

Portuguese Delegation 2022
20th– European Meeting of People Experiencing Poverty (PeP)
November 29 and 30 2022

1. Introduction

The effects of the pandemic and post-pandemic period on the lives of citizens are most evident. On the top of these is added an analysis of the effects on the economy and daily life of people in poverty and/or social exclusion due to the war in Eastern Europe and the economy crisis associated with inflation. As this is not an in-depth document of the situation, we know in advance that this scenario mainly affects the most vulnerable families and people and citizens with low income, so we'll try to illustrate them based on our testimonies and personal experiences.

2 - Current context

The Portuguese delegation considers the current situation concerning the increase in the cost of living worrying. Surviving in Portugal is increasingly difficult: it was the pandemic, the war, the rise of the fuel prices, among others. The increase in the minimum wage was swallowed up by inflation, leaving us with no space for manoeuvre, that is, no purchasing power. Renting a house can take up to 100% of the national minimum wage. For example, renting one-bedroom apartment in Évora costs 650 euros a month without including the other expenses. Fuel had a very sharp increase: diesel +18.5% compared to January 2022, followed by petrol +10.7% and jet +10.4% (data taken from ERSE). Electricity and natural gas also had an increase of 8.2% (data from ERSE).

"I have to manage my budget even more tightly. Because the price of food has increased, but also the electricity and water."

"My son used to tell me that a few months ago with 70 euros he could filled the van deposit. Now with 70 euros only last for a working week. It is a brutal burden in our budget."

Portugal continues to suffer, in 2022, the economic consequences of the covid-19 pandemic. It is normal that prices go up every year due to inflation, but when this rises is so dramatically as now, the consumer's purchasing power cannot keep up with it, it is serious, very serious. The most obvious examples are the increase in fuel, electricity and gas prices for domestic consumption and housing, as can be seen from our testimonies:

"... Many companies took advantage of the whole situation to get rich, raise prices, fire employees and declare bankruptcy despite having income and going to seek support from the State... The situation worsened with the war... The cost of living increased even more, and people's income decreased. People in poverty are the ones who are suffering the most from the result of these two situations (pandemic and war)... Our income is not enough..."

"We earn the same, but prices have gone up. If wages do not increase as inflation increases, we will gradually be facing deprivation".

With all these prices increase, the one that is being overwhelmed is food. Increase in fuel, weather conditions and war have all served as an excuse for the increases in food. For example, a basket of essential goods was 185.17 euros on the 1st of March, increasing to 206, 39 euros on the last day of August, that is, we pay 21.22 euros more for the same food within six months. Fish and vegetables are 67% and 47% more expensive, cooking oil 36%, potatoes 33%, white meats such as turkey and chicken 25% and 30%. Cereals 23% and pork meat 25%, and so on. We are in this escalation that no one can keep up with.

The most deprived people are the most affected, however with all these prices increase, few will not suffer from their effects. There are already reports of people who have stopped eating meat, others have substantially reduced their consumption, food is usually where you cut when the budget is tight and now with these prices it will be even further reduced. I have no doubts in saying that there is already hunger, but there's a lot more to come. Food is where you cut back when money is not enough to pay other bills, and this has consequences on our health in the medium and long term. It is always food that "pays the bill" and there is no longer anywhere to get it to pay the increase in food and very soon the number of families in need for food support will increase exponentially and it will not be only among the most disadvantaged.

"I eat that, and I must comfort myself... (...) I stopped buying butter, I stopped buying ham. Stop buying things to put on bread... a very strong soup... I'm not starving. I don't think about the rest anymore. Why would I think if I can't buy it. I must face reality. I have to survive with my budget."

People complain that they can't buy enough food, they skip meals, eat what they can buy, and this warns us to a new reality, we have a diet that allows us to survive and work, but certainly with clear nutritional deficiencies that will be reflected in our performance and our health in the short, medium, and long term.

"I no longer buy some foodstuff. I had to change my eating habits and replace certain foodstuffs with cheaper ones".

The main problem we face is the growing phenomenon of inflation which has led to an exponential increase in the cost of food. With so small wages, and their slow rise, it becomes very difficult to buy basic goods and impossible to have a healthy diet. Lately, the healthiest foods end up being the most expensive, a fact that leads people in poverty to choose cheaper products, which feed but are harmful. Organizations that provide social assistance, in addition to not being able to bear the costs of more expensive food, are only able to offer baskets with non-perishable goods that normally do not allow for a great variety.

"I feel angry because the impact and effects of the crises always fall on common people, on those o have less".

It is necessary to be aware that prices will probably not go down in the near future. So, it is urgent to continue updating salaries, benefits, supports according to the increase in inflation, not allowing situations of malnutrition, increase in diseases, devaluation of indispensable rights such as housing, rest, leisure, culture, etc. .

“Inflation is the most present problem and the one that most worries families, because we know the prices of food, energy, housing and rents . The cost of living has increased a lot and we don't know where it will end up. It is very likely that the number of requests for help will rise...”.

3 – Civil society responses to the current context

Citizens and some organisations focussed on this context expressed their concern and warned about the propensity of these situations to worsen in a short period of time.

In September 2022 the movement “Always the same ones paying” took up to the streets in several cities in a national protest against the increase in the cost of living. They protest against the impoverishment of the population as a result of rising prices and low wages and pensions. They criticize government supports and corporate profits. They made demands such as price setting, some VAT reductions and they want salary and pensions rise.

In October 2022, the CGTP (trade union) draw attention to the economic situation of workers due to the prices increase. They consider the government's decisions and support in the 2023 Budget to be inadequate ¹.

Also in October, EAPN Portugal launched a national awareness campaign #pobrepovo (#poorpeople) with the aim of denouncing the rise on poverty figures in our country . Signed by Miguel Januário, the #pobrepovo campaign consists of 20 different posters with a direct and raw, monochromatic, and dark image, referring to mourning. Each poster tells a story, a testimony, adapted from phrases collected from the Local Citizens' Councils of EAPN Portugal. The posters were placed all over the country, in the 18 districts represented by EAPN Portugal and in the Autonomous Region of Madeira. These posters include stories and sentences such as:

- “I no longer know what meat tastes like. I usually eat bread, or, with luck, crackers.”
- “We had to deliver the house. In a month we are going to go out and live with the kids”
- “Because of the rent I live 35km away from work. I leave the house at 5 am and arrive at 10 pm.”

Thus, the empathy with these stories and with those who sign them was reinforced, also due to the wide-ranging ages, commonplaces, names. The concept of people is intentionally transversal, because as long as the serious problem that is poverty is not solved, we will all be, all the people, responsible and poor because we allow this scourge and because it speaks as a society. Also, because this same society that perpetuates poverty, puts us closer to these situations (any of those described in the posters) than far and away from them. Tomorrow, for whatever reason – an accident, a family loss, unemployment – any one of us is one step closer of being a name and a phrase of one of these posters. We do not remove people from this situation, as we do not guarantee that tomorrow they will no longer be there, knowing, with all certainty, that tomorrow it would be possible to end this drama in the country and in the world. The campaign is intended to be continuous, as long as there are stories to reveal.

¹ <https://www.jn.pt/nacional/protestos-na-rua-e-cgtp-exige-aumentos-de-10-dos-salarios-em-2023-15257865.html>



4 - Political measures and their evaluation

There is a crisis in purchasing power in Europe. The poorest and most disadvantaged population suffer a major setback. There are more unemployed people registered in job centres. European governments were forced to support families and companies with fiscal measure packages and direct subsidies.

How we are experiencing this situation:

- Despair/lack of hope - if we already had a very tight management, now we don't know how to live even trying to be optimistic.
- We can only eat (when possible) poor quality goods since higher quality foods have prices that we cannot afford.
- Poor nutrition will reveal itself in poor school performance as well as in health.
- As an increase in inequalities within the country.
- If we were already poor and deprived, now we are poorer and poorer.
- Unfortunately, the increase in prices does not only reflect reality, but companies are also taking advantage of them to make goods more expensive, shielding themselves in the "crisis". They make profit by getting richer and richer (see the profits generated in the companies - at whose expense?).

Although we are aware that a set of measures have been implemented, these are seen as ineffective support, with a residual impact and without the ability to structurally solve the families' problems:

In April, the Portuguese government announced a package of 18 measures to combat the crisis (examples: negotiations with Spain (electricity and gas), support of 10 euros in the purchase of gas cylinders, free day care, temporary VAT exemption in rations, etc.).

In the meantime, more recent measures were introduced by the Portuguese government for families to face inflation: Bonus for pensioners (+1/2 pension paid on 8 October 2022), bonus of 125 euros for non-pensioned residents and 50 euros for dependents (paid to 20 October 2022), rent increase by a maximum of 2% with government compensation for landlords, reduction of tax on fuels until the end of 2022, freezing of public transport prices and VAT of 6% (instead of 13 %) in the purchase of energy in the first 100 KW.

However, the support that has been most discussed is the 125 euros. This support is for non-pension residents in Portugal, with a gross monthly income up to €2,700 and €50 per dependent up to 24 years of age (inclusive), or without age limit in the case of incapacity dependents, within the scope of the support package for families to respond to inflation. All those who do not exceed 2,700 euros, gross

per month, receive this support, 125 euros, including people receiving unemployment and social unemployment benefits; parenting benefits; sickness or professional allowance; social insertion income; social provision for inclusion; solidarity supplement for the elderly and informal primary caregiver allowance. Young people over 18 years of age, living with their parents, but with monthly income are also included. The 50 euros for each child are divided, 25 euros for each parent, in the case of couples living together but with separate taxation, divorced with children and alternating residence.

The exceptional income support was paid by the Government in October 2022. Defining who was entitled was calculated based on the income from the tax file delivered in 2021 and the amount is received only once.

"Helping one month, is not enough... because that's nothing. We have to be realistic. Price regulation considering salaries. We see the prices that are being charged and the companies' profits are huge (e.g., EDP; Jerónimo Martins). The Government should set a top and while we don't get out of the crisis, prices should be fixed so that people can continue to survive.... Will we be able to survive tomorrow?! Maybe not. The most vulnerable are the first to fall, but those who were trying to hold on to the boards will fall later. Domino effect."

5- Solutions and recommendations

One of the objectives of this work is to present proposals and recommendations for action. Briefly, we consider the following messages:

- Strengthen social protection, especially for the most vulnerable citizens. Not isolated, periodic measures, but rather to fight poverty in a structural and consistent way. This attitude is particularly important in a period of crisis. We must make social solidarity effective!
- See poverty as a priority and invest on true participation. Democracy is not limited to the electoral system and that is why citizen participation and practices of solidarity and mutual help must be promoted: *"it is important to listen to people and give voice to those who have no voice"*.
- Put people at the *"heart"* of public policies. Promote citizen participation and actively involve those who most directly suffer from the consequences of poverty and social exclusion. Promote spaces for bringing policymakers closer to people through, for example, local citizens' councils .
- *We need to be strong, we are not talking about graphs and numbers, but real lives, people's voices and experiences...*
- Look at nutrition as a preventive measure against more serious diseases in the medium and long term (create support to make it easier for institutions and families to buy healthier food, as well as guarantee the quality of the food given to people).
- Investing on sustainable policy measures (125 euros given in one month don't solve the problem of inflation and other foreseeable crises).
- Regulate markets/prices in sectors that are crucial for people's well-being, such as food, with greater control over the profit of those who sell the products. Avoid business exploitation of the current socio-economic situation.

- Transparency and truth, from the governments and private entities, on the information disseminated (the war has its back as far as prices increases are concerned when only corporate profits are considered).
- Increase in income, especially regarding wages, pensions, and social benefits.
- Setting a limit (maximum ceiling) in relation to food, rent and fuel costs/prices
- Decrease in VAT
- Insist on the implementation of the European Commission Recommendation _ Adequate Minimum Income (September 2022). Being UNIVERSAL (compulsory), it must have sufficient value to allow living with dignity).
- It is necessary to make an assessment of the measures implemented or to be implemented, improved and promoted new mechanisms of participation.
- Combat xenophobia and violent behaviour of some political currents in Portugal and Europe, under the penalty of deterioration of democracies. The media plays a very important role in this, in the deconstruction of stereotypes and prejudices.

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