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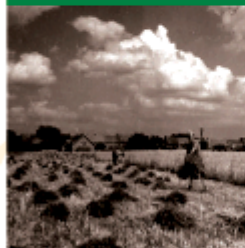
POVERTY AND SOCIAL EXCLUSION IN RURAL AREAS

Final Report

Annex I

Country Studies

**STUDY ON
POVERTY AND SOCIAL EXCLUSION
IN RURAL AREAS**



country:
PORTUGAL

author:
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Executive summary

The Portuguese Report on Strategies for Social Protection and Social Inclusion 2006-2008 takes no direct reference to rural areas, nor is any action contemplated for such areas. The indicators taken into consideration to measure levels of poverty apply at national and regional level (NUTS 2).

With regard to the labour market, rural areas actually perform better than urban ones according to many indicators (such as the employment rate, youth unemployment ratio and long-term unemployment). Unemployment is still a post-industrial issue in Portugal and the Northern region of the country is the one suffering the most due to its orientation in favour of manufacturing.

Concerning socio-economic features of rural households, housing conditions and demographic indicators do not display any significant difference between rural and urban areas.

With regard to specific risks of poverty and social exclusion, two main features characterise rural areas in Portugal: children and aging population.

The elderly are becoming a dominant component of the population, especially in more remote rural areas. Problems in access to services represent another common problem of more peripheral rural areas.

Concentration of the main services in urban locations can impact on the quality of life of groups already at risk of social exclusion: health services for elderly or disabled, child care facilities for female workers.

1. Overview

Different *definitions* of “rurality” make it somewhat difficult to understand the extent of poverty and social exclusion in Portuguese rural areas. This is even more relevant considering that Portugal has been experiencing one of the highest poverty rates of the EU. According to data released in October 2007, 19% of the Portuguese population lived below the poverty threshold, still well above the EU average of 16%.

Rural areas are highly represented in these more remote regions, resulting in higher risk of poverty, allowing to assume that few people live in rural remote areas but those who are severely subject to poverty and social exclusion risk.

Children and the elderly continue to be two of the most vulnerable groups. Respectively 23% and 28% were poor, in 2005. From another perspective, incidence according to family categories discloses the case of greater vulnerability of children: 23% of two adults and two children families, 30% of mono-parental families with at least one child and 42% of two adults and three or more children were in situation of monetary poverty in 2005.

Aged population is still the group experiencing the highest risk of poverty. In 2005, 28% lived at risk of poverty (29% women, 28% men) against 19% for total population. The composition of family units confirms that families with aged persons constitute the most vulnerable cases: in 2005, families consisting of one isolated aged person (42%) and families with two adults where at least one is 65 year old or more (28%) continue to be concerning situations.

At policy level two main instruments are to be considered within the scope of fight against poverty and social exclusion: the National Strategic Plan for Agriculture and Rural Development 2007-2013 and the National Action Plan for Inclusion 2006-2008. Although targeted at rural development and inclusion respectively, these two instruments lack definition of clear targets to reduce poverty and social exclusion in rural areas.

2. Main characters of rurality in Portugal

2.1 Definition of rural areas

We think it is very important to stress that the OECD classification provides a somewhat poor standard to classify rurality in Portugal, mainly due to the fact that it seems a much more appropriate classification for countries that are large in terms of territory.

That's why, according to the last version of 2007-2013 National Strategic Plan for Agriculture and Rural Development, the Portuguese official definition of rural areas is based on an *adaptation* of OECD's concept:

- All territorial units in NUTS3 classified as Predominantly Urban were considered Rural as long as:
 - a) They are less favoured
 - b) They do not integrate urban centres with at least 15.000 inhabitants.
- All territorial units in NUTS3 classified as Significantly Rural were considered Rural as long as:
 - c) They are less favoured
 - d) They do not integrate urban centres with at least 15.000 inhabitants.
 - e) They are not less favoured, but they belong to municipalities where at least 10% of the economically active population works in agriculture or forestry.
- All territorial units in NUTS3 classified as Predominantly Rural are considered Rural as long as they do not integrate urban centres with at least 15.000 inhabitants.

According to EU's criteria, Portugal has 86.6% of UAA classified as less favoured areas (LFA), of which 30.8% in mountainous areas. The entire territory of the Autonomous Regions (Azores and Madeira) is classified as LFA.

Brief summary of different typologies of rural areas

Rurality extends itself to a large part of the Portuguese territory and largely coincides with areas classified as LFA¹. Also, territory marginalisation is referred to as «a process where a set of social, economic and environmental factors intervene. These multiple factors include the dynamics and profitability of agricultural activity and also its complementarity with other activities and their own dynamics, the attractiveness of the territories in terms of supplying goods and services that may meet the needs of different agents or the capacity to boost the different roles agriculture can play. One of the reasons for the marginalisation of agricultural areas is the poor viability of farms, which in turn may lead to cessation of farming.

The risk of marginalisation is determined by the combination of a significant set of farms with low incomes and an also significant number of farmers near retirement. This risk exists when more than 40% of the farms within a certain territory have an income below half the average regional income and simultaneously more than 40% of the farmers are more than 55 years old. The analysis made for the whole country shows that there is a risk of marginalisation in vast areas and in all regions of mainland Portugal» (see Figure 1)².

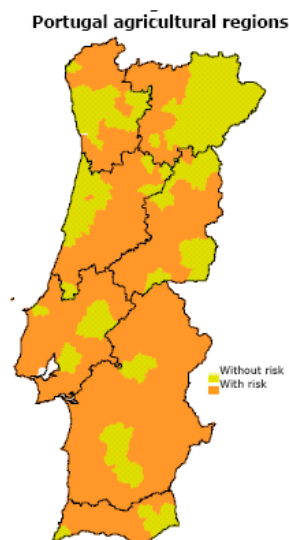
In what concerns population indicators, National Strategic Plan for Agriculture and Rural Development uses mainly info from CENSUS 2001, thus not adding much value to more up to date statistical information already available.

In mainland Portugal, this heterogeneous distribution is quite remarkable at rural, urban and peri-urban levels, with 46 inhab/km² for the former and 709 inhab/km² for the remaining territory.³ Population living in farm holdings accounts for 11% of total population in mainland Portugal, this percentage being considerable higher in some regions. Family farm population has been decreasing throughout the country, the decline having reached 35% during the 90s in the countryside⁴.

There has been a significant increase in the aging index, which has moved from 0.18 over the 50s to 1.03 in 2001, following the EU aging trend, although at a faster pace. Alentejo region (NUTS2) continues to have the oldest age structure, whereas Azores and Madeira have a younger population. Approximately 45% of farmers are more than 65 years old⁵.

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Figure 1. Map of the risk of marginalisation



2.2 Main social and economic problems in rural areas in Portugal

Economy – economic drivers, productivity and growth

The tertiary sector is the most important one. However, in rural areas, it is significantly smaller when compared to the country's and the EU average, even if this is the sector that has expanded the highest growth rate.

The primary sector, similarly to the EU, has expanded in rural areas, but has fallen in relation to mainland Portugal. In these rural areas the percentage of GVA from the primary sector is five times higher than the EU average and more than three times that of mainland Portugal. The secondary sector is also relatively more important in rural areas than in mainland Portugal.

Changes in GVA in the different sectors, between 1995 and 2003, show that in rural areas there are annual growth rates above those of mainland Portugal, more than double for the secondary sector and three times the mainland Portugal average for the tertiary sector.

The productivity of the economy in rural areas is significantly lower than average as compared to mainland Portugal and the EU. In terms of changes, the secondary and tertiary sectors show similar expansions in rural areas and in mainland Portugal. However, increases in the primary sector are smaller than for mainland Portugal.

Labour market

The unemployment rate in rural areas is slightly lower than in mainland Portugal and considerably lower than the EU average. The only situation where the unemployment rate in mainland Portugal is higher in percentage than the EU average is in the younger age group, under 24 years old, where it is virtually two times higher. In rural areas, the female unemployment rate is higher than in mainland Portugal.

The employment rate in rural areas is lower than in mainland Portugal and the EU average and significantly higher in the male population. Female employability in rural areas is considerably lower than in mainland Portugal and the EU.

As regards skill levels, they are quite low when compared to the EU average. The percentage of economically active population (between 25 and 64 years old) with full secondary education is 25%, whereas the EU average is 70%.

Notes

¹ Government of Portugal, "2007-2013 National Strategic Plan for Agriculture and Rural Development", Lisboa, 2007, 7.

² Government of Portugal, "2007-2013 National Strategic Plan for Agriculture and Rural Development", Lisboa, 2007, 38.

³ Government of Portugal, "2007-2013 National Strategic Plan for Agriculture and Rural Development", Lisboa, 2007, 46.

⁴ Government of Portugal, "2007-2013 National Strategic Plan for Agriculture and Rural Development", Lisboa, 2007, 47.

⁵ Idem..

3. Main characters of rural poverty in Portugal

3.1 Measurement of poverty in Portugal

National statistics very rarely distinct clearly between urban and rural areas. Nonetheless, it is still possible to characterise poverty and social exclusion phenomena and to reasonably divide them into predominantly urban and rural areas. In 2004, about 21% of the Portuguese population lived below the poverty threshold (16% in EU25, EU15 and EU 12).

Poverty risk

Poverty risk varies according to gender. The highest incidence of low incomes among women leads (similar to other EU countries) to the phenomenon of “feminisation” of poverty in Portugal. In 2004, 22% of women were in poverty situation, against 20% of men. In addition, women display systematically a higher than average poverty risk since 1995.

Poverty is persistent in Portugal: around 15% of the population lived below the poverty line in 2001 and in, at least, two of the three preceding years. This seems to be the result of a significant correlation between the processes of development and inequality.

As a matter of fact, Portuguese degree of inequality in income distribution continues to be the highest in the EU. In 2004, the ratio of income earned by 20% of the richest citizens of the population was 7,2 times higher than those included in the 20% of poorest (which compares to a EU average of 4,8). There were in 2003 about 11,4% of workers below low wage standard, that is, 2/3 of gross average monthly salary. Around 16% of them are women and only 7,5% are men.

Non monetary component of income

The living conditions of the population in Portugal (in contrast with other European countries) also depends on the non monetary component of income. In 2000, 13.5% of total family income came from non monetary sources of income. If one takes this variable into account, 17.9% of population lived in poverty situation in 2000 against 19.2% if one considers only monetary income.

Deprivation

Poverty, as a multidimensional phenomenon, requires analysis which goes beyond family income. For this effect, a multidimensional approach to poverty (deprivation) is crucial to identify the multiple aspects of well-being of individuals and families. Understanding deprivation as the difficulty of access to a minimum level of well-being, about 18.7% of Portuguese families was in deprivation in 2001.

Internal conditions of lodging, ownership of comfort goods, the capacity to satisfy basic needs and sociability networks are the aspects weighting the most to explain deprivation degree for at poverty risk families. Moreover, families with children, numerous families and single aged person families who disclose the highest risk of deprivation.

From a complementary perspective, it is possible to observe the situation where monetary poverty and deprivation occur simultaneously (consistent poverty). Indeed, in 2001 there were 9% of households at risk of consistent poverty (around 305.000 households), which represents a 1,1% reduction with respect to 1995.

The incidence of monetary poverty reveals that children and aged people are two of the most vulnerable groups. Respectively 23% and 29% of them were poor, in 2004. The incidence of poverty among children registered a slight aggravation throughout the 1995-2001 period, while the situation of aged people improved significantly. Also the persistence of poverty situations affects mainly life cycle boundaries, that is, children (22%) and aged people (24%).

Still from another perspective, the incidence of poverty according to family categories shows that 25% of two adults and two children families, 30% of mono-parental families with at least one child and 34% of two adults and three or more children were in situation of monetary poverty in 2004.

3.2 Multi-dimensional analysis of poverty and social exclusion in Portugal

Large families

Coming back to a multidimensional analysis of poverty, it is possible to strengthen the idea that families with children, in particular the most numerous, are the ones facing highest levels of deprivation incidence (in 2001, about 16% of families with one or two adults with children are at risk of deprivation against an average of 19%).

Other risks still prevail, threatening a full development of children and their proper safety. For example, situations of abandonment and recklessness, bad-treatments, exposition to models of deviant behaviour, child work affect also children's safety, health, education and vocational training.

Elderly

Aged population is the group experiencing the highest risk of poverty. In 2004, 29% lived at risk of poverty (30% women, 29% men) against 21% of the total population. Composition of family units allows verifying that families with aged persons constitute the most vulnerable cases: in 2004, families consisting of one isolated aged person (41%) and families with two adults where at least one is 65 or more (31%) appeared as the most concerning situations.

The retirees reveal a higher risk of poverty when compared with active individuals, with shares of 26% and 13% respectively in 2004. In 2001, the distribution of average monetary income of this group displayed lower levels than average, despite the improvement of monetary situation of aged people with lower incomes and the ones from middle class incomes between 1995 and 2001.

About 66% of retired people had monthly incomes lower than the national average. Regardless the sustained improvement guaranteed by the social security system, particularly from the pensions' system, since the second half of the 90's, extremely vulnerable situations prevail among aged persons who live out of very low pensions.

The loss of autonomy, social isolation, bad housing conditions and difficult access to healthcare and/or social support services, reinforces vulnerabilities of older people.

Territory

Poverty and social exclusion are not distributed uniformly within the territory. In 2000, autonomous regions (Madeira and Azores Islands) registered the highest incidence of monetary poverty (about 33%) while in the continent the incidence was highest in Algarve (25%) and Alentejo (22%).

On the other hand, **rural areas are the ones subjected to higher risks of poverty**, 33% against 16% in urban areas in 2000. **That means that the risk of being poor in a rural territory is double that in urban zones.**

In Portugal, development initiatives tend to deepen the contrast between peripheral rural regions, on the one hand, and the coast, on the other hand. The consequence is a concentration of population along the coastal areas, particularly the metropolitan areas and the consequent demographic desertification of rural interior areas.

Innovation and modernisation initiatives of the different sectors are mostly concentrated in cities and towns of average dimension, weakening rural territories devoted to increasing isolation, ageing population and conditions of precariousness and remoteness. Poorer rural areas congregate a more aged population, composed of previous wage-earners of agriculture with reduced pensions, keeping a line of continuity between poverty and the underdeveloped context.

Nonetheless, in the last few years, this tendency has been slightly inverted, and it is now possible to see the first results pointing toward a less disfavoured scenario for rural areas. Unfortunately, the lack of extensive statistical data concerning rural areas hinders the process of assessment of poverty and social exclusion policy results in a more detailed and sophisticated way. Tables 1 and 2 and Figures from 2 to 4 provide a classification of 6 types of inclusion/exclusion situations and of rural and urban areas in the country.

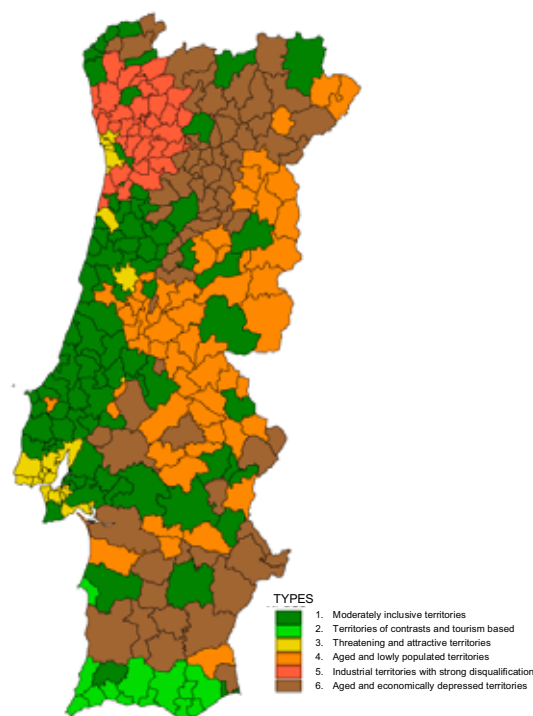
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Table 1. Description of the inclusion/exclusion situations (6 types)

<i>Types</i>	<i>Favourable conditions (inclusion evidences)</i>	<i>Unfavourable conditions (risks of exclusion, actual or potential)</i>	<i>Geographic standard</i>
<i>Moderately inclusive territories (Type 1)</i>	Very positive levels of inclusion in the fields of education (low levels of early school leavers) and of integration in the labour market (low unemployment).	No traces of exclusion.	This type characterizes mainly areas along the coast band between metropolitan areas of Lisbon and Porto, but it also includes a considerable number of municipalities of the interior.
<i>Territories of contrasts and tourism based (Type 2)</i>	This type also displays high levels of inclusion, particularly in what concerns education and employment.	Some risk factors are present, as high criminality rates and deficient housing conditions. It also shows traces of vulnerability to exclusion, as the high proportion of foreign population	Almost all municipalities of Algarve fit in this type
<i>Threatening and attractive territories (Type 3)</i>	As the previous type, it denotes positive levels of inclusion in the domains of education and employment, but what is more distinct of this group is the particularly favourable situation in terms of income and consumption.	This type presents some factors of effective risk, as high criminality rates and bad housing conditions. Some traces of vulnerability to exclusion are still outstanding, as the high component of foreign population, high percentage of mono-parental families and grandfathers or grandmothers living with their grandsons.	This type is represented by a relatively small set of urban areas of the country (Coimbra, Aveiro and Entroncamento)
<i>Aged and lowly populated territories (Type 4)</i>	Positive signs are associated with low crime rates, housing conditions and the rendering of social care services.	Signs of exclusion, actual or potential, are related to ageing population - institutionalisation, aged persons living alone, illiteracy, disabilities and the great disequilibrium between the number of pensioners and employed population.	A significant number of interior municipalities are included in this group, located in Center and High Alentejo regions.
<i>Industrial territories with strong disqualification (Type 5)</i>	Most favourable conditions are low institutionalization, reduced percentage of disabled people, low illiteracy rates and strong weight of numerous families. These conditions are clearly related with the youth of population.	Risk factors overlap inclusion traces, mainly in what concerns school integration and qualifications deficits. Income and rendering of social care services (aged people and children) are well below national average values.	This situation type appears almost exclusively in the North Coast.
<i>Aged and economically depressed territories (Type 6)</i>	The sole positive sign is low crime. The small percentage of foreigners is also an inclusion facilitator.	There are many and diversified unfavourable conditions namely deficits of family integration (isolated aged persons and families of grandfathers with grandsons), of education level and integration in the labour market. Poverty is another evident sign in this group (high percentage of minimum income beneficiaries and very low average value of pensions).	A significant number of interior municipalities are included in this group, located in Trás-os-Montes, Dão-Lafões, e Baixo Alentejo regions.

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Figure 2. Types of exclusion situations



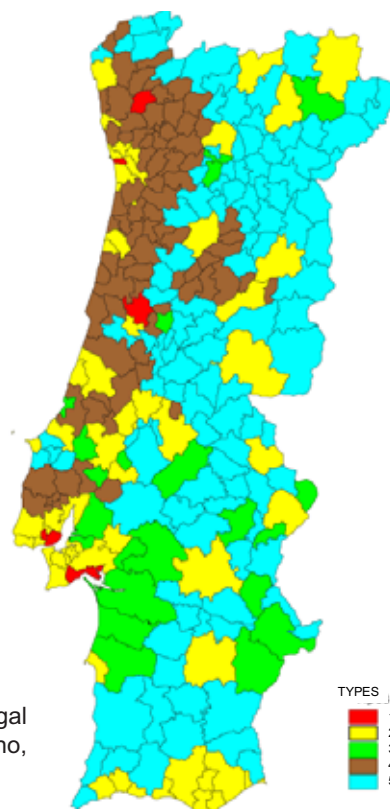
Source: "Tipificação das Situações de Exclusão em Portugal Continental", Ministério da Segurança Social e do Trabalho, Lisboa, 2005.

Table 2. Description of typical urban / rural situations

<i>Types</i>	<i>More distinctive urban traces</i>	<i>More distinctive rural traces</i>	<i>Geographic standard</i>
<i>Type 1</i>	Beyond the great dimension of cities, these municipalities display high levels of qualified employment, and strong integration in cable TV networks.	Non existent.	Includes the biggest cities of the country - Lisbon, Porto, Coimbra, Braga, Setúbal and Amadora.
<i>Type 2</i>	Medium size cities predominate, with strong demographic dynamism and qualified population. They are the better equipped municipalities (basic sanitation and telecommunications). Industrial employment has little expression.	Non existent.	Suburbs of Lisbon and Porto, Coast of Algarve, and other municipalities with important urban centres, such as Sines, Elvas, Marinha Grande, Caldas da Rainha, Covilhã, Chaves, Mirandela, among others.
<i>Type 3</i>	The only sign of urbanity of this type is the presence of urban centres between 5.000 and the 10.000 inhabitants.	Non existent.	Diffused geographic patter with some concentration in Alentejo.
<i>Type 4</i>	Demographically dynamic municipalities, with considerable young population. Significant weight of industrial employment.	The great majority of the population lives in urban centres with less than 5000 inhabitants. The basic sanitation is deficient, as well as access to the Internet.	Majority of municipalities on the coast band, from Minho until a Lisbon's metropolitan area.
<i>Type 5</i>	Non existent.	Vast majority of the population lives in centres with less than 5000 inhabitants. Population is aged. Agricultural work still is relevant. Deficit of qualified population and deficit of infrastructures for telecommunications.	Majority of the municipalities of the interior of the country, from Trás-os-Montes to Algarve.

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Figure 3. Urban and rural municipalities



Source: "Tipificação das Situações de Exclusão em Portugal Continental", Ministério da Segurança Social e do Trabalho, Lisboa, 2005.

Physical infrastructure, accessibility (roads, railways, etc.), housing quality and utilities

Table 3. National rail and road networks

National rail network						
	Length of lines				Stations and halts	
	Total	Electrified	Double track	Large gauge	Total	Service to passengers
	km				No.	
PORTUGAL	2 839	1 436	607	2 647	686	673
Contínente	2 839	1 436	607	2 647	686	673
Norte	517	174	116	x	x	x
Centro	1 025	588	215	x	x	x
Lisboa	241	213	189	x	x	x
Alentejo	836	342	87	x	x	x
Algarve	221	119	-	x	x	x
<i>R. A. Açores</i>	-	-	-	-	-	-
<i>R. A. Madeira</i>	-	-	-	-	-	-

© INE, Portugal, 2006, Statistical Yearbook of Portugal 2005. Data available until 30th September, 2006.

Source: INE, Transports statistics.

National road network (Mainland Portugal)										
Years	Total	Primary road network			Complementary road network			Regional roads	Highways	
		Main routes			Complementary routes					
		Total	One lane	Two or more	Total	One lane	Two or more			
2000	11 836	1 389	344	1 045	1 040	599	441	4 909	4 499	1 482
2001	12 010	1 494	326	1 168	1 107	611	496	4 909	4 500	1 659
2002	12 399	1 829	520	1 309	1 161	618	543	4 909	4 500	1 836
2003	12 589	1 949	515	1 434	1 229	635	594	4 910	4 500	2 002
2004	12 689	1 985	522	1 463	1 294	632	662	4 910	4 500	2 091
2005	12 661	1 957	429	1 528	1 294	454	840	4 910	4 500	2 341

In general terms, road network has improved substantially in the last years, including the rural areas.

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Migration (inflows and outflows)

Table 4. Foreign population legally residing in Portugal

Foreign population legally residing in Portugal			
Nationality	2004	2005	Evolution
Total	263.353	275.906	12.553
Europe	83.656	88.560	4.904
EU 25	74.337	77.653	3.316
EU 15	73.483	76.592	3.109
Other european			
Bulgaria	767	830	63
Norway	707	721	14
Moldavia	1.047	1.374	327
Romania	1.212	1.556	344
Russia	862	1.335	473
Switzerland	1.616	1.662	46
Ukraine	1.523	2.070	547
Africa	121.638	125.934	4.296
Angola	26.520	27.697	1.177
Cabo Verde	54.806	56.433	1.627
Guiné Bissau	20.583	21.258	675
Moçambique	4.955	5.074	119
São Tomé e Príncipe	7.829	8.274	445
Others	6.945	7.198	253
África do Sul	2.020	2.031	11
Guiné	821	870	49
Marrocos	879	926	47
Senegal	784	819	35
America	44.892	47.725	2.833
North America	10.114	10.108	-6
Canada	1.857	1.834	-23
EUA	7.992	8.003	11
Others	265	271	6
Central and South America	34.778	37.617	2.839
Brazil	28.732	31.546	2.814
Venezuela	3.459	3.330	-129
Others	2.587	2.741	154
Argentina	569	575	6
Asia	12.331	12.847	516
China	5.273	5.530	257
India	1.687	1.770	83
Japan	851	864	13
Others	4.520	4.683	163
Bangladesh	617	575	-42
Iran	604	617	13
Paquistão	1.382	1.382	0
Australia	486	488	2
New Zealand	68	68	0

Source: INE

Table 5. Migration outflows

Outflow of migration				
Years	2000	2001	2002	2003
Total	21.333	20.589	27.358	27.008
Destinations				
France				27%
Switzerland				18%
United Kingdom				14%
Germany				9%
Spain				8%
Luxembourg				7,5%
Others				16%

Source: INE

4. Rural poverty and policies

4.1 Common Agricultural Policy

Since January 1st, 2007 the agriculture policy is financed by two funds:

the European Agriculture Guarantee Fund (EAGF);

and the European Agriculture Rural Development Fund. (EARDF).

These two funds have replaced the European Agriculture Guarantee and Guidance Fund. The Common Agriculture Policy (CAP) consists now of two pillars:

- **Pillar 1 - Direct support to farmers**
- **Pillar 2 - Rural Development**

4.1.1 Pillar 1: EAGF

The primary funding opportunity available within the first pillar is the Single Payment Scheme (SPS). This scheme is an annual payment that helps guarantee more stable income for farmers. This new system eliminates the link between support and production; the primary difference being that aid no longer depends on the type of production.

Support is based on the entitlements over the 2000 - 2002 period (excluding New Member States) and is granted to farmers holding eligible hectares (in general terms, all types of agricultural lands except those used for permanent crops). To receive aid, farmers must also comply with the cross-compliance standards, meaning farmers must maintain good agricultural land conditions and respect the standards for public health, animal and plant health, the environment and animal welfare. The European Agriculture Guarantee Fund finances this measure.

Assessment

Of course, it is still too early to assess concrete effects of such policy on poverty and groups at risk in Portugal since January 1st. The last CAP revision (2003) confirmed its new orientation, more market-oriented, reinforcing market's role in terms of production, instead of direct public funding and a new focus on rural development. The reform removed the link between financial support to farmers and production, which caused great anxiety among Portuguese authorities who feared that farmers could massively opt to abandon production totally.

Despite these fears, it is our opinion that the new market-oriented CAP will contribute positively (in the long run) to fight poverty and will benefit groups at risk of poverty, including farmers, agricultural workers (including small farms). First impact can be negative, but if other support measures are well "engineered" to prevent production abandon (such as restructuring measures), a market-orientation will contribute to modernize Portuguese agricultural activity and less support-dependent.

This new market-oriented strategy could also result positive for rural areas as it should (in the long run) contribute to make these territories more attractive, thus allowing population to grow in number and (most important) in qualifications and skills.

Finally, in what concerns cross-compliance, Portuguese authorities always had a positive approach to this issue arguing it would allow European agricultural model to be more credible.

Some more cautious remarks were made concerning what was asserted as a realistic approach to this principle. In a more concrete way, Portugal was worried about how much this cross-compliance principle would cost and who should pay for it.

Once again, it is our opinion that cross-compliance is positive for agricultural activities, rural development, fight against poverty and social exclusion. If managed properly, cross-compliance will contribute to qualify rural territories which will result in the need of more qualified human resources with different and more demanding consumption standards, thus creating a development cycle much more sustainable in the long run.

4.1.2 Pillar 2: Rural development - EAFRD

Since the reform of the Common Agricultural Policy (2003), Rural Development is playing an increasingly important role in helping rural areas to meet the economic, social and environmental challenges of the 21st century. Rural areas make up 90 percent of the territory of the enlarged EU and the new legal framework points more clearly to the direction of boosting growth and creating jobs in rural areas – in line with the Lisbon Strategy – and improving sustainability - in line with the Göteborg sustainability goals.

The Rural Development policy for 2007-2013 is focused on 3 areas in line with the 3 thematic axes laid down in the new rural development regulation:

- Improving competitiveness for farming and forestry;
- Environment and countryside;
- Improving quality of life and diversification of the rural economy.

A fourth axis called “Leader axis” based on experience with the Leader Community Initiatives introduces possibilities for locally based bottom-up approaches to rural development.

For each set of priorities, the EU strategic guidelines are suggesting key actions:

- Identify the areas where the use of EU support for rural development creates the most value added at EU level
- Make the link with the main EU priorities (Lisbon, Göteborg)
- Ensure consistency with other EU policies, in particular cohesion and environment
- Accompany the implementation of the new market orientated CAP and the necessary restructuring it will entail in the old and new Member States.

The six strategic guidelines are:

- Improving the competitiveness of the agricultural and forestry sectors
- Improving the environment and the countryside
- Improving the quality of life in rural areas and encouraging diversification
- Building Local Capacity for Employment and Diversification
- Translating priorities into programmes
- Complementarity between Community Instruments

Quality of life in rural areas and diversification of the rural economy

For this paper, it is important to consider that EU’s Regulation contains measures on:

- Diversification towards non-agricultural activities, support for the establishment and development of micro-businesses, promotion of tourism and the protection, development and management of the natural heritage that contributes to sustainable economic development;
- Improving the quality of life in rural areas, with particular focus on renovating and developing villages and preserving and making the best use of the rural heritage;
- Vocational training for economic operators in the above fields and another connected with acquiring skills and running activities in order to prepare and implement the local development strategy.

Assessment

As can be seen in the Portuguese 2007-2013 National Strategic Plan for Rural Development, national authorities elaborated a document that reproduces fairly EU’s Regulation structure. Focusing our attention on Axis 3 (Quality of life) and 4 (Leader) our first remark would be to confirm once more that no references whatsoever are made to poverty and groups at risk of poverty. In what concerns social exclusion, a single reference is made on page 76, under its “The EU sustainable development policy” section.

It is our opinion that this absence of references to both poverty and social exclusion can only be understood if one assumes Portuguese authorities did not consider these issues relevant within the scope of the National Strategic

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Plan for Rural Development. We think poverty and social exclusion were considered to have their own “territory” within the 2007-2013 National Plan for Social Inclusion, thus not needing to be addressed directly in this other document.

Of course, this consideration is in itself significant and provides evidence of a “policy segmentation” that can only be considered as negative to fight poverty and social exclusion in rural areas. One would strongly argue in favour of a more integrated approach in terms of the different policies involved, particularly due to the high incidence of poverty in Portugal (even and particularly when benchmarked at EU’s level).

In order to fully explain in which measures planned by Portuguese authorities may indirectly affect poverty and risk of exclusion we considered helpful creating Table 6 putting up together measures and indicators in order to better assess possible impact on poverty and social exclusion.

It is crucial to stress that *an objective analysis of impact indicators and targets for 2013 defined for Axis 3 and 4 results in a paradox*, in the sense that one would have to conclude that Portugal is already achieving good results in virtually all indicators and (even more puzzling) in some of them should display the same or worse performance in 2013.

Table 6. Assessment of EU policy on poverty and social exclusion

Axis	Main Objectives (Sub-Objectives)	Specific Objectives	Groups of measures		
3	Diversifying rural economy	Promoting the diversification of the economy and employment in the countryside	Diversification and development of activities in farm holdings, micro-enterprises, tourism and leisure		
	Improving quality of life in rural areas	Promoting the improvement of quality of life in rural areas	Basic services for the economy and rural populations		
	Building capacities in rural areas	Building capacities in rural areas	Rural and natural heritage		
4	Valorising local development potential	Promoting the diversification of activities and quality of life in rural areas	Capacity building		
		Promoting cooperation and good practices	Implementation of local development strategies to reach Axis III objectives		
	Improving local governance	Increasing the LEADER approach execution capacity	Execution of cooperation projects to implement local development strategies		
Indicators Axes III & IV					
Baseline					
#	Designation	Reference year	Units	Value	Target 2013
27	% Farmers with other gainful activity	2005	%	25,9%	26,8%
28	Employment development in the secondary and tertiary sectors	2002	1000 people	4.476	4.490
29	GVA of secondary and tertiary sectors	2002	million euro	117.399	117.529
30	Self employed persons	2004	1000 persons	1.239	1.240
31	Total number of bed places in all forms of tourist accommodations	2004	no. of bed places	433.160	433.660
32	% of population subscribing DSL Internet	2006	%	12,9%	13,0%
33	% services GV A	2002	%	70,1%	70,2%
34	Migration rate	2004	‰	4,5	4,5
35	% of adults participating in education and training	2005	%	4,6	4,6
36	% population covered by Local Action Groups	2004	%	36,6%	34,7%

Table 7. Anti-poverty actions

Actions	Relevance*	Rank**
Raising economic activity and employment	+	5
Encouraging women entry in labour market	0	9
Heart back into villages	+	6
Developing micro-business and craft	+	7
Training young people	++	3
Take-up and diffusion of ICT	+++	1
Innovative use of renewable resources	++	2
Development of tourism	++	4
Upgrading local infrastructure	+	8

* +++ very relevant; ++ quite relevant; + relevant; 0 not relevant

** 1 = most relevant

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It is impossible to assess any kind of impact (even indirectly) on poverty and social exclusion from the measures included in the Table. To achieve this purpose, one must consider the formulation of each of the 10 indicators considered (Table 7).

Doing that, we could consider indirect (positive) impact on poverty and social exclusion regarding indicators #27, #35 and #36 (provided 2013 targets are revised). Actually, one can find indicators more closely related to poverty and social exclusion in Axis 1. That is the case of indicators #4 to #9 which seem to hold greater potential to impact positively fight against poverty and social exclusion.

4.2 Structural Policy

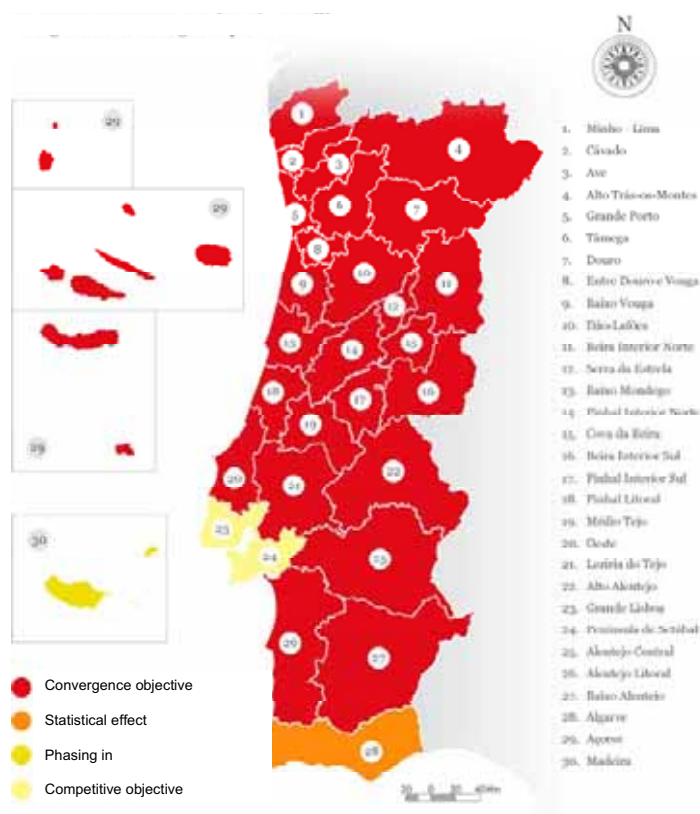
In contrast with what happens with the National Strategic Plan for Rural Development, Portuguese National Strategic Reference Framework for Regional Policy (NSRF) has several references to poverty and social exclusion. Groups at risk are clearly stated (women, children, aged population). On social cohesion, the NSRF stresses the role that employment assumes as a factor of social integration, as well as the need to promote active policies targeted at minimising different forms of poverty and social exclusion. Promoting a rise in the educational qualification of the population is a central resource of inclusion strategies, since it increases employability levels and civil participation. Also equal opportunities, mainly gender equality, are considered a key issue.

Finally, and once again, concrete mention is made to the 2007-2013 National Plan for Social Inclusion as the country's reference tool for fighting poverty and social exclusion. Specific mention is made to risk groups, such as immigrants and disabled. Some social inclusion measures are mentioned, like the promotion of specific training programmes to develop basic skills for people at risk of exclusion from the labour market.

As the map in Figure 4 shows, all the country's territory is practically considered Convergence regions. That makes it virtually useless to underline main socio-economic traits of these regions and/or referencing rural areas and poverty and social exclusion and compare them with Competition regions.

Of course this is not to say that there is no territorial dimension of poverty in Portugal. Finally, for the same reasons, key elements for convergence across regions in NSRF are difficult to distinguish from those useful to the fight against rural poverty and social exclusion.

Figure 4. Convergence regions



4.3 Other EU policies

The EU sustainable development policy

The entire national strategy was oriented towards the promotion of sustainable development in rural areas. This priority is assumed by the government as being transversal to the definition of strategic objectives for rural development, by envisaging development in an economically competitive, environmentally balanced and socially stable and attractive rural areas, expressed in the priorities and interventions to be implemented.

This orientation is visible in the most part of the measures proposed, which, developed either separately or as a whole, contribute to reach this common goal of sustainable development.

The EU Environmental Policy

The national strategy is also coherent with the Community environment policy guidelines, by incorporating measures contributing to achieve the objectives of several Community strategies in areas such as the sustainable use of resources, biodiversity, soil protection, air quality, waste and pesticides, climate change and reduction of risks and disasters.

Other Policies

The national strategy also follows guidelines deriving from several Community policies:

- **Respect for the consumer** is guaranteed by orienting production to the market, that is, to the product that the consumer wishes and with the quality he is willing to pay. Consumer's safety is safeguarded through measures aiming at ensuring the good use of agrochemical products, correct labelling and the promotion of advisory services to enterprises.
- The national strategy considers the quality of human resources a key factor in competitiveness and rural development, and therefore it favours vocational training and lifelong learning, which are equally recognised as important in the **European guidelines for education and training**;
- As far as the **European policy on promotion of equal opportunities between women and men** is concerned, the national strategy aims at countering the prevalence of female unemployment in the Portuguese rural areas. Therefore, concrete measures regarding "diversification and development of activities in farm holdings, micro-enterprises, tourism and leisure" will contribute to create female employment, either by encouraging the occupation of other members of the family farm population (in the case at hand, female members), or by promoting the emergence of activities traditionally performed by the female population (gastronomy and handicrafts, for instance);
- As to the **policy of development and consolidation of enterprises within the European area**, the national strategy assumes its guidelines in the various objectives it establishes. The promotion of business competitiveness and innovation is a quite obvious strength in many sub-objectives established to promote the competitiveness of the agricultural and forestry sector and in the measures thereof;
- The increasing **use of Information and Communication Technologies (ICT)** is a Community priority also adopted by the national strategy. It is considered that ICT can boost the competitiveness of the agricultural and forestry sector and that the increasing access to information may be crucial in achieving the objectives of the Lisbon Strategy. Therefore, measures aiming at building enterprise and actor capacities or at service development include the increasing use of ICT. Also, the national strategy recognises the impact that ICT may have in achieving objectives such as protecting environmental and landscape values in Natura 2000 areas and others, through the dissemination of information that they provide to the public, or in accomplishing objectives of diversification of the rural economy and improving the quality of life in the countryside, through the easier communications they permit, overcoming distance. Within this framework, the creation of a network for information dissemination in the rural world (National Rural Network) will play its role;
- As regards the **Community guidelines contained in the Action Plan for Biomass and in the Bio fuel Strategy**, their inclusion was insured in the National Strategy in the measures promoting innovation in processes with a high technological component and environmental qualification with bio-energy installations, in forestry management measures including the use of biomass as a way of valorising production and reduce the fuel charge, as well as in the synergies created between the different axes of the strategy and other funds to increase the capacity of energy self-supply, simultaneously boosting the contribution of the national agro-forestry production to fulfil the objectives of incorporating biofuel in transportation, established in Directive 2003/30/EC.

5. Case study: The National Programme of Fight against Poverty

The National Programme for the Fight Against Poverty (NPFAP) came at a time when many internal and external factors combined to justify its creation.

Internally, there was an urgent and imperative need to define the political response to the serious social problems of the first half of the 80s which were given extensive media coverage, including at European level. At the same time, the studies and work published on poverty and social exclusion over this period reinforced this urgency by presenting proof and (sometimes) figures, and also contributed conceptually and methodologically to define the form and content of the policy.

Externally, there is no doubt that the effect of the EPFAP⁶, the ensuing expectations, the methodological principles, and the Community directives which were being defined in this field, were all decisive factors and strongly influenced the establishment of the NPFAP in Portugal.

The success attributed to the various experimental initiatives included in the different European programmes meant that, from the start, there was a favourable attitude towards using “projects” as the means to combat poverty and social exclusion.

Meanwhile, it is interesting to note the real explosion of initiatives and projects in this field in the second half of the 80s, after Portugal’s entry in the European Communities and the resulting participation in the EPFAP, from Programme II. While a significant number of Portuguese projects applied for co-financing from this Programme, only ten were approved.

As a result, given the political concerns arising from the growing awareness of social problems in Portugal, the remaining projects also received financial and political support from the Secretary of State for Social Security (under the then Ministry of Employment and Social Security). This can be said to be the origin of NPFAP.

At the start of EPFAP III in 1989, the number of Portuguese projects applying for aid (about 60) far exceeded the number of cases envisaged for Portugal (four). As a result, the need for a national policy to coordinate and support projects in this area became clear. It is therefore not surprising that NPFAP was launched in 1990, soon after the start of EPFAP III.

The Portuguese projects which received aid from the European programmes adopted and put into practice its methodological principles defined by the Commission of the Communities and the results were considered positive.

This success had a decisive influence on the working philosophy and content of the other Portuguese projects, financed meanwhile by the Portuguese State, and also on the actual NPFAP. Therefore, from the start, there was an innovative and relatively coherent theoretical and methodological framework of reference which had already been tried out and positively assessed.

There can be no doubt that, in terms of the general context, Portugal’s entry in the European Communities contributed very significantly to the adoption of a new attitude to social policy, based on the experiences of some European countries with strong traditions in this field (such as Germany, Denmark, France, United Kingdom) in contrast to Portugal’s very limited experience.

The profile of NPFAP was very similar to that of EPFAP although on occasion with slightly different interpretations. The National Programme for the Fight against Poverty was initiated in 1990, on the one hand, because situations of need and discrimination among various people and social groups in rural areas as well as in cities and suburbs had to be tackled and, on the other, because European examples both enabled and encouraged this to be done.

After the first policy measures in this field, already with the help of Community Funds (ERDF, EAGGF and ESF), the adoption of the NPFAP became a more persistent, systematic and innovative force (in its conception, methodologies and practices), and constituted a clear break with the assistance-based tradition which was left over from the interventions in the social action field.

Council of Ministers Resolution no. 8/90, had a series of objectives based on various assumptions; essentially those were taken up later in the Dispatch of the then Minister of Solidarity and Social Security on 27th August 1996. The objectives were defined at the outset as:

- “promotion of special projects aimed at combating poverty” in response to “unacceptable living situations”;

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- “coordinating the activities of different departments and entities involved in this fight” including the “private initiatives which are involved in such endeavours” so as to “boost the effectiveness and efficiency of action and resources involved”;
- “dissemination, exchange of knowledge and assessment of action taken”.

An “intersectoral body” was set up to manage the Programme; it was responsible for coordinating projects and ongoing work, collaborating with others working in this field and making best use of the potential advantages and relevance of the community programmes which had appeared meanwhile to Portugal.

Two Regional Commissions for the Fight against Poverty were set up for the North and the South (the latter also covering the Autonomous Regions of the Azores and Madeira) in order to fulfil these objectives. They came directly under the Minister of Employment and Social Solidarity and they were given the task of:

- defining and guiding projects and actions included in the NPFAP, notably those which had been or were part of EPFAP II and III or had worked in conjunction with them;
- supporting and coordinating the actions of promoters and those responsible for the projects and evaluating their results;
- motivating the different State departments and the civil society to become involved in the Programme;
- fostering the increase of knowledge about the different causes and manifestations of poverty and raising public awareness on these issues;
- forming policy recommendations, establishing priorities and strategies in these areas.

NPFAP therefore aimed to: encourage the establishment and give orientation to projects combating poverty, coordinate the mobilisation of interest and resources (human, financial and material) of the different State services and private institutions for this task and propose measures and policies for future action in these areas.

The three **fundamental methodological principles**, which were essentially taken from Poverty III, constituted the implicit framework of reference for putting these objectives into practice:

- a) adopting a **multidimensional approach** to poverty (and social exclusion);
- b) establishing **partnerships**;
- c) motivating the populations involved to **participate**.

Although not specified in the initial guidelines (contained in the Council of Ministers Resolution)¹¹, the influence of these principles, taken directly from EPFAP III (cf. point 3.2.) was soon apparent, particularly in the way some projects were run¹², but also in some interpretations and analyses by specialists and leading technical experts¹³. The identification of these three methodological principles was due directly to their central position in Poverty III, and to the fact that they had been adopted by the Portuguese projects financed by it, and by experimental initiatives and those covered by NPFAP.

In addition to these, other methodological principles were established as the projects developed in the first years and were included in the philosophy of the programme *a posteriori*, of which we stress the following:

- d) adoption of a **project methodology**;
- e) concentration of actions in **priority areas and high social risk areas**;
- f) importance of a **local and social development approach**;
- g) **action-research** approach.

The influence of the EPFAP can also be seen here, particularly EPFAP III, which gained strength as it was reflected on and discussed in Portugal (for example in drafting evaluation reports); however, the lessons learnt from the concrete experiences resulting from the projects were also of great importance. The principles were of such significance in drawing up and defining the strategic contents of the projects analysed in Part II that the description already given in point 3.2 should be developed.

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- a) Adopting a **multidimensional approach** to poverty and social exclusion implied the need to identify their components, characterise their manifestations and define strategies to eliminate them, bearing in mind the personal, social, economic educational, cultural, political and environmental aspects involved. This therefore meant adopting **integrated intervention strategies**; rather than simply finding multiple solutions (employment, education, health, etc.); this was a search for coherent solutions which would mobilise the various actors/institutions and resources in a coordinated way.
- b) The partnership approach, that is **intersectoral action**, was the inevitable consequence of the above principle. For this purpose, it was considered essential to: draw together sectoral actions, making them work together towards the same objective; mobilise and make full use of resources and, above all, change the partners' attitude towards their traditional (isolated and segmented) responses. Partnership was however seen as a potential source of conflict due to the power relationships involved; it was therefore important to clarify each person's role at the outset and involve the partners in all phases of the project (from diagnosis to final evaluation, from planning to action).
- c) **Participation** was referred to as an essential aspect in the changeover from poverty/social exclusion to well-being and full integration in society, in that it implied that **the excluded person must change from within** and, in this way, become the protagonist of a different situation. It is recognised however that this principle is difficult to put into practice and this perhaps explains why the strategies for its implementation are not developed in depth, at least in the initial references.
- d) There were three main aspects underlying **the project methodology** in this Programme:
- Projects must be the **driving force** of the action and therefore the **operational and management centres** of the Programme, composed of people and financial resources and an organizational and management structure;
 - Projects presupposed **planned action**, which included at least the following steps:
 - initial diagnosis, programming, action implementation, self-evaluation and development of theoretical and practical knowledge about the field of intervention (research);
 - Projects were seen as **local and social development processes**, that is, change and mobilisation of local communities and not just its most direct beneficiaries (poor and socially excluded individuals and groups).
- e) The concentration of action on **priority areas and those at greatest social risk** meant preference was given to backing projects in geographical areas considered particularly sensitive from the point of view of the processes and manifestations of poverty and social exclusion, such as: industrial areas undergoing a difficult restructuring process (the above-mentioned cases of Marinha Grande, Covilhã and Setúbal, among others); poor agricultural regions (Alentejo and North and the Central Interior); border areas suffering from the opening of the borders; suburbs and slums of metropolitan Lisbon and Porto; fishing areas unable to keep up with the technological restructuring demands following accession to the European Communities.
- f) The **importance of the local and social development approach** meant it was necessary to assume that the fight against poverty and social exclusion could only be effective if, on the one hand, it involved change processes which went beyond the local community as a structural (not circumstantial) means of preventing and resolving these situations, notably through job creation initiatives and other social integration activities and, on the other, it involved mobilising local solidarity and resources;
- g) The combination of the three dimensions which form the main methodology of **action-research** – action, self-evaluation and research – was defended with a view to ensuring that the projects did not regress to the traditional approach of working on the symptoms rather than on the causes, or failing to achieve the necessary structural changes.

Research should not be confused with in-depth academic studies which are often remote from concrete situations; in this case, it is understood to be “the process of understanding the reason for the problems, the search for the factors which cause them and the development of knowledge” in order to “provide guidance as to the most appropriate concrete action”

Self evaluation was seen as “critical awareness of the technical processes of the action” and could be compared to “a compass guiding our steps”.

According to the Programme's objectives, the main beneficiaries were the people and social groups in poverty and social exclusion situations; that is, the underprivileged in societal terms, particularly those living in priority or high social risk (mainly older persons and children).

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But this meant that it was necessary to propose and organise projects which would cover everybody because, although there were no limits and potentially all poverty and social exclusion situations in Portugal could be embraced by the Programme, it would only be under these conditions. It therefore became essential to organise projects and, as a result, the so-called “**promoters**” who proposed, organized and coordinated these projects played a key role.

Promoters could include the private social solidarity institutions, the various non-governmental organizations and other non-profit organizations, local authorities, municipal associations and, if necessary, the Regional Social Security Centres themselves, provided they presented the right conditions (that is, technical and organizational) to take responsibility for these processes.

The coordination and leadership of the projects should however be based on a partnership approach, as we have already seen, and therefore the sharing of resources and responsibilities with other institutions, public services and associations involved would be locally based.

Management (notably accounting and financial management) of the projects was not to be done by a public entity but it could be done by the promoters themselves as long as they were qualified to do so.

The promoters and managers of the projects were answerable to the Regional Commissions for the Fight against Poverty on technical, financial and accounting matters.

There were various **important lessons** learnt from NPFAP Commission, both positive and negative. Starting with the **positive aspects**, there can be no doubt that the effect of the programme on **the population** was:

- a general improvement in living conditions with access to a wider range of responses and opportunities (employment, vocational training, income, education, housing, health, etc.);
- as a result, a reduction in the incidence and severity of poverty and social exclusion and therefore in the level to which basic needs were not satisfied;
- increased skills (empowerment) at various levels and their individual and associative capacity to participate, that is, of citizenship.

Greater proximity to institutions and technicians and in their understanding and “ownership”. **For local institutions (including local authorities) or those working locally, and their technicians**, we stress the following positive aspects, clearly exemplified in the projects studied:

- better understanding and identification of poverty and social exclusion from both the theoretical and practical perspectives (more in-depth and broad-based diagnoses and other forms of evaluation);
- adoption of a more integrated and global development perspective when analysing these situations and strategies to eliminate them as opposed to the traditional perspective which is more sectoral (segmented) and assistance-based;
- use of new working and intervention methodologies which are more in keeping with the problems to be tackled and attempts to integrate solutions, which implies, for example: active participation by the population, articulation between partners, combining of resources and activities, use of action-research method, etc.;
- need for technicians to have close and direct contact with the population; this proximity and relationship protects them, except bureaucratically, and it potentially generates more lasting dynamics which encourage autonomy; on the other hand, this requires their technical skills to be more closely linked to personal skills;
- territorial approach to social intervention strategies which is local (community) and based on endogenous weaknesses and potential, that is, one which motivates a “reading” from the inside (or from below);
- endogenous-exogenous integration of resources (financial, human, material, institutional, information, etc.) and results which can have a positive and enriching effect on local skills and is not inhibiting or substituting;
- the “discovery” of specific social or cultural groups which, thanks to these projects, often emerge from the shadows or darkness where they have been hidden by history and/or social marginalisation (gypsies, immigrants, particularly African immigrants, former drug addicts, carriers of HIV-AIDS etc.).

For the State (centralised structures), the programme contributed to reduce the “distance” which separates it from local populations and puts pressure on itself to develop policy measures and provide facilities, infrastructures and services which are more appropriate and effective in dealing with poverty and social exclusion.

The improvements introduced in recent years in public social policies and their coordination in Portugal also reflect this “pressure” and the lessons learned from concrete experiences.

This “pressure” takes many forms and results from:

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- greater visibility of poverty and social exclusion;
- greater proximity between the population and the departments (decentralised) of the central public administration;
- demands of the associations and private social institutions and their federal or equivalent structures which are strengthened by these projects (in Portugal, Union of Private Social Solidarity Institutions, Union of Mutual Assistance and Union of *Misericórdias* are among those which now have a place in the national associations for social dialogue and social consultation);
- dynamics introduced (in some cases almost subversive) in the public departments and services from the grass roots by social workers confronted with the nature and demands of community work which traditional hierarchies and bureaucracies do not understand.

For society, the positive aspects best illustrated by the programme are:

- greater visibility of poverty and social exclusion, in part due to the role played by the media which has brought advantages (greater knowledge, assumption of responsibility, etc.), but also disadvantages or risks (greater exposure of situations, pressure on social workers, simplistic readings, etc.);
- availability of new and more responses to society's problems and general increase of opportunities;
- development of new activities (e.g. economic, cultural and social).

Clearly, all these positive aspects do not result just from NPFAP but also from other programmes or measures that have existed previously or simultaneously, nationally (in the areas of employment, health, education, social action and housing), or co-financed by the EU. Examples of the former include the Social Employment Market, other employment and vocational training programmes and the Guaranteed Minimum Income, whereas the Integrar Programme, LEADER, the Community Employment Initiative and EQUAL are examples of the latter.

Turning to **negative aspects**, we can speak of shortcomings in some cases and/or difficulties or limitations in others.

The **populations** demonstrate above all an on-going cultural resistance and inertia to effective participation; they tend to be passive, resigned, disbelieving, dependent on services or excessively demanding (demanding but without taking any initiative).

In terms of **institutions and technicians**, we note particularly:

- persistence of institutional cultures which resist working in partnership or integrating activities, resources and knowledge (interdisciplinary approach);
- technical cultures which distance them from the population, are assistance based and/or conserve their power and which inhibit their effective participation and emancipation;
- more frequent use of "ready-made" models and responses that are easier than investing in creativity and innovation which occur only occasionally;
- lack of tradition and training in the use of strategic planning methods which include evaluation of activities as a way of responding to the weaknesses in a constantly changing situation with flexibility and appropriate action, that is, using the principles of action-research;
- temptation of excessive protagonism and lack of leadership in the organization and management of some of these processes, hampering partnership work and participation of the population;
- still-frequent inability (despite some positive exceptions) of knowledge institutions (notably universities) to focus a significant part of their research on linking society's concrete problems to, in this case, questions of poverty and social exclusion;
- lack of economic and "business" (in the broadest sense) awareness of many institutions working in social services, which makes it difficult for the projects to have a sustainable basis.

For the State, as the central administration, the main limitations are due first and foremost to the lack of progress made so far in integrating policies. Although there have been some advances among the various social policy areas, possibilities for coordinating these with economic policies continue to be ignored and dominated by the former policies. This forces local services and technicians to display imagination and creativity when trying to fit together the complex puzzle linking the various intervention areas and programmes.

Notes

⁶ European Programmes for the Fight Against Poverty.

6. Conclusions

The non-existence of a common definition of “rurality” explains why several countries (including Portugal) have adopted existing standards (OECD, etc...) to their territorial particularities. Thus, the last version of 2007-2013 National Strategic Plan for Agriculture and Rural Development, the Portuguese official definition of rural areas was based on an adaptation of OECD’s concept.

It is also worth mentioning that statistical data on poverty and social exclusion is scarce and difficult to find. Poverty and social conditions in general are well documented, but the breakdown between urban and rural areas is absent in the vast majority of indicators.

These two considerations (lack of universal definition and scarcity of data) could lead us to question whether there is enough specificity in the phenomenon of poverty/social exclusion in rural areas. Of course, the analysis provided in this National Report allows rejecting this hypothesis. We have concluded, for instance, that the risk of poverty is twice bigger in rural areas when compared with urban territories.

According to DG Regional Policy classification, Portugal is the second country in the “Predominantly urban” ranking. This is particularly significant, because of the relatively small extension of the Portuguese territory. This indicates that general population seeks better opportunities in urban areas, thus producing a high concentration of population around major cities.

Also it is very important to keep in mind that, despite remoteness levels not being very significant in terms of population (15,6%), that is not the case in terms of percentage of territory concerned. Indeed, the vast majority of the territory (around 85%) can be considered remote because it is distant (in many cases much more than 1 hour) from cities above 100.000 inhabitants.

In more recent years, a detailed analysis of the data available points to a possible “**turning point**” in the economic dependency from bigger urban areas. Portugal’s GDP cumulative growth between 2000-2004 (%) shows that rural areas are the ones registering higher growth, particularly intermediate rural remote regions. This is also true for per capita indicators. Further research and analysis could prove very useful to consolidate this “turning point hypothesis”.

Finally, considering measurement of poverty in Portugal, the latest data available from the EU Survey on Income and Living Conditions 2005 (EU-SILC) shows a slight improvement in poverty risk indicators. For the first time in many years, the overall poverty risk of the population dropped below 20%, though still remaining well above the EU average of 16%. Also the traditional “feminisation” of poverty in Portugal was reduced by half between 2004 and 2005. The gender difference is now of just 1% (20% for women and 19% for men). This slight improvement was not followed by changes of inequality in income distribution. In 2005, the ratio of income earned by 20% of richer citizens of the population was still 7 times higher than those included in the 20% of smaller earners (comparing with 5 times in the EU).

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Annex 1. Summary table of Axis 3 & 4 (LEADER)

Actions	Objectives/scope/actions	TARGETS
3.1.1 – Diversification of Agricultural Activities	Fostering the development of non-agricultural activities within the farm, creating new forms of income and employment sources and making direct contributions to the maintenance/improvement of the family income, as well as to the settlement of the population, territory occupation and strengthening of the rural economy. Agro-tourism and rural camping; Recreation and leisure services; Educational activities; Hunting and fishing in inland waters; Production of goods directly resulting from processing activities; Direct point of sale of goods produced on the farm; Other services to third parties.	Increase of non-agricultural GVA in supported activities 0,16% Gross no. of jobs created 1.500 – 2.000 - Women 60% - < 25 years old 20%
3.1.2 – Creation of Micro-enterprises	Fostering the creation and development of business in Rural Areas to strengthen the economic structure and to create employment, so as to contribute to the social and economic revival of these areas. This action targets the creation and development of micro-enterprises (within the meaning of article 2 no 3 of the Annex to Commission Recommendation 2003/361/EC, relating to the definition of micro-enterprises and SMEs) in respect of which an activity branch may be defined under the Local Development Plan, in line with the needs of local territories and the established strategy.	Increase of non-agricultural GVA in supported activities 0,56% Gross no. of jobs created 4.000 – 5.000 - Women 60% - < 25 years old 20%
3.1.3 – Development of Tourism and Leisure Activities	Development of tourism and other leisure activities as a means to upgrade local resources within rural areas, namely as regards the enhancement of local products and the natural and cultural heritage, thus contributing to economic growth and employment creation. This assistance supports leisure and tourism activities in the following areas: creation or development of tourism products, and specifically eco-tourism, wine-tourism, tourism linked to hunting and fishing, religious and equestrian, health and cultural tourism; small-scale tourism related to accommodation: rural tourism (TER) and nature tourism; small-scale infrastructures such as lookouts and observation centres, tourists walks, tourist animation.	Increase of non-agricultural GVA in supported activities 0,20% Gross no. of jobs created 2.500 – 3.000 - Women 60% - < 25 years old 20%
TOTAL 3.1.		Increase of non-agricultural GVA in supported activities 0,91% Gross no. of jobs created 8.000 – 10.000 - Women 60% - < 25 years old 20% Additional Net Added Value (VAL.pps) (Annual increase in %) 2,5% - 3,0%

PDR/AXIS III/MEASURE 3.2. Improved Quality of Life

Actions	Objectives/scope/actions	TARGETS
3.2.1 – Conservation and Upgrading of the Rural Heritage 	<p>To upgrade the rural heritage according to the common interest, and to maintain its connection with the identity and attractiveness of the area, and facilitate access by the community, all within the context of a strategy for local development.</p> <p>Preservation of built rural heritage (except classified historic buildings and monuments);</p> <p>Reassignment of traditional buildings for activities associated with the preservation and upgrading of local culture;</p> <p>Preservation and restitution of customs and cultural traditions (material and document assets, arts and crafts, folklore, music, traditional dress and cookery recipes).</p>	<p>Population of rural areas receiving improved services (population of LAG area) _____ 3,0%</p>
3.2.2 – Basic Services for the Rural Population 	<p>Improved access to basic services being services that are considered essential for the achievement of equalization of living standards and social integration of the population.</p> <p>In particular, the following kinds of services will receive assistance: support services for children; home assistance for the elderly and people with disabilities and itinerant social support services; locally based facilitation of cultural and recreational activities; support services for new residents.</p> <p>These services will be given priority in accordance with their integration into multi-service centres that are already being promoted.</p>	<p>Population of rural areas receiving improved services (population of LAG area) _____ 5,0%</p> <p>Increase in internet access in rural areas _____ + 50%</p>
TOTAL 3.2.		<p>Net Value Added (NVApps) (Annual increase in %) 2,5% - 3,0%</p>

PDR/AXIS III/MEASURES 3.3 – Skills Acquisition and Animation for Local Development; 3.4 – Implementation of Local Development Strategies

Actions	Objectives/scope/actions	TARGETS
3.3 – Skills Acquisition and Animation for Local Development	<p>To confer upon the LAG partnerships the necessary instruments and competencies for the planning and implementation of the local development strategies;</p> <p>The dissemination of the local development strategy to the public by means of local information and animation activities.</p> <p>This measure aims to support interventions of an intangible nature in the following areas:</p> <ul style="list-style-type: none"> Research related to geographical areas targeted by LEADER; Information activities and promotion of the target territory and the relevant Local Development Strategy; Training for the partnerships involved in the preparation and implementation of the Local 	<p>_____ No. of people who successfully completed at least one training activity _____ 1.350 – 1.800</p>
3.4 – Implementation of Local Development Strategies	<p>Economic Revival of Rural Areas, principally through the Diversification of the Rural Economy, Job Creation and Improvements to the Quality of Life in Rural Areas;</p> <p>Improved Local Governance.</p>	<p>_____ No. jobs created (gross) _____ 8.000 – 10.000 _____ No. of people who successfully completed at least one training activity _____ 1.350 – 1.800 _____ Net Value Added (NV/Apps) _____ _____ (Annual increase in %) _____ 2,5% - 3,0%</p>

PDR/AXIS III/MEASURE 3.5 – LEADER Cooperation for Development

Actions	Objectives/scope/actions	TARGETS
3.5.1 – Inter-regional cooperation	To promote the development of projects of cooperation between rural areas within national territory and to create added value for cooperating geographical areas.	<p>_____ No. jobs created (gross) _____ 300 – 450</p>
3.5.2 – Transnational Cooperation	To promote the development of projects of cooperation between rural areas in this state and third countries, whether or not those countries are within the EU.	

PDR/AXIS III/MEASURE 3.6 – Running of the LAG, Skills acquisition and Animation

Actions	Objectives/scope/actions	TARGETS
3.6 – Running of the LAG, Skills acquisition and Animation	<p>Preparation and implementation of a Local Development Strategy.</p> <p>Provision of support for the LAGs, in the discharge of its local development strategy planning, management and monitoring functions, and as a middle Managing Authority and area animator.</p> <p>The amount of aid relating to the running of the LAGs shall not exceed 15% of the Public Expenditure related to the respective local development strategy.</p>	<p>_____ No. of people who successfully completed at least one training activity _____ 1.800 – 2.700</p>

