

## **PORTUGAL Country Summary**

### **Introduction and Overview**

In making the case for recognizing a unique type of welfare state in Southern Europe, covering Spain, Greece, Italy, and Portugal, Lewis points to the type of family solidarity characterizing the region. In contrast to Northern Europe,

"Different generations of Southern European families are more likely to be co-resident and are in a very real way dependent on each other. The family is likely to be a means of integrating different kinds of income from various family members, many of whom may engage in casual labor in the underground economy...Families thus play a more critical role in both care and material provision and may act as a buffer between the individual and social exclusion" (Lewis, 1997, p. 309).

Given such a role for the family, why-Lewis asks-so little by way of explicit family policy in Southern Europe? Here, timelines are important. She cites Claude Martin's observation that the modern development of European social welfare systems has taken place during a long economic recession-which occurred just when the family was "engaging in a process of change linked to transformations of the labor market" (Lewis, 1997, p. 309; Martin, 1997). All of this would seem to apply to Portugal.

The European Family Observatory's Portuguese expert, Karin Wall, offers a similar assessment: after 15-20 years of gradual economic improvement, poverty and poor living conditions remained the great challenge to Portuguese family policy. The socialist government that took over in late 1995 (and was reelected in 1999) opened many taboo subjects for examination and discussion and acted on a number of fronts, but only limited measures were possible. The family still "is expected to compensate for weakness of social policies" (Wall, 2000, p.36). However, in 1999 the National Council for the Family, created by the government, issued a broad statement of public concerns in regard to families and aims to be addressed by national policies.

All observers report increased attention to family measures, plans and some upgrading, but economic progress is modest and therefore a major constraint. Demographic change is considerable, other pressures are also great. "Family policy has...remained rather in the shadow of social policy" and social provision-especially for vulnerable families "has been sketchy and poor" (Wall, 1998, p. 213, 215). Family policy remains implicit (Wall, 2003).

Portugal is a quite homogenous country, overwhelmingly Catholic, and Portuguese-speaking.

### **Government Agencies**

Full understanding of some Portuguese government structural and social security/medical care rigidities requires more complete review than is here undertaken of the 1926 military dictatorship and the Salazar regime which followed (1932) and remained in control until 1968, the political constraints of the 1960s, and economic constraints of the 70s, the stable conservative

government and its stress on stability from late 1985 to late 1995, and the need to meet requirements to enter the European Union (Guibentif, 1997). The family policy of today still reveals some elements of the organization of social protection by the Salazar regime and continuities in the 1976 Constitution and 1977 Civil Code. A state department for the family accountable to the Ministry of Social Affairs was created in 1980, went through several organizational evolutions, and had the lead in formulating and moving family policy (Amaro, 1994).

In 1995, in a ministry restructuring, after the Socialist victory, Portugal created a Ministry of Solidarity and Social Security (now Labour and Solidarity). A Directorate-General for the family is within this ministry. A related decree created a High Commissioner for the Promotion of Equality and the Family, who works in cooperation with High Commissioners concerned with immigration and ethnic minorities. With this structure in place, the government announced a comprehensive, ambitious but very general family policy-which has thus far led to modest steps. In May 2002, a center-right/right-wing coalition took office and various reforms were introduced for discussion.

The family policy programs now reside on the national level with the Ministry of Labour and Solidarity. A State Secretariat for Solidarity and Social Security carries responsibility for most cash benefits and shares some responsibility for resource sufficiency with a State Secretariat for Employment and Training. There are various national bodies for technical coordination and regional centers for social security and employment. A Ministry of Health is responsible for health care through regional and sub-regional health authorities and a Ministry of Education carries responsibility for nursery schools, which operate under diverse public and private auspices. There is a Secretary of State for Youth Affairs.

Much of the implementation for ECEC depends on municipality initiatives.

## **Demographic and Other Social Trends**

Less urbanized and still less economically modernized than most of Europe, Portugal has a population of about 10 million, about 17.5 percent under age 15 (about the European Union (EU) average), and almost 15 percent over 65 (a bit below the EU average). In the mid-1990s, 13 percent of all Portuguese families were lone-mother families, a rate close to that in the Ireland and Netherlands, below the Nordic countries, Germany, Austria, the Netherlands and Canada, but higher than Italy, Luxembourg, Greece, Belgium, and Spain. (U.K. and U.S. are in another category, almost double the Portuguese rate.) As in Austria, Spain, and Italy, the dominant single mother group is listed as widows. Equal numbers are listed as divorced and the unmarried group is exceptionally small (13 percent), as in Spain and Italy. The majority of children under 18 (72.8 percent) live in married or cohabitating households. Only 5 percent (an extraordinarily low number) live in lone-parent households. The remainders are in extended family households. In 1996 only 3.3 percent of Portuguese children under 15 lived in a household without a working adult.

A dominant note in Portuguese demography is the total fertility rate of 1.54 (2000), above Italy, Greece, Spain, Germany, Austria and Japan, and equal to Sweden and Switzerland, but among

the world's lowest. Since the 1940s, the Portuguese demographic path has been the familiar one in the industrialized West: a fall in births, fertility, family size and later marriages as female labor force participation rates increase and women increase their education. However, because of past population structures, it is the only EU state expecting moderate growth in its 0-14 group over the next 15 years (Eurostat, 2001). Cohabitation has increased, but not at the North Europe rate.

According to mid-90's EU data, after Denmark, Portugal has proportionately the fewest housewives in Europe. It is a complex picture. By 1998, total female labor force participation has reached 62 percent. Of some interest, the labor force participation rates of married/cohabitating mothers (55 percent) are not very different (mid 1990s) from rates for lone mothers (50 percent). Part-time female employment is low; few women are in high-level jobs. A Portuguese expert comments: Women now in their 50s have hardly ever worked, whereas young women are expected to keep full-time jobs when they have children, despite child care shortages. The prevalent current pattern is dual-earner couples, even in families with young children. Total Portuguese unemployment has moderated, youth employment remains low in European context and labor force participation is high for 20-24s. (Overall unemployment is high in the 2002 downturn). In one unique twist Portuguese women have high labor force participation with 3 children; others show a decline after 2.

Portuguese illiteracy rates have been historically high, but compulsory schooling (having recently gone from 6 to 9 years) now extends to age 14, and over 90 percent of the 6-15 group is enrolled. There is concern about high dropout rates (100,000 per year), variously attributed to illegal child labor, inadequate school facilities, parental illiteracy and inability to "sustain" school going. Many countries, but not all, enroll more of the 15-19s in further education. Portugal, along with Spain, shows the largest EU improvement in educational attainment for the 25-29 age group, but still has much catching-up to do (Eurostat, 2001, p. 37). It still leads the EU in the percent that leave school (45 percent) with low levels of education. In the educational "catch-up," girls lead boys (Eurostat, 2001).

## **Social Protection**

Over recent decades there has been considerable secular departure from the strong Catholicism of Portuguese family policy. Women, long limited in status have been subject of efforts to define them as co-responsible with their husbands in the running of the family and legally protected against any discrimination, including in employment. Family planning has been incorporated in the health services since the mid-1970s but there are strict limits on abortion (Amaro, 1994, pp. 260, 261).

Portugal has most of the institutions and programs of social protection, all constrained by economic realities and historical patterns, some of which have yielded slowly. Its economy is among the smallest in the OECD and its per capita GDP the lowest in the European Union, but it has halved the gap in living standards in 15 years. Government's share of revenue and government expenditures as a percentage of GDP have been below OECD averages since the 1960s and are not very different than the U.S. and U.K., if well below the more prosperous West

and North Europe nations. Total social protection expenditures rose from 15.2 to 22.9 percent of GDP between 1990 and 1999, compared to an EU average of 27.6. By 1999, Portuguese family expenditures were 5.2 percent of all of its social expenditures, compared with 8.5 percent average for E.U. countries; its maternity expenditures at .9 percent of GDP were average for the E.U. More recently, family expenditures claimed a 5.6 percent share. While below the E.U. in rate of health expenditure as a portion of GDP from the mid-70s, Portugal was making an above-average effort by the early 90s.

Portugal is not included in the LIS poverty database, the source of most international comparisons in the industrial world, but it reports family poverty as a source of considerable concern. Analysis from a European household survey for the early 1990s showed the lowest per capita GDP in the EU, except for Greece, a population poverty rate of 46.9 percent and a child poverty rate of 49.7 percent. A later country report speaks of a 24 percent child poverty rate, as contrasted with an OECD average of 11.9 percent in 2002 (Immervoll, et. al, 2000, Table 1). In mid-1996, Portugal enacted a minimum income scheme, part of the earlier socialist platform, and the program is clearly influenced by the French RMI. It requires participation by recipients in "social integration" activities and action to avoid school absenteeism by children in the family. In the early months the caseload covered 2606 households, of which 45 percent were couples with children and 22 percent were lone parents.

## **Child, Youth and Family Policies**

### Maternity, Paternity, Parental, and Family Leaves

Portugal's first maternity benefit legislation goes back to 1984. The program was improved substantially in 1995. There is a 120-day leave and cash maternity benefit, of which six weeks must follow confinement. Thirty days are added per child after the first. The eligible are women insured under social security. The benefit replaces 100% of the mother's wage and is not taxable. Except for 14 days, it may be taken as a paternity benefit by agreement or in instances of the incapacity of the mother. In any case, fathers have a 5-day paternity leave and two weeks after the maternity leave, which are compensated. There is no paid parental leave but, after maternity leave, there is an unpaid leave (1 child, 6 mos; 2 children, 2 years; 3 children, 3 years). It must be taken full-time.

Parents may use up to 30 days per child under 10, per calendar year, to care for an ill or disabled child at home (or 15 days for a child over 10). The cash benefit is equal to the level of the sickness benefit. (There are special extended leaves for care of disabled or chronically ill children.)

If both parents work, one parent may take leave for up to three months in the case of adoption, with social security (rather than medical) income replacement.

New (1999) enactments allow extended leaves for high-risk pregnancies and also permit leave for wage-earning grandparents under special circumstances (to care for a child of a teenager under age 16).

### Early Childhood Education and Care (ECEC)

In her 1999 report, the Portuguese representative stated the following:

"...child care facilities are lacking in Portugal. There are hardly any nurseries for children below age three, because the state considers childcare a purely educational task. For this reason, the current offer only comprises pre-school day nurseries for children above three. Many care facilities are open only five hours per day and close during lunch. Only 50 percent of children in the age group from three to six are in formal day care arrangements" (Wall, 2000, p. 38).

The pattern of low under-3 coverage (12 percent) and relatively low coverage for the 3-6s has been typical of countries with strong cash support for at-home mothers and a transition for older children. It would appear to be lagging behind Portugal's current labor force patterns, which are transitional but not typically part-time. A recent report indicates coverage for 75 percent of the 3-6 age group by 2002 and a commitment to further expansion for both the under-3s and the 3-6s. After-school care is provided for 11 percent of the 6-10 age group. The private sector (2/3 of it non-profit) delivers more than half the care.

Acknowledgement of major coverage gaps, understanding of the urgency of ECEC expansion- especially for the under-3's- a review of a formal policy framework, and affirmation of the belief that there is "serious" commitment to progress are all reflected in Portugal's background report (as submitted by the Department of Basic Education, Ministry of Education in late 1999) for the OECD 12 country thematic review of ECEC.

Portugal was part of a 2000 OECD review of ECEC in twelve countries. Consult the full Portuguese report on line at: <http://www1.oecd.org/e1s/pdfs/EDSECECDOCA005.pdf>.

### Family and Child Allowances

The main family benefit is a Child and Young People's Family Benefit program. Coverage extends to age 24 for those still in education and for disabled youths who also receive a supplement. The allowances are income-tested, highest for the lowest income group (up to 1.5 times the minimum wage) and lower for each of three successive income groups. Within each group, allowances vary by the child's age and the number of children. Eligibility is for the children of employed parents with social security coverage.

The Portuguese allowance is neither taxed nor indexed. In a 1993 study, with comparisons made in purchasing power parities, Portuguese family allowances were the lowest in the EU, not surprising given its relative economic status. (Spain had no allowances and most families in Greece had no coverage) (Bradshaw, et al, 1993).

### Child and Family Tax Benefits

There is a system of dependant allowances in the income tax system. School fees are tax deductible. There is a tax free allowance (deduction) for lone parents.

Children are considered dependant if below age 18 and without their own income; there is no age limit for the handicapped.

### Other Child Conditioned Income Transfers

A widow's, or widower's, pension as a survivor of a social security beneficiary is limited to 5 years unless she/he is over 35 years of age or caring for a child. Half-orphans are awarded, respectively, 20,30, or 40 percent of the insured's pension, depending on the number of children. The amount is doubled for full orphans. (There are extra monthly payments at Christmas and in July). There are similar benefits for child survivors of disability beneficiaries. Means-tested survivor benefits at a lower level are also paid ("social pension for orphans") for those without social security eligibility. There is also means-tested unemployment assistance, time-limited, which considers family size in awarding grants. A guaranteed minimum income scheme, accompanied—as in France—by a “social integration” program, was enacted in 1996. Some 38 percent of recipients are couples with children (Wall, 2003). If the non-custodial parent does not pay child maintenance and the custodial parent's income is below the national minimum wage, the government pays a child maintenance (child support) grant.

### Child and Adolescent Health

Portugal has had a universal health care system since a reform in the late 1970s. Cash sickness benefits are available only to those covered by the social insurance system. As noted above, a regional medical administration working through subregional units, all united under health ministry supervision, administers the medical program. However, occupational insurance schemes and other coverage for upper-income people may exclude up to one-quarter of the population from the public system. People who can afford to do so by direct payment-or are in families covered both by the public and a private scheme-choose particular services as per their preferences: public services, private doctors, for-profit and non-profit facilities. While doctors may be seen in public facilities or their own offices, many children and youth (with sub-regional variations) also are served in health centers, schools, and clinics (Wall, 1998; Pinto, 1997). Serious coverage gaps are acknowledged (Ministry of Education, 1999).

There are known inequities in staffing and facilities between the poorer North (and the Azores and Madeira) and the remainder of the country. The poorer child health indicators in such areas do not distinguish between living conditions and health care as cause. Various special projects and initiatives seek to address-in the foreign, or rural, or very poor urban populations-the standard poor health indicators, accidents, road accidents, malnutrition-and increases in children and youth of smoking, drinking, sexual activity-but rates are not high by general European patterns. A Mediterranean diet reinforces health measures.

Despite great progress, Portugal still lags behind most EU countries for life expectancies. (Its male and female smoker rates, however, are the lowest in the EU). The country has made great progress since 1980 in its infant mortality rates but still (2000) has -with Greece and UK- the highest EU rates, while already doing better than the U.S. Dental health results are average for Europe and child immunization coverage is high (Eurostat, 2001; WHO, 1997).

### School-Aged Children: Policies and Programs

Compulsory education begins at age 6. As noted earlier, length of compulsory schooling has been increased, efforts are being made to combat child labor and cut school dropouts. Participation in secondary and post-secondary education is increasing, but many tasks face newly developed and expanded systems, inadequately prepared staffs, and serious resource constraints.

### Youth

In a pattern like that described in our Spain country profile, the family-ism, of Europe's southern tier- the continuing influence and support for the extended family norms and modes means that young people remain at home until economically self-sufficient, cohabit less, and have fewer out-of-wedlock children. Indeed, just behind Spain's lead, the age at which youth leave the family home is still increasing in Portugal (Eurostat, 2001). This and female labor force patterns is considered an important factor in Portugal's low fertility rate.

Some Portuguese male youth indicators are of concern: very high death rates (for the E.U.) in the 15-24 age group, exceptionally high rates of death from motor vehicle accidents among the 5-14s, high rates of traffic deaths for 5-14 and 15-24 year old males. There is concern about alcohol, smoking, sexual initiation-but the rates are not out of bounds for Europe. The major responses relate to education and work-as summarized earlier. Teen fertility is low for Europe and is exceeded only in the U.K. Only about half of these births are to unmarried mothers. A series of efforts have been inaugurated in recent years to increase youth "participation" in planning and program management and to create channels for protecting youth rights. Click here to view in PDF format a table on the ages at which children and youth are legally entitled to carry out a series of acts in EU countries.

Portugal was one of the fourteen countries participating in the OECD thematic review, From Initial Education to Working Life—Making Transitions Work. For more detail on the transition to working life in Portugal, see OECD's Background Report on Portugal, as listed in our Reference section.

### Reconciliation of Work and Family Life

ECCE, leaves, and related supports are specified above and remains on the agenda. The need for adequate care for the 0-3, 3-6 groups remain extensive and advocates also call attention to the lack of income replacement in connection with parental leaves. In a sign of intent, the constitutional revisions of 1997 specify the right of all workers to reconciliations of vocational activity and family life (Article 59). Much is yet to be done. The government has adopted the goal of doubling child care facilities for the under-3s by 2003. There also are goals for coverage for pre-school ages 3,4, and 5 (Wall, 2003).

### Housing Benefits

A 1993 program is concentrated on the elimination of shantytowns in metropolitan areas (many occupied by families with children), allowing local subsidies for shantytown families to buy houses or to repair and return to houses in their home villages. Only a small segment of the shantytown and sub-standard housing problems are addressed by current programs. There are no housing allowances for families.

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