a lot of situations in institutional contexts we are confronted with strong hierarchies in different intervention areas. There are some institutions that seem to have more power than others and in many cases this power can be understood as a higher legitimacy to intervene” (I06).

3.3 Policy challenges and policy solutions

Although there already have taken place several measures and programmes to combat youth unemployment, the previous chapters indicate that there are several policy challenges for Portugal, which might even become more important within the following years:

a. Decreasing social protection:

Strong families and traditional support networks are regarded as key elements of the familialistic southern European welfare model. The case study in Porto showed that family support rather than state protection has cushioned negative consequences of unemployment, such as poverty, until now. The differentiation of (unemployment) benefits by age mostly refuses young people the access to benefits and therefore makes them dependent on informal support networks. However, due to growing unemployment, austerity programmes pose a range of challenges for family support. The consequences of the crisis as well as the reduction of public expenditure leads consequently to shrinking family incomes and at the same time threatens their capacities to provide support for needy family members. The decreasing capacity of families to provide assistance to their members, even in countries of the familialistic

⁴⁰ It should be noted that every city in Portugal has a social network.

⁴¹ There are different actors who participate in the social network, e.g. the city of Porto, the social service department, the employment agency, the youth foundation, the Porto Social Foundation etc.

welfare model, calls for a better integration of young people into social security systems.

b. Frustration and resignation:

Interviews and newspaper articles show that frustration and resignation of young (unemployed) people increases and could be one of the main policy challenges for the Portuguese government. A whole generation is growing up with poor economic prospects, precarity and uncertainty. At least for some of them, the current situation seems to influence their confidence in their own shaping power, educational attainment is questioned and under-qualified jobs are accepted.

“I have young people here, and when I ask ‘Are you planning to go to university’, they answer ‘For what? There are no jobs for graduates; that is why I directly start working. I will try to get a job in the shopping centre, with McDonalds, or in another place, because I cannot see that the investment to go to university could be worth it” (I09).

An already mentioned research study illustrated that due to new forms of socialisation young unemployed Portuguese are less likely to get depressed by their situation (Correia Pinto 2012) (see chapter 2.3); a more pragmatic point of view becomes also visible by interviews with young unemployed in Porto. However, they simultaneously seem to struggle and resign in light of their lack of perspective.

“This is definitely not the life that I imagined when I was a child. [...] For me, and when I see my friends, we are now almost thirty years old and we do not know what to do with our lives. This is impossible. Is life not like ‘going to school, going to university, get a job, buy a house and have a family?’ For us, it is not like that. We would at least like to have a kind of stability, leastwise know that next month we do not have to worry about how to get money to buy something to eat” (Ana Quinta⁴²).

Furthermore, their precarious situation also influences their private life and family planning.

“At the moment, I cannot think of having a boyfriend or planning family life. I am too much preoccupied with myself and my own situation, so that I cannot think of a relationship at the moment”, Anna Quinta⁴² declared.

Joaquim Luís Coimbra (Pinto, 2012) summarizes the situation with the following words: “A generation has been constructed who seems to have no place in the world. This is a high irresponsibility of the political and economic leadership” (Luís Coimbra in Pinto, 2012). Programmes for social inclusion of young unemployed as well as new ways for motivating and convincing young people of the importance of education are needed.

c. Emigration

Due to the poor employment chances in Portugal, more and more (young) people decide to leave the country – which constitutes an additional challenge for the Portu-

⁴² All names of young unemployed interview partners were changed by the author.

guese government. The number of emigrants more than doubled between 2008 and 2012 from 20,357 to 51,958 people; more than 50% are less than 34 years old (INE) (see also Figure 16). It is important to note, however, that the total number of emigrants from Portugal is rather difficult to quantify. The OECD estimates the emigration to be severely higher; according to OECD numbers, more than 70,000 people left Portugal annually since the beginning of the crisis in 2008 (OECD, 2012b).⁴³ Thereby, emigration has reached the dimension of the 1960s. In contrast, however, current emigrants are comparatively younger, come predominantly from urban contexts and are more qualified than in former times (Observatório da Emigração, 2012b) – according to a research study ordered by the Portuguese students associations, 69% of the students who participated in the study intend to emigrate after finishing university (Lusa, 2012).

“In former times, predominantly young people with lower qualifications emigrated. Young people with higher qualifications used to stay here. This is a significant change” (I05).

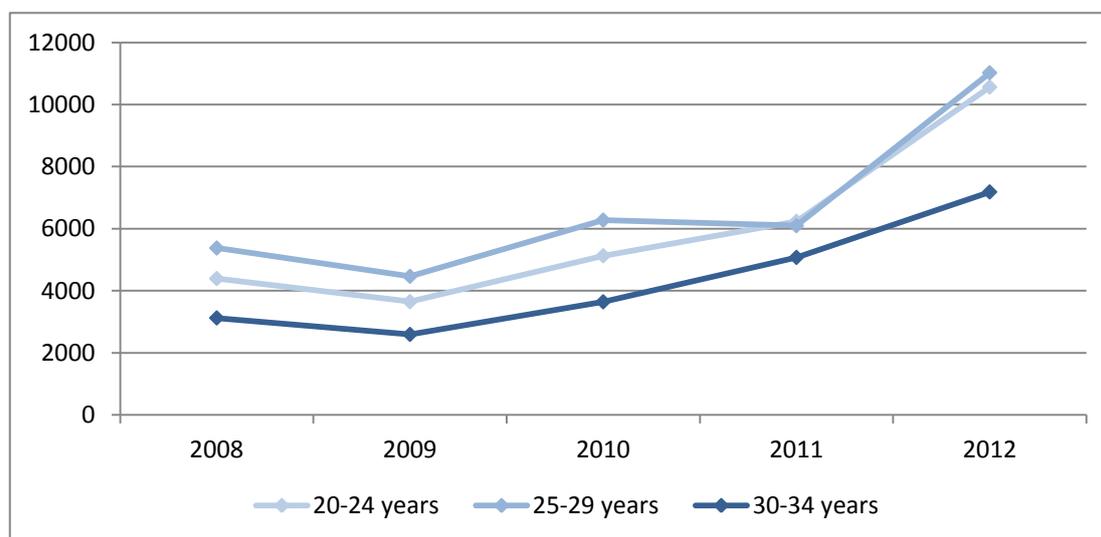


Figure 16: Emigrants by age group

Source: INE

Interviews with young unemployed confirmed the willingness of young people to leave Portugal in order to find a job.

“If they said: ‘Milena, go there, for example Switzerland, Great Britain, Russia or Germany’, no matter where, [...] I would go. Even without my husband. If I had a job there, I would pick up my children and go.”

⁴³ In light of the economic crisis, directions of migration have partly reversed: Whereas Portugal has been an important destination for immigrants from the former Portuguese colonies, more and more Portuguese have emigrated to Angola, Brazil and Mozambique within the last years (Público 2012). In total, the Portuguese emigration took place predominantly within the EU, e.g. to Great Britain, France or Luxembourg (Observatório da Emigração 2012a).

In addition, all of them knew various friends or acquaintances who already emigrated. In response to the question if she could make the contact to other young unemployed in order to do an interview with them, Ana Quinta even answered that most of them already emigrated. Some emigrants are already contracted in Portugal, e.g. nurses who immigrate to Great Britain, but a concrete job offer. "There are others who go without having anything planned, they only go with misfortune" (105). Ana Quinta⁴⁴ knows many young people who already emigrated:

"They normally arrange jobs, but also precarious jobs. I do not want to say that a job with McDonalds is precarious, but a lot of my friends are working with McDonalds in foreign countries. Here in Portugal, these are precarious jobs, and I guess that in these countries they are precarious as well."

In 2011, the Portuguese government even recommended emigrating to young people. "When we are unemployed, we have to leave our comfort zone and go to places beyond our frontiers" (Mestre⁴⁵ in Amaral, 2011). After being sharply criticised for these statements, however, the Portuguese government rowed back. Nevertheless, the increasing emigration rate, especially of young people, in combination with the changing qualification level of emigrants illustrates the economic relevance of the current emigration and makes it consequently to a main challenge for Portuguese policies.

d. Monitoring

The previous chapters illustrate that the problems of young people do not solely concern unemployment and they also do not stop at the moment they get a job. A broader approach is needed to capture the current situation of young people. Therefore, it has to be stated that the indicator 'youth unemployment' underestimates the number of young unemployed people since many of them do not appear in official statistics. Due to the fact that young unemployed, who have already resigned looking for a job, are statistically integrated into the inactive population, they are consequently not included in the unemployment rate⁴⁶. Statistical data of the INE could show that when the economic activity declines and unemployment increases, young people tend to leave the employment market, which means that the share of inactive population among young people tends to elevate (Ramos de Almeida, 2012). Therefore, and also due to the increasingly diversified and individualised trajectories from school to work, the need for an additional indicator to capture young people who are not in employment, education or training emerged. The so called NEET (not in employment, education or training) has become a frequently used term as well as an additional indicator for monitoring the situation of young people in the framework of the Europe 2020 strategy (Eurofound, 2012, p. 21) and should also be used more frequently on the national level.

⁴⁴ All names of young unemployed interview partners were changed by the author.

⁴⁵ This is a quotation of Alexandre Miguel Mestre, Secretary of State for Youth and Sports, on a business trip in Brasil, published in a newspaper article by Paulo Alexandre Amaral.

⁴⁶ It has to be noted, that phenomenon concerns to the entirety of the unemployed.

In addition, a broader approach also needs to include indicators such as in-work poverty, feelings about income and employment insecurity as well as precarious employment contracts. In Portugal, due to the widespread use of false green receipts the latter one is of particular interest. However, statistical data about the illegal use of green receipts does not exist. Within the Census 2011, the number of false green receipts was not collected, because question number 32 within the Census has the following instruction: “If you work on ‘green receipts’ but have a fixed working place in a company, a hierarchy you are accountable to and a work schedule, choose the option ‘Employee’” (INE, 2011). Thus, the INE was accused to intentionally disguise information about false green receipts and therefore manipulate statistical data. Since the INE solely declared that the inquiry of the census obeys international recommendations and that the question was asked the same way as in former census, three different associations representing precarious employees lodged a complaint demanding the alteration of question 32. Interestingly, the lawsuit has disappeared from political and media agendas and it is therefore unclear whether there already has been an agreement or not. However, there has not been any attempt to collect new data about the abuse of green receipts. Since the Portuguese parliament approved a new legislation for combating fake green receipts in summer 2013, the obvious disinterest in more information about the dimension and development of false green receipts is definitely surprising.

4 Validity of European-wide data analysis from a local perspective

The results of the macro-regional analysis of poverty and social exclusion seem to be valid from a local perspective. Grande Porto shows high rates of economic activity, low rates of population in elementary occupation as well as an elevated share of people with higher qualification, which could be expected since it is one of the economic centres of Portugal. At the same time, similar to many other regions in Portugal – as well as in Spain – the share of population with low qualification is comparatively high, which surprises for the NUTS 3 region of Grande Porto. The high rates of low qualified in 2001 can be explained, however, (1) by the rapid improvements of educational attainment in Portugal only after 2001, as well as by the neutralising effect of the NUTS 3 region, in which Porto as the principal employment centre with its diverse educational offer achieves far better results as regards educational attainment than the other eight municipalities of Grande Porto. The industrial decline in Grande Porto within the 1990s was accompanied by a severe cut of employment, partly illustrating the elevated unemployment rate in Grande Porto in comparison to its neighbouring regions. Thereby, the comparatively low level of unemployment in 2001 is noticeable; as already explained, due to different reasons the unemployment rate almost doubled from 2001 to 2011.

Thus, the mapped macro-regional indicators are both reliable and relevant for illustrating poverty and social exclusion patterns throughout the EU. However, the size and heterogeneity of NUTS 3 regions hampers evaluating and interpreting complex patterns of poverty and social exclusion. The NUTS 3 region of Grande Porto entails nine municipalities with quite different and partly opposed patterns and developments. Thus, data on lower administrative levels as well as qualitative research is needed for further interpretations as well as for targeting local policies.

The previous chapters illustrate that a broader approach is needed for capturing the social situation of young people, whose problems do not solely concern unemployment and, at the same time, do not stop at the moment they get a job. The focus on unemployment figures underestimates the number of young unemployed, who tend to leave the employment market in times of declining economic activity and increasing unemployment rates, and it additionally fails to consider precarious employment conditions and other forms of social exclusion of employed persons. Especially in Portugal, where the misuse of self-employment, leading to precarious employment conditions and reduced or even lacking employment rights, is widespread more information about its dimension and development is needed. Thus, on the one hand, the NEET rate as an additional indicator for monitoring the situation of young people should be used more frequently on local levels. Moreover, a broader approach also needs to include indicators such as in-work poverty as well as feelings about income and employment insecurity, which give deeper insights into more subjective forms of social exclusion.

5 Transferability of results

The relation between youth unemployment and poverty and social exclusion seems to be context-related. The Porto case study illustrated that the relation between unemployment and poverty is not linear in Portugal due to the strong persistence of the informal economy, precarious employment as well as the relatively high degree of inequality in income distribution. Moreover, unemployment seems to have comparatively less severe impact on social networks in Portugal, because Portuguese unemployed can draw on remarkable social networks, particularly on family level. Feeling socially excluded or not when being unemployed is also place-specific. Social exclusion and stigmatisation are more related to the concentration of risk factors in social housing areas in Porto than to unemployment. Furthermore, the structure of the Portuguese economy and employment market is specific; therefore, the reasons for the current crisis differ slightly from Spain or Greece.

However, considering the situation in other European countries, it becomes evident that youth unemployment is not a Portuguese phenomenon (see Figure 17): 22.9% of the young people in the EU (less than 25 years) are unemployed and 30.1% of them have been unemployed for more than 12 months; 12.9% of the young Europeans are NEETs (European Council, 2013).

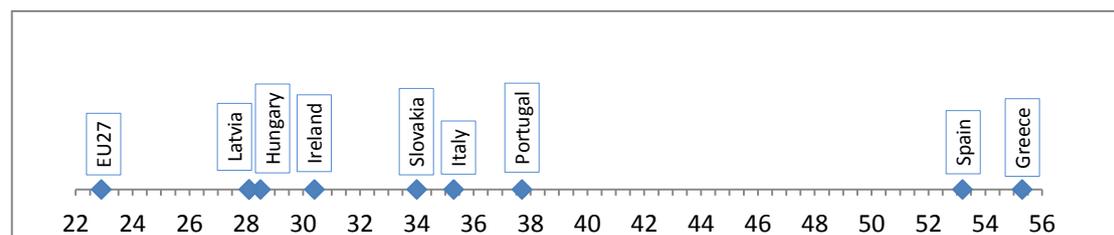


Figure 17: Eight EU-countries with the highest youth unemployment rates 2012

Source: Eurostat Database, Regional Statistics Table [une_rt_a]

Especially in comparison with other Mediterranean countries, the severe situation of young people becomes evident. Consequently, patterns as well as potential measures might be applicable:

- Due to the precariousness of state provision, the importance of informal networks, based on kinship, neighbours or friends, in providing support is very high within the familialistic southern European welfare model. Nevertheless, the current crisis and the subsequent reduction of public expenditure pose new problems for the support of vulnerable groups – not only in Portugal. A growing number of people is threatened to be unprotected by virtue of decreasing access to public benefits as well as shrinking family incomes.
- Increasing emigration rates of young people who search for jobs and better living conditions have become visible in the last years. However, interviews in Porto showed that emigration seems not always to be based on concrete job offers, an analysis of the employment market in the destination country, language capabilities or an elaborated strategy, but rather oriented to acquaintances or friends who already live in foreign countries and can give support at

least for the first weeks. Thereby, many emigrants do not seem to be successful in finding a job according to their qualification level. Not least the case of almost 130 young Spanish who stranded in Germany without a job due to poor and deficient employment exchange (MDR, 2013) calls for 1) an increased and elaborated coordination of accompanied programmes for job seekers in order to avoid situations of unemployment and poverty in the destination countries, 2) increased cooperation between the Member States as well as 3) elaborated support and information already in the country of origin.

6 Conclusions for policy development and monitoring

(Youth) unemployment is a severe and still growing phenomenon in Portugal. It results from the weak structure of the Portuguese economy, reflects the restructuring of companies and the decline of many industrial sectors – especially in the Northern Region with its strong presence of traditional industries – and was even reinforced by the economic and fiscal crisis that had serious consequences for Portugal; not only in terms of unemployment, but also in terms of economic growth and public debt. Due to the severe combination of increasing unemployment, low access to unemployment as well as social security benefits and precarious labour conditions, the situation of Portugal's youth has deteriorated extensively during the last years. The cutbacks of benefits and their differentiation by age, which mostly refuses young people the access to benefits, perpetuate social inequality and increases poverty and social exclusion. Family rather than public support has cushioned poverty of young unemployed to some extent within the last years. However, due to the decline of family income, the level of support for young people decreased greatly and will be even less strong for future generations.

As already made clear, the promotion of (vocational) education is one of the main measures of the Portuguese government to combat (youth) unemployment. Although there already have been considerable improvements in the educational attainment of the Portuguese society (also due to the comparatively high government expenditure on education⁴⁷), the high share of early school leaver and the relatively low share of people with a university degree (in comparison to the EU27 average) show that further efforts are still required (see Table 5). In response to the crisis and the subsequent requirements of the troika, there have been cutbacks of public spending in Portugal since 2010 – also in the educational sector. However, educational improvements and therefore the investment in education should still be considered as a top priority. Especially the already implemented support of low-skilled people to improve or renew their skills should continue. In addition, interview partners often mentioned the mismatch between supply and demand on the labour market and the still missing adaption of educational contents to the requirements of the labour market. Consequently, there need to be improvements in the offer of vocational education. The memorandum, signed by Germany, Spain, Greece, Portugal, Italy, Slovakia and Latvia, which includes concrete measures for introducing a vocational education system based on Germany's model in order to have 80 per cent of all young people in the EU employed by 2020 (BMBF, 2013) could be a first step.

At the same time, the significant educational improvements that have already been made illustrate, that profound changes of the Portuguese economic and labour market structure seem to be of a great importance.

⁴⁷ Portugal's expenditure on education in 2010 was 7.1% of the GDP; in comparison e.g.: EU27 5.5%; Germany 4.3%; Finland 6.6% or UK 6.8%.

“Our economic structure is poor and only slightly developed. It continues to be a model of precarity, low salaries, low labour cost, with a focus on the construction sector and tourism” (I08).

The restructuring of an economy that was not only based on low labour cost and a significant stress on traditional industries, but also characterised by a high share of graduates who only got a job within public administration, faces various difficulties, especially in light of the severe austerity programme imposed by the troika. According to interview partners, many employment programmes and attempts to place young people with a job seem to fail due to the weak employment market and the drastically decreased number of job vacancies. Thereby, the success of the Youth Employment Initiative (YEI)⁴⁸ and the implementation of the included Youth Guarantee that shall guarantee young people a situation in which they receive “a good-quality offer of employment, continued education, an apprenticeship or a traineeship within a period of four months of becoming unemployed or leaving formal education” (European Council, 2013) is doubtful at the moment.

As already mentioned, informal work is a relatively common strategy in Portugal to raise sufficient income. At the same time, the government has declared to combat the informal economy, e.g. by implementing the obligation to issue and forward invoices to the tax authority (Diário da República, 2012), which also affects e.g. vendors at the flea market – that attracts more and more young Portuguese to earn some ‘small change’ – independently of the amount of money. Consequently, the question arises if the attempts to reduce the economic freedom of many Portuguese will lead to improvements of the economic structure – since informal work constitutes an important source of income for vulnerable groups, who have limited access to the core labour market and has at least cushioned poverty in Portugal for many years. The current situation shows that austerity seems not to have any effect on the Portuguese employment market. A growth strategy in line with the promotion of job creation is needed in order to improve the situation of young people in Portugal.

However, the case study illustrated that the problems of young people in Portugal do not solely concern unemployment. In-work poverty, precarious employment contracts and feelings about income and employment insecurity do also describe the severity of the problems of younger generations (Bekker & Chung, 2012). In addition, young people in Portugal are increasingly forced to accept jobs below their qualification level – which could have severe consequences for their future career as well as for their socio-economic status – or have already resigned looking for a job. The approved legislation for combating false green receipts in Portugal is a first sign for tackling the precarious employment situation of many young people; the disinterest in collecting data about false green receipts, however, questions the previous efforts completely.

⁴⁸ The YEI was proposed by the February 2013 European Council with a budget of €6 billion for the period 2014-20 (European Commission 2013b). It reinforces and accelerates measures outlined in the Youth Employment Package (2012) that includes a proposal to Member States to establish a youth guarantee, a second-stage consultation of EU social partners on a quality framework for traineeships as well as the European Alliance for Apprenticeships and ways to reduce obstacles to mobility for young people. For more information: <http://ec.europa.eu/social/main.jsp?catId=1036>

Thus, in order to become fully aware of the depth and persistence of the labour market problems of young people, a broader perspective is needed that 1) looks beyond unemployment and includes other labour market indicators and 2) extends the term 'youth' to include also those young people who are in the age of family formation (25-34 year-olds). The above-average share of unemployed 25-34 year-olds and their elevated likelihood to be precariously employed illustrate the need to broaden the focus. Considering the stage in life-cycle of these young people (particularly of the older ones) and the increasing emigration rate, this situation could have larger implications for Portugal, such as a loss of human capital, perpetuation of poverty, less motivation to found a family and subsequent negative demographic trends.

7 Literature

Alto Comissariado para a Imigração e Diálogo Intercultural (ACIDI) (n.y.) *Bem-vindo ao Centro Nacional de Apoio ao Imigrante*. [online] Available at: <http://www.acidi.gov.pt/es-imigrante/servicos/centros-nacionais-de-apoio-ao-imigrante---cna> [accessed 10 May 2013]

Adão e Silva, P. & Trigo Pereira, M. (2012) As Políticas de Proteção no Desemprego em Portugal, *Sociologia, Problemas e Práticas*, 70/2012: 133-150.

Alto Comissariado para a Imigração e Diálogo Intercultural (n.y.) *Gabinete de Apoio Social*. [online] Available at: <http://www.acidi.gov.pt/es-imigrante/servicos/cnai/cnai-porto/gabinetes-de-apoio/gabinete-de-apoio-social-gas> [accessed 10 May 2013]

Alves, N. (2007) E se a melhoria da empregabilidade dos jovens escondesse novas formas de desigualdade social? *Revista de Ciências da Educação*, 2/2007: 59-68.

Alves, N. (2009) Novos Factos Sobre a Pobreza em Portugal. *Boletim Económico/Banco de Portugal*: 125-154. [online] Available at: http://www.bportugal.pt/pt-PT/BdP%20Publicaes%20de%20Investigao/AB200902_p.pdf [accessed 10 June 2013]

Amaral, P.A. (2011) *Secretário de Estado aconselha emigração aos jovens*. RTP. [online] Available at: <http://www.rtp.pt/noticias/index.php?article=494497&tm=9&layout=121&visual=49> [accessed 10 June 2013]

Baglioni, S. & Oliveira Mota, L.F. (2013) Alike but not alike: Welfare state and unemployment policies in Southern Europe. Italy and Portugal compared, *International Journal of Social Welfare*, 22/3: 319-327.

Balsas, C. J. (2007) City Centre Revitalization in Portugal: A Study of Lisbon and Porto, *Journal of Urban Design*, 12/2: 231-259.

Barata Salgueiro, T. (2000) Fragmentação e exclusão nas metrópoles, *Sociedade e Território*, 30: 16-26.

Bekker, S. & Chung, H. (2012) *Unemployment is not the only urgent Youth Issue*. [online] Available at: <http://www.social-europe.eu/2012/08/unemployment-is-not-the-only-urgent-youth-issue/> [accessed 10 June 2013]

Borges Pereira, V. (2008) Experiencing unemployment: The roles of social and cultural capital in mediating economic crisis, *Poetics*, 39/2011: 469-490.

Breuer, T. (2008) *Iberische Halbinsel*. Wissenschaftliche Buchgesellschaft, Darmstadt.

Bruto da Costa, A.; Cardoso, A.; Baptista, I. & Perista, P.(2003) The dynamics of income poverty and social exclusion in Portugal. In: Apospori, E.& Millar, J., eds. *The Dynamics of Social Exclusion in Europe. Comparing Austria, Germany, Greece, Portugal and the UK*. Cheltenham: Edward Elgar Publishing, pp. 114-138.

Bundesministerium für Bildung und Forschung (BMBS) (2013) *International Vocational Training Cooperation: Success in Education Export*. [online] Available at: <http://www.bmbf.de/en/17127.php> [accessed 10 August 2013]

Caleiras, J. (2008) Do Desemprego à Pobreza? Trajectórias, Experiências e Enfrentamentos, *E-Cadernos do Centro de Estudos Sociais (CES) da Universidade*

de Coimbra, 2/2008: 1-16. [online] Available at: <http://www.ces.uc.pt/e-cadernos/media/documentos/ecadernos2/Jorge%20Caleiras.pdf> [accessed 10 June 2013]

Câmara Municipal do Porto (CMP) (2008a) *Rede Social do Porto. Relatório de Pré-diagnóstico*. [online] Available at: <https://cmpexternos.cm-porto.pt/rsocial/> [accessed 30 January 2013]

Câmara Municipal do Porto (CMP) (2008b) *A Base Económica do Porto e o Emprego*. [online] Available at: <http://www.cm-porto.pt/gen.pl?sid=cmp.sections/916> [accessed 30 January 2013]

Capucha, L.; Bomba, T.; Fernandes, R. & Matos, G. (2005) Portugal – a virtuous path towards a minimum income? In: Ferrera, M., ed. *Welfare State Reform in Southern Europe. Fighting poverty and social exclusion in Italy, Spain, Portugal and Greece*. Oxon: Routledge, pp. 204-263.

Correia Pinto, M. (2012) Jovens ficam menos deprimidos com o desemprego. Em Portugal, há mais de 217 mil pessoas com menos de 34 anos desempregadas. Uma geração deprimida? Não tanto como seria expectável. Estão a emergir novas formas de socialização. In: *P3*. [online] Available at: <http://p3.publico.pt/actualidade/sociedade/2648/jovens-ficam-menos-deprimidos-com-o-desemprego> [accessed 10 May 2013]

Costa Dias, M. & Varejão, J. (2012) *Estudo de Avaliação das Políticas Ativas de Emprego. Relatório Final*. [online] Available at: http://www.iefp.pt/estatisticas/Documents/Estudos/Relatorio_progresso_fev2012.pdf [accessed 10 May 2013]

Da Paz Campos Lima, M. (2013) *The Challenges of Youth Unemployment in Portugal Against Recession and Austerity Policies*. [online] Available at: <http://www.social-europe.eu/2012/11/the-challenges-of-youth-unemployment-in-portugal-against-recession-and-austerity-policies/> [accessed 10 June 2013]

Diário da República (2012) *Decreto-Lei n.º 198/2012 de 24 de agosto*. [online] Available at: <http://dre.pt/pdf1sdip/2012/08/16400/0466604677.pdfhtm> [accessed 10 June 2013]

Esping-Andersen, G. (1990) *The three worlds of welfare-capitalism*. Cambridge: Polity Press.

European Commission (2013a) *Progress in tackling early school leaving and raising higher education attainment – but males are increasingly left behind*. [online] Available at: http://europa.eu/rapid/press-release_IP-13-324_en.htm [accessed 10 June 2013]

European Commission (2013b) *Employment: Commission proposes rules to make Youth Employment Initiative a reality*. [online] Available at: http://europa.eu/rapid/press-release_IP-13-217_en.htm [accessed 10 June 2013]

European Council (2013) *Council Recommendation of 22 April 2013 on establishing a Youth Guarantee*. [online] Available at: <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:32013H0426%2801%29:EN:NOT> [accessed 10 June 2013]

European Foundation for the Improvement of Living and Working Conditions (2012) *NEETs – Young people not in employment, education or training: Characteristics, costs and policy responses in Europe*. [online] Available at: <http://www.eurofound.europa.eu/pubdocs/2012/54/en/1/EF1254EN.pdf> [accessed 10 June 2013]

- Gallie, D. & Paugam, S. (2000) The Experience of Unemployment in Europe: The Debate. In: Gallie, D.& Paugam, D., eds. *Welfare Regimes and the Experience of Unemployment in Europe*. New York: Oxford University Press, pp. 1-22.
- Gonçalves, C.M. (2005) Evoluções recentes do desemprego em Portugal, *Revista da Faculdade de Letras: Sociologia*, 15: 125-164.
- Gonçalves, C.M. & Menezes, I. (2012) *O Emprego dos Diplomados em 2010 da Universidade do Porto (Síntese)*. [online] Available at: http://sigarra.up.pt/up/pt/noticias_geral.ver_noticia?P_NR=18489 [accessed 10 June 2013]
- Grimmer, B. & Lahusen, C. (2009) Einheit in der Vielfalt? Soziale Eingliederung von arbeitslosen Jugendlichen in Deutschland, Schweden und Portugal, *Siegen: sozial: Analysen, Berichte, Kontroversen*, 2/2009: 42-49.
- Instituto de Emprego e Formação Profissional (2013a) *Estágios Emprego*. [online] Available at: http://www.iefp.pt/apoios/candidatos/Paginas/Estagios_Emprego.aspx [accessed 17 August 2013]
- Instituto de Emprego e Formação Profissional (2013b) *Apoio à Contratação via Reembolso da TSU*. [online] Available at: http://www.iefp.pt/apoios/candidatos/Paginas/Apoio_Contrata%C3%A7%C3%A3o_via_Reembolso_TSU.aspx [accessed 17 August 2013]
- Instituto de Emprego e Formação Profissional (n.y.a.) *Apoios e Incentivos*. [online] Available at: <http://www.iefp.pt/apoios/Paginas/Home.aspxpdf> [accessed 13 April 2013]
- Instituto de Emprego e Formação Profissional (n.y.a.) *Gabinetes de Inserção Profissional*. [online] Available at: <http://www.iefp.pt/emprego/Paginas/GabinetesdeInser%C3%A7%C3%A3oProfissional-GIP.aspx> [accessed 13 April 2013]
- Instituto de Emprego e Formação Profissional (n.y.a.) *Programa de Apoio ao Empreendedorismo e à Criação do Próprio Emprego*. [online] Available at: http://www.iefp.pt/apoios/candidatos/CriacaoEmpregoEmpresa/Paginas/Prog_apoio_Emp_Cria_prop_emp.aspx [accessed 17 August 2013]
- Instituto Nacional de Estatística (2011) *2011 Census – Individual Questionnaire*.
- Loison, L. (2003) A Experiência do Desemprego em Portugal. Elaboração duma Tipologia, *Cidades – Comunidades e Territórios*, 2003/6: 113-124.
- Lusa (2012) *Dois terços dos universitários querem emigrar depois de concluírem o curso Europa é o destino preferido dos estudantes universitários que pensam em sair de Portugal. A culpa é da crise*, apontam. [online] Available at: <http://p3.publico.pt/actualidade/educacao/4161/dois-tercos-dos-universitarios-querem-emigrar-depois-de-concluirem-o-curso> [Accessed 10 June 2013]
- MDR (2013) *Spanier in Thüringen gestrandet*. [online] Available at: <http://www.ardmediathek.de/mdr-thueringen/thueringen-journal/spanier-in-thueringen-gestrandet?documentId=17540954> [accessed 14 October 2013]
- Migration Policy Group (2010) *Portugal: Overview*. [online] Available at: <http://www.mipex.eu/portugal> [accessed 10 June 2013]
- Observatório da Emigração (2012a) *A melhor política de emigração é lutar pelos direitos dos que saem*. [online] Available at: <http://www.observatorioemigracao.secomunidades.pt/np4/3312.html> [accessed 10 June 2013]

- Observatório da Emigração (2012b) *Países do destino da emigração Portuguesa*. [online] Available at: <http://www.observatorioemigracao.secomunidades.pt/np4/paises.html?id=56> [accessed 10 June 2013]
- OECD (2012a) *Education at a Glance: Country Notes – Portugal*. [online] Available at: <http://www.oecd.org/education/CN%20-%20Portugal.pdf> [accessed 10 June 2013]
- OECD (2012b) *International Migration Outlook 2012 – Country Notes: Recent Changes in Migration Movement and Policies – Portugal*. [online] Available at: http://www.oecd.org/migration/mig/IMO%202012_Country%20note%20Portugal.pdf [accessed 10 June 2013]
- Oliveira, L. & Carvalho, H. (2010) *Regulação e Mercado de Trabalho. Portugal e a Europa*. Edições Sílabo, Lisboa.
- Parente, C.; Ramos, M.; Marcos, V.; Cruz, S.A. & Veloso Neto, H. (2011) Efeitos da Escolaridade nos Padrões de Inserção Profissional Juvenil Em Portugal, *Sociologia, Problemas e Práticas*, 65: 69-93.
- Paugam, S. & Russell, H. (2000) The Effects of Employment Precarity and Unemployment on Social Isolation. In: Gallie, D. & Paugam, D., eds. *Welfare Regimes and the Experience of Unemployment in Europe*. New York: Oxford University Press, pp. 243-264.
- Público (2012) *Emigração: longe da Europa e de forma ilegal*. [online] Available at: <http://m.publico.pt/Detail/1568296> [accessed 15 March 2013]
- Queirós, J. (2011) Recomposição da estrutura económica e trajectórias socioprofissionais de mulheres do Grande Porto: um retrato panorâmico. In: Oliveira, M.; Queirós, J.; Novais, C.; Cruz, S.A.; Monteiro, B. & Marques, R., eds. *Percursos de Mulheres. Trabalhos, Família e Participação Associativa no Grande Porto*. Porto: Livpsi, pp. 13-64.
- Queirós, J. (2012) Dinâmicas recentes do desemprego e evolução das «respostas à crise» no Vale do Ave. Um análise territorializada do alcance e implicações das «políticas ativas de formação e emprego». In: Borges Pereira, V., ed. *Ao Cair do Pano. Sobre a formação do quotidiano num contexto (des)industrializado do Vale do Ave*. Porto: Edições Afrontamento/ADRAVE/Guimarães 2012 - Capital Europeia da Cultura, pp. 221-282.
- Ramos de Almeida, J. (2012) *Taxa de desemprego jovem subavaliada: muitos já não procuram trabalho*. In: P3. [online] Available at: <http://p3.publico.pt/actualidade/economia/3090/taxa-de-desemprego-jovem-subavaliada-muitos-ja-nao-procuram-trabalho> [Accessed 15 March 2013]
- Santos Pereira, Á. (2012) From an Agrarian Society to a Knowledge Economy? The Rising Importance of Education to the Portuguese Economy, 1950-2009. In: Neave, G. & Amaral, A., eds. *Higher Education in Portugal 1974-2009*. Dordrecht: Springer, pp. 109-134.
- Saraceno, C. (2006) Social Assistance Policies and Decentralization in the Countries of Southern Europe, *La Doc. Française | Revue française des affaires sociales*, 2006/5: 97-117.
- Segurança Social (2013a) *Subsídio de desemprego*. [online] Available at: <http://www4.seg-social.pt/subsidio-de-desemprego> [accessed 15 March 2013]
- Segurança Social (2013b) *Subsídio social de desemprego*. [online] Available at: <http://www4.seg-social.pt/subsidio-social-de-desemprego> [accessed 15 March 2013]

Segurança Social (2013c) *Rendimento social de inserção*. [online] Available at: <http://www4.seg-social.pt/subsidio-social-de-desemprego> [accessed 15 March 2013]

Serviço de Estrangeiros e Fronteiras (SEF) (2012) *Relatório de Imigração, Fronteiras e Asilo*. [online] Available at: http://sefstat.sef.pt/Docs/Rifa_2011.pdf [accessed 15 July 2013]

Stovicek, K. & Turrini, A. (2012) Benchmarking unemployment benefit systems, *European Commission | Economic Papers*, 454/2012. [online] Available at: http://ec.europa.eu/economy_finance/publications/economic_paper/2012/pdf/ecb454_en.pdf [accessed 15 July 2013]

Tavora, I. (2012) The southern European social model: familialism and the high rates of female employment in Portugal, *Journal of European Social Policy*, 22/1: 63-76.

Teixeira, A.; Silva, S. & Teixeira, P. (2010) Breve Resenha da Obra Publicada por Leonor Vasconcelos Ferreira. In: Teixeira, A.; Silva, S. & Teixeira, P., eds. *O que sabemos sobre a pobreza em Portugal?* Porto: VidaEconómica, pp. 25-42.

Wall, K.; Aboim, S.; Cunha, V. & Vasconcelos, P. (2001) Families and informal support networks in Portugal: the reproduction of inequality. In: *Journal of European Social Policy*, 11/3: 213-233.

Annex 1: Additional maps and tables

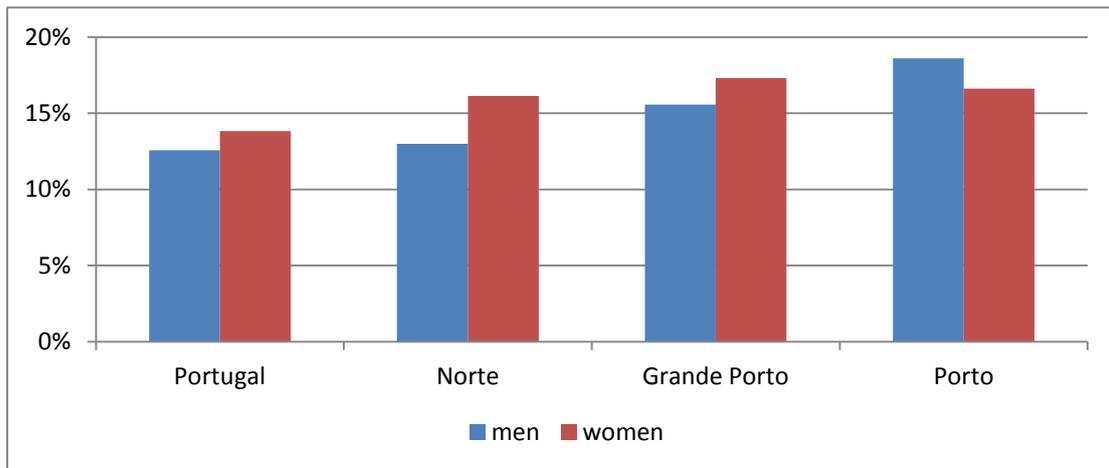
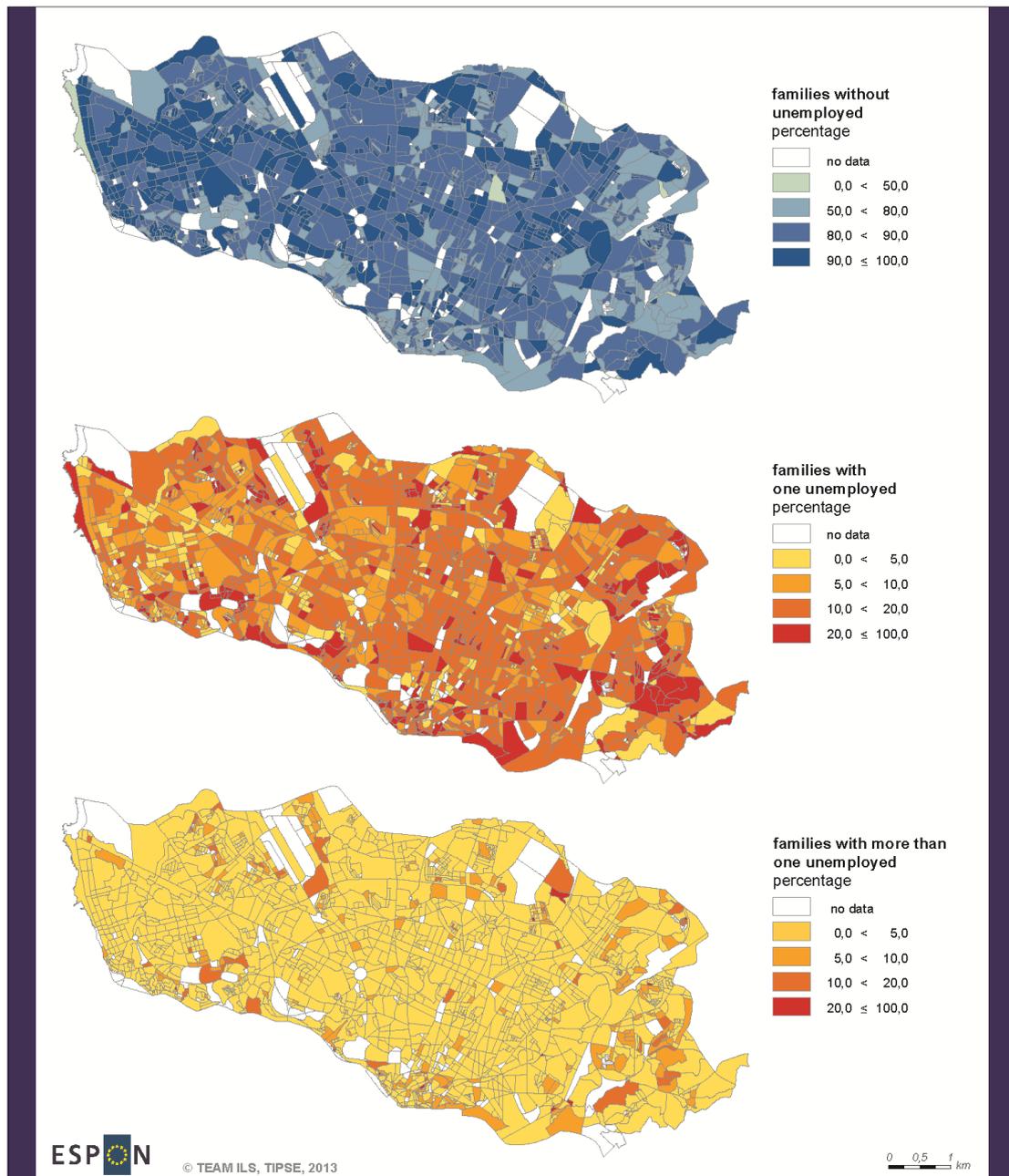


Figure 18: Unemployment rate 2011 by gender

Source: INE (Census 2011)



EUROPEAN UNION
Part-financed by the European Regional Development Fund
INVESTING IN YOUR FUTURE

Regional level: quarteirões
Source: INE Portugal, Urban Atlas

This map does not necessarily reflect the opinion of the ESPON Monitoring Committee

Figure 19: Families with or without unemployed 2011 by block

Source: INE

Table 8: Unemployment by education level

		Porto	Grande Porto	Norte	Portugal
% Unemployed persons by education level (2011)	Without educational qualification	1.1	1.1	1.2	1.4
	Basic education	54.9	60.0	63.4	58.0
	Secondary education	21.5	22.0	24.1	23.9
	Higher education	21.1	15.5	13.4	15.1

Source: INE (Census 2011)

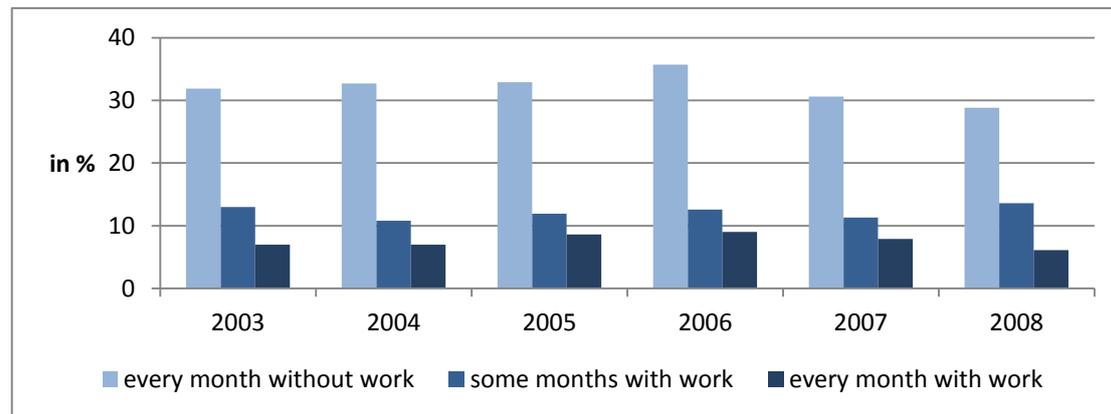


Figure 20: At-risk-of-poverty rate of families without dependent children by work intensity in Portugal

Source: INE

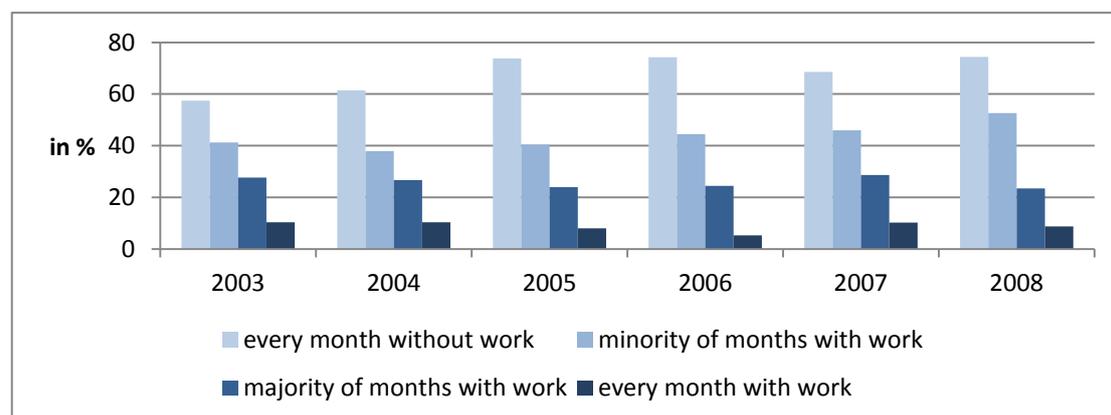


Figure 21: At-risk-of-poverty rate of families with dependent children by work intensity in Portugal

Source: INE

Annex 2: List of interviewed experts

No.	Institution	Role in dealing with poverty and/or social exclusion	Geographical/ political level	Date
1	Delegação Regional do Norte/Centro de Emprego e Formação Profissional Employment agency Porto	Dealing with unemployment	Regional level	7 May 2013
2	Associação Nacional dos Desempregados Portugueses (ANDP) Association of Unemployed Portuguese	Dealing with unemployment and social exclusion	Regional level	7 May 2013
3	Fundação Porto Social - private institution of public utility for carrying out social projects in the Oporto area	Dealing with people in disadvantaged neighbourhoods in Porto	Municipal level	8 May 2013
4	Gabinete de Inserção Profissional (GIP) da Junta de Freguesia de Campanhã – job center of district administration Campanhã in Porto	Dealing with unemployment	Municipal level	14 May 2013
5	University of Porto	Researcher with focus on unemployment and employment policies in Portugal	Regional level	17 May 2013
6	Cidade das Profissões – public institution for the promotion of education, training and employment	Dealing with education and employment promotion	Municipal level	20 May 2013
7	University of Porto	Course and career guidance	Regional level	20 May 2013
8	University of Porto	Researcher with focus on (youth) unemployment	Regional level	21 May 2013
9	Fundação da Juventude; public institution for the integration of young people into the employment market	Dealing with education, employment promotion, unemployment	Municipal level	22 May 2013
10	Gabinete de Inserção Profissional (GIP) dos Centros Nacionais de Apoio ao Imigrante (CNAI) - job center of National Centre for Immigrant Support	Dealing with unemployment	Municipal level	23 May 2013

Annex 3: List of interviewed unemployed young people

Name ⁴⁹	Age	Educational level	Living with	Source of income
Ana Quinta	26	University dropout	Parents and friends	Parents
Maria Menezes	24	University degree	Parents	Parents and occasional jobs
Janaína Silva	24	University degree	Parents	Parents
Otávio Santos	17	School dropout	Mother and brother	Pension of mother and unemployment benefit of brother
Milena Monteiro	28	School dropout	Husband and two children	Unemployment benefit and salary of husband

⁴⁹ All names of young unemployed interview partners were changed by the author.