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## FROM PORTUGUESE SOCIAL POLICY TO THE SOCIAL EMPLOYMENT MARKET IN THE AUTONOMOUS REGION OF THE AZORES

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**Abstract:** *This work aims to present, in a concise and systematised way, through bibliographic research, an analysis of the implementation of the public policy, the Social Labour Market in the Autonomous Region of the Azores. Contextualising this policy in the wider framework of social policies implemented in Portugal, considering that public policies are responses of the public authorities to social problems, presenting themselves as strategies that institutionalise a set of systematic actions to achieve certain goals considered to be of public interest. The formulation and implementation of public policies depend on and are the result of the interaction of numerous logics of actors, be they individual or collective, be they public or private. In this sense, the present work develops a theoretical conception of policy analysis, as a study methodology, comprising the categories: actors, content, context and process, where in the latter, the processes of agenda building, policy formulation and implementation are specified. Finally, contributions will be made to the review of this public policy.*

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**Keywords:** Social employment market, Public policy, Social exclusion, Azores.

### Introduction

Public policies are constituted as responses to certain social problems, formed from intentions, demands and tensions generated by social actors. They result from social problems with enough social relevance that allows placing them on the agenda of priorities of a particular government agency, with capacity to decide and promote policies (Sampaio, 2006). One can observe in the formulation and implementation of a public policy several issues that come into play, both of a practical nature, related to equipment, public services, provision of resources, among others, and of a theoretical nature, such as conceptions of social actors, political disputes, interests and strategies.

In an attempt to think about these issues, we propose an analysis of public policies, focusing on the implementation of the Social Labour Market in the Autonomous Region of the Azores. Our research resorts to the qualitative method in its documental analysis strand. The methodology used to analyse the works of several authors is based on a critical hermeneutics. The works are the object of analysis and are interpreted within a theoretical and determined context. It is essentially an analysis of a formal, analytical and conceptual nature. In effect, the theories and categories of the various authors are presented from an interpretation and critically evaluated.

The aim is to highlight and analyse the economic, social and political contexts and processes that have guided the various stages of development of the Social Labour Market in the Azores. We developed a qualitative systemic analysis based on contributions from the sociology of organisations, political sociology and political science. Without claiming to be exhaustive, our methodology comprises several categories: actors, context, content, process, where the different logics of the actors present are analysed and the processes of agenda building, formulation and implementation of this public policy are made explicit.

This work is structured into four parts: the first part seeks to present the different contributions of the specialised bibliography in order to understand the various meanings and concepts attributed to Public Policies; the second part seeks to contextualise the evolution of the various social policies in Portugal and in the Azores; the third part seeks to analyse the formulation and implementation of the public policy of the Social Labour Market in the Autonomous Region of the Azores; and the fourth part presents proposals that may contribute to the legislative revision of this public policy.

## **1. Public Policies: defining concepts**

Public policies can be defined as being public because they have public interests and purposes, and may or may not be implemented by the state power. Although they are regulated by the State they may be implemented by other entities such as non-governmental organisations. In which the logic of delegation of services in the 3rd sector, according to an instrumental rationality of the state, allows to move, according to Casimiro Balsa (2011), from the concept of public policy to the concept of public or collective action.

The non-production of public policies can also be seen as a public policy, that is, "the deliberate non-production of public policies becomes, already of itself and in precisely determined cases, a public policy" (Pasquino, 2010, p. 291). We can understand all governmental action, as well as what is inaction by governments as public policy (Balsa, 2011).

According to Jean-Claude Thoenig (1985), a public policy is a set of concrete measures, i.e., a set of processes to achieve certain objectives, which emanate from one or more public actors, comprising decisions of a more or less authoritative nature, in which coerciveness is always present, implicitly or explicitly. By assuming prescriptive characteristics and being inscribed in a general framework of action, it allows us to distinguish a public policy from isolated measures. However, it may be difficult to understand the general framework of a policy, whether it is constructed a priori by the decision-maker or constructed a posteriori by the researcher. Still according to Thoenig (1985) public policies always define objectives and always have publics that are affected by them, which may be individuals, groups or organisations.

This view, according to Gianfranco Pasquino (2010, p. 291), proves to be somewhat inaccurate, because it is reductive and even deviant. Because it does not make explicit which are the public actors, at the same time that it eliminates other actors besides the public who can participate in the production of public policies; and, finally, deviant because it focuses attention on a certain group of actors, leaving behind many others who play equally relevant roles.

According to João Bilhim (2008), public policies and their measures, structuring political and social life, result from the interactions of different groups and organisations, different ideas and interests. From this pluralist conception of the political, not one society is conceived but societies. From the complexity of the groups, each one presents itself with a set of activities and fluctuations at the level of individual memberships. There is a plurality of decision-making centres, of small powers with complex characteristics and articulations. Thus, it no longer makes sense to analyse public policies solely as the result of a government's decision-making process (Bilhim, 2008, p. 4). The government does not cease to be an actor of great importance, but complex interactions of many interest groups intervene in the policy design process, which still shows relevance in the researcher's analysis.

Indeed, one of the most significant contributions of the study of public policy to political science is the extension of interest to the activities, competencies and power of a whole range of actors beyond the public, elective or institutional (Pasquino, 2010: 291).

## **2. Identification of the problem that led to the formulation of the public policy**

### **2.1 The national context in Portugal in the 1980s: Poverty and social exclusion**

In the mid 1980s the first studies aiming at understanding the phenomenon of poverty and social exclusion appeared in Portugal. The first studies on poverty in Portugal in general was developed by Manuela Silva in 1982 and Alfredo Bruto da Costa in 1985, and together they studied urban poverty in the cities of Lisbon, Porto and Setúbal in 1989. Other studies followed conducted by José Pereirinha (1988), João Almeida (1992), Leonor Ferreira (1995) and Luís Capucha (1998), among others. The reason why they appeared at this time can be explained by the combination of several factors:

- The great political openness brought about by the 1974 revolution allowed for greater sensitivity to social issues and inequalities originating from the previous regime, which encouraged research into these situations;

- The increase in unemployment, poverty and social exclusion in various regions of the country in the late 1970s and early 1980s, due to the effects of the international economic crisis, the economic and political ruptures that occurred in Portugal after 1974 and the austerity measures imposed by the IMF, made it imperative to analyse and study the social impact and seek solutions;

- Portugal's entry into the EEC is an external factor of great influence since it led to a greater awareness of the principles and intervention methods already implemented at European level in the fight against poverty (such as the European Programme for the Fight Against Poverty - PELCP), which stimulated studies and the use of already tested theoretical models.

After the April 1974 revolution several social policy measures were introduced, such as the introduction of the national minimum wage, the widening of Social Security benefits, the increase of social facilities, a national health service accessible to all citizens, new family allowance schemes, the minimum pension and the social pension, the replacement of the systems until then in force by an integrated Social Security system and the general improvement of working conditions, should have had a positive impact at the level of poverty reduction. However, the evolution after 1977, for the reasons already analysed, reversed this trend and thus the phenomenon of poverty was clearly present in the Portuguese society of the 1980s (Costa, 1985).

We can summarise the main characteristics of poverty and social exclusion in Portugal in that period as follows (Bureau, 2003, p. 38-44):

- In the first half of the decade there was an increase and worsening of poverty situations, due to the deterioration of socio-economic conditions in an unfavourable international environment, with an estimated 25% of Portuguese families living in poverty;

- Poverty situations were more prevalent in agricultural regions in the south (Alentejo), in the Lisbon metropolitan area, in mono-industry regions undergoing restructuring and in peripheral rural regions in general;

- Isolated elderly people, pensioners, agricultural workers, single-parent families, people with low education and the unemployed are the most affected by poverty;

- New poor people are emerging as a result of industrial transformations, the precariousness and instability of the labour market, as well as the weakening of family and social ties.

The need then arises to respond to these problems in a consistent way, based on the available studies.

## **2.2. The Fight against Poverty and Social Exclusion from the 80's onwards - European programmes and guidelines:**

The concerns and guidelines translated into public policies only began in Portugal in a consistent way after the April 1974 revolution, which allowed the establishment of democracy and, more gradually, the social state. From 1976 onwards, with the application to join the then European Economic Community (EEC), Portugal began a process of convergence and European integration. Therefore, our methodological option will be to articulate the development of social policy in Portugal with the process of European integration.

The first community action linked to poverty and social exclusion appeared with the First European Programme for the Fight Against Poverty – Poverty I (1975-1980), essentially directed towards research with a view to understanding the phenomenon of poverty and exclusion that despite the economic growth had not disappeared and was even manifesting itself in new forms. Its expression in Portugal was reduced, with only the first research works by Manuela Silva (1982) and Bruto da Costa (1985), as we have seen. Only in 1986, with Portugal's integration in

the then EEC - European Economic Community and with the Poverty II (1985-1989) in which Portugal had already participated, there was a direct influence of new ideas and principles of action, with the setting up of transnational teams to discuss and apply new methodologies in the intervention against poverty.

According to the National Observatory for the Fight Against Poverty (ONLCP, 2021) Poverty II implemented a programme to combat poverty, developing positive measures to support the most disadvantaged and identifying the best means both to combat the causes of poverty and to mitigate its effects. To this end, the programme includes financial support for (i) the development of pilot projects to test and develop new methods to support people experiencing or at risk of poverty, developed with the participation of those concerned, addressing problems that are shared by more than one Member State; and (ii) the dissemination and sharing of knowledge, including the coordination and evaluation of measures to combat poverty and the transfer of innovative approaches between Member States. Poverty II differs from Poverty I especially in this second orientation, more directed towards intervention and the transfer of "innovations" in the resolution of social problems.

Also the term social exclusion was introduced in the institutional discourse, which provided a greater openness for a deeper analysis of the complexity of the poverty and social exclusion phenomena, through the articulation of its varied dimensions and cumulative effects (Bureau, 2003, p. 45).

Following these two programmes, the III PELCP was implemented (1989-1994), abbreviated to Poverty III, with a budget of 55 million ECU. It was much more ambitious than the previous programmes, both in terms of the financial resources mobilised and in terms of the objectives, which were essentially five (ONLCP, 2021): to guarantee the coherence and impact of the community actions; (ii) to contribute to the definition of preventive measures in favour of the groups of people at risk of poverty, as well as of actions-solutions to respond to their needs; (iii) to create, in a multidimensional perspective, innovative organisation models aimed at the socio-economic integration of the addressees; (iv) to develop an action of information, coordination, evaluation and exchange of experiences at community level; (v) to continue the analysis of the characteristics of the groups of people in a situation of socio-economic disadvantage. According to data from the ONLCP (2021), Portugal applied for 60 projects and 4 were approved. These first projects were developed in an urban context in deprived

neighbourhoods in Lisbon and Porto and one in the development of the rural world in Almeida (Comissão das Comunidades Europeias, 1993, p. 57).

In order to fulfil these objectives, three guiding principles were established: the multidimensionality of poverty and exclusion problems; the partnership work (congregating a set of diverse interests around these problems) and the participation of the population covered. Besides these principles, the methodology of action research was privileged, so that through the collection and analysis of information and of new practices it was possible to propose new policies and intervention strategies (Bureau, 2003, p. 47).

After the first social policy measures adopted by Portugal, using funds from the European Communities (FEDER, FEOGA and FSE), namely the Setúbal Emergency Plan, the Integrated Development Operations and the Vocational Training Programmes, the adoption of the National Programme for the Fight Against Poverty - PNLCP represented a more consistent, organised and innovative commitment at the level of planning, methodologies and practices, breaking with the assistentialist, reduced and occasional tradition of interventions in the social action area.

The PNLCP emerges from the confluence of internal and external factors. On the one hand, from the observation and mediatisation of the serious social problems of the 1st half of the 80's, from several studies published about poverty and social exclusion and the need to give answers to the problems of deprivation and disadvantage that several social groups were facing and, on the other hand, from the possibility and encouragement to develop these answers, based on the European experience of the PELCP, of the expectations created, of the new European methodologies and directives, which made viable and founded, or even demanded, the creation of that programme (Bureau, 2003, p. 59-68; ONLCP, 2021).

### **2.3 Poverty and social exclusion in Portugal in the 1990s - characterisation of socio-economic progress:**

The evolution of the international economy was characterised by instability, alternating between favourable (1990 and 1995-98) and unfavourable (1991-94 and 1999-2001) times, due to the small size of our economy and its open nature, the consequences of these cycles have always been keenly felt, despite some dampening, given the strong link to the European economy.

One of the main levers of economic growth was the set of structural funds from the European Union - EU, due to the investments they financed in physical infrastructure (roads, ports, schools, hospitals, health centres and social facilities), vocational training programmes and various social and economic development and restructuring projects.

The deepening of European integration had different consequences on the Portuguese economy, such as (Bureau, 2003, p. 70-71): greater exposure of the Portuguese economy to the outside world, mainly to EU countries; (ii) improvement in most macroeconomic indicators, with relative real convergence towards the European averages, in addition to the nominal convergence required for the single currency; (iii) improvement in income levels, consumption and average material well-being of Portuguese families, however, with some risks of excessive indebtedness; (iv) an initial worsening, followed by an improvement, in the unemployment situation, with an increase in the weight of the long-term unemployed, female unemployment and youth unemployment, and a greater flexibilization and precariousness of employment conditions.

Between 1987 and 1991, Aníbal Cavaco Silva led the first Government that fulfilled the full four-year mandate, creating the conditions for economic and budgetary policy stability and contributing to an environment of economic growth.

According to the Report of the Committee on the Dating of Portuguese Economic Cycles (2021), the trend would be interrupted by the 1992-1993 recession. The dark clouds over the economy first came from outside: in 1990, the first Gulf War broke out, with the invasion of Kuwait by Iraq, leading to an armed intervention led by the USA. The conflict led to a rise in oil prices, and the US went into recession for the first two years of the decade.

The growth of the Portuguese economy slowed down in the 1990s, with the average real GDP growth rate (%) falling from 6.20 in the 1960-90 period to 1.90 in the 1991-95 period (Pordata, 2021). At the same time, a restrictive budgetary policy was implemented, with greater restraint in the growth of State expenditure and investment, in order to reduce the deficit in public accounts.

The structural fragilities evidenced in the weak modernisation of the productive system, the low productivity and general qualification of the workers, the precariousness of the labour market, the shortcomings of the health, education and housing systems, are all still relevant. Thus, regional disparities increased, poverty pockets persisted and social inequalities increased.



However, throughout the 1990s, the poverty intensity rate (%) decreased in Portugal, from 28,0 in 1994 to 22,0 in 2000 (Pordata, 2021). This is also related to the introduction of a new cycle of public policies.

In 1995 a political change occurred, with the victory of the Socialist Party in the legislative elections, discontinuing an eight-year period of governance of the Social Democratic Party in Portugal. This new government was influenced by various specialists and researchers linked to the studies carried out in the 1980s on poverty and social exclusion, which somehow gave rise to new attitudes towards the social problems existing in Portugal, and the consequent need to respond to them in a systematic and coherent way, through the adoption of a systematic set of social policies that started to frame, in a constant way, the fight against poverty and social exclusion.

Among the various social policy measures adopted, the most significant are listed below.

In 1996, the Guaranteed Minimum Income (*Rendimento Mínimo Garantido* – RMG) was created following the Recommendation 92/441 of the European Council in which Portugal was one of the last Member States to implement through Law n° 19-A/96 of 29th June. This measure immediately showed a change of attitude towards poverty and social exclusion on the part of the State, the institutions and society in general. This policy measure recognises a citizenship right independently of the contributory career and promotes the participation of beneficiaries, reinforcing their competencies with a view to their autonomy (MTS, 2001, p. 50).

Another important measure was the creation in 1996 of the Social Labour Market through the Resolution of the Council of Ministers n° 104/96, of July 9, with the objective of promoting employment among socially disadvantaged groups through various programmes with beneficiaries of the RMG: School-Workshops; Occupational Programmes, Insertion Enterprises, Protected Employment and Insertion Employment.

In 1997, the Local Social Networks were created through the Resolution of the Council of Ministers n° 197/97, of 18th November, and Declaration of Rectification n° 10-0/98, of 30th May. According to the Government, it would be "a structuring programme and a fundamental instrument in the process of local development, through the implementation of territorial strategic planning processes at the municipal level, as a basis for social intervention. This methodology requires the carrying out of participatory Social Diagnoses, the implementation of Local Information Systems and the realisation of Social Development Plans" (MTS, 2001, p.

51). The consolidation of these Networks presupposes the creation of effective and dynamic partnerships as a powerful tool to fight against poverty and social exclusion.

From 1998 onwards, following the directives of the European Employment Strategy, National Employment Plans were drawn up, focusing on the professional and social insertion of the most disadvantaged, which brought more consistency to social policies to fight poverty and social exclusion (Bureau, 2003, p. 77).

Finally, the approval of the National Action Plan for Inclusion (PNAI, 2001-2003) was of great relevance as a way to articulate and give coherence to the various measures and programmes already existing in the social field. Its main objectives are (MTS, 2001, p. 7-8): to promote participation in employment and access for all to resources, rights, goods and services; to prevent the risks of exclusion; to act in favour of the most vulnerable and to mobilise the active participation of the people concerned. The PNAI advocates, besides these somewhat vague objectives, the achievement of concrete goals such as (MTS, 2001, p. 19): to reduce the poverty rate, which was of 23% in 1995, to 17% by 2005, equalling the European average; to eradicate child poverty and the implementation of other measures and national programmes aiming at promoting inclusion.

The Autonomous Region of the Azores was not uninvolved, nor did it fail to be influenced by the European and Portuguese mainland dynamics of creating social policies. From 1996 to 2003, 26 Projects to Fight Poverty were implemented in the Azores (Bureau, 2003, p. 226). Estes projetos foram implementados em diferentes ilhas e localidades do arquipélago: Angra do Heroísmo, Faial, Flores, S. Miguel e Terceira, Graciosa, Inter-Ilhas, Lagoa, Ponta Delgada e Angra do Heroísmo, Ponta Delgada, Praia da Vitória, Rabo de Peixe, Ribeira Grande, Ribeira Quente – Povoação, S. Miguel e Terceira, Vila Franca do Campo, Vila do Porto (Lourenço, 2005, p. 126). Eight of these projects were insertion enterprises, representing the highest percentage of implementation of these initiatives in the set of regions of the country. The first cooperatives and insertion companies appeared, some of them still persisting today, such as Kairós, Eco-Sol, Sementes de Mudança and Aurora Social. These experiences allowed the theorization and practice of sheltered employment and solidarity economy alternatives which were the basis for the formulation and implementation of the Social Labour Market in the Azores, as we will see below.

### **3. Public policy formulation and implementation in the Azores: the Social Employment Market**

The formulation of a policy is a theoretical process insofar as it corresponds to the moment when one thinks and defines what will be achieved, while various political interests, pressures from numerous actors and social groups and the very conceptions and experiences of administrative technicians and rulers are present. As Pasquino (2010, p. 292) summarizes: "politicians and rulers never produce public policies alone", which brings us to the importance in the analysis of understanding the different logics of the actors present.

The existence of a significant number of solidarity economy microcompanies, created within the scope of Poverty Reduction Projects, with productive capacities but with difficulties in entering the market and, in parallel, the promotion and socio-professional integration of people in situations of exclusion. As well as the need to use financial resources from the social support areas in active job creation measures (according to directives and taking advantage of European Union resources) and the contribution of new methodologies to combat social exclusion, such as through job creation allied to training, led to the creation of a favourable climate for the creation of solidarity economy projects and the need to associate these various projects and ensure their development. Between 1999/2000 the PNLCB was implemented in the Azores: IDEIA - Initiative for the Development of Insertion Enterprises (Inter-islands), a project that was promoted by the Social Action Institute, a public organism, with the management of several non-governmental actors, for the creation of a programme for the development of socio-professional insertion enterprises in the Azores. This initiative incubated CRESAÇOR - Cooperativa Regional de Economia Solidária, CRL. This cooperative represents in the region the Solidarity Economy Network of the Azores, composed by 22 institutions and is the founder of the Social Responsibility Network of the Azores, composed by 23 entities (CRESAÇOR, 2010).

As the policy is constituted in the tension and "interaction between what it is proposed to execute and what is actually executed" (Sampaio, 2006, p. 7), the moment of formulation of a policy also includes the concerns regarding the implementation and evaluation, in a dynamic process and taking into account the theoretical contributions, one can analyse the construction of public policies through various stages, according to several authors. According to Balsa (2011) after the formulation of a social problem, with enough importance to place it on the Public Agenda, the result of different logics and interests of various actors, we move to the field of policy

decision, to the so-called "black box" according to the systemic analysis of David Easton (1965). This is where the decision process takes place, "through the processes of converting demands and supports into decisions" (Pasquino, 2010, p. 288), the transformation of inputs into outputs and outcomes. The latter, the expected and unexpected effects of the implementation of a public policy, which should constitute new inputs, in a logic of public policy evaluation that would serve for an eventual reformulation or termination of the same. This decision-making process is not always clear, hence the expression "black box" of the policy production system.

Once the policy is enacted, as we will see, it is important to highlight how the conception an implementation of the public policy: Social Labour Market can assume different contours in function of reelaborations and reinterpretations, depending on the different interests and levels of implementation.

Identifying the public policy from the normative, it is verified that through the Regional Regulatory Decree no. 29/2000/A, the Social Labour Market was created in the Autonomous Region of the Azores, through the Regional Secretariat of Education and Social Affairs. This initiative was established four years later than the Portuguese mainland, and it emerged from the confluence of several interests and strategies already listed and reflected in the preamble of the Law that frames the public policy: "Through the creation of projects to fight poverty and of micro enterprises aimed at the integration in the world of work of RMG beneficiaries, disabled people and other unemployed with very low employability, it was established in the Autonomous Region of the Azores a network of entities dedicated to the promotion of active employment strategies. This network gradually constitutes a true social employment market that must be recognised and valued" (Regional Regulatory Decree No. 29/2000/A). This policy is defined as a set of initiatives aimed at the socio-professional integration or reintegration of unemployed persons of difficult employability; it regulates the support to be granted to the functioning of the social employment market and intends to contribute to the solution of employability and socio-professional training problems, focusing on the fight against poverty and social exclusion (Article 1 of Regional Regulatory Decree No. 29/2000/A).

This policy establishes a set of support measures to several alternative initiatives of job creation, which were being tested since the first Projects of Fight Against Poverty in the Azores and that by pressure of several social actors are formulated according to the following modalities: support for the creation and operation of insertion companies; fostering the integration in the

employment market of disabled workers; development of occupational programmes aimed at unemployed people with low employability or without social protection in unemployment; support for socio-professional training actions aimed at the professional qualification and social integration of people who are in a situation of social exclusion and support for local job creation initiatives (Article 3 of Regional Regulatory Decree No. 29/2000/A). The beneficiaries of this policy are repatriated and deported persons; alcohol and drug addicts in the process of recovery; beneficiaries of the RMG; disabled persons able to enter the labour market; ex-prisoners able to reintegrate into active life; persons with psychiatric disorders in the process of recovery; homeless persons and other social groups to be defined, according to Article 5 of the same Law.

Public policies are formulated by actors who have theoretical knowledge and understanding of the issue in question, often different from the actors who actually implement them. Some authors have already drawn attention to this often existing disconnection as one of the main difficulties encountered in policy practice. This dichotomy points to a fragmented, centralised, non-democratic and consequently not very effective way of policy making (Sampaio, 2006, p. 10). In the case of the Social Labour Market in the Region there does not seem to have been such a disconnection, with strong relationships established between three main groupings of actors: interest groups; bureaucratic and administrative services and parliamentary committees. According to the thesis of the existence of "Iron Triangles" (Jordan, 1981 in: Pasquino, 2010, p. 295-296), configuring the type of relationship between the main actors involved in the design and implementation of this public policy, we perceive that there is no boundary between the formulators and the implementers of this policy. By characterising this relationship as being of "iron triangles" we intend to highlight the solidity of the relationship established between the three groupings of protagonists, as well as their capacity to assume the commitments undertaken. Specifically, we witnessed the promotion of solidarity economy and sheltered employment strategies in the Azores by public (Instituto de Acção Social) and non-governmental (Instituições Particulares de Solidariedade Social) actors, who, with the help of several theoreticians (see Amaro, 2009), contributed, substantiated and even demanded the creation of a public policy able to promote the sustainability of these strategies.

The Social Labour Market is constituted in its typology as a redistributive policy, withdrawing resources from some groups to give them to others (Pasquino, 2010, p. 311). This type of policy can generate conflicts, for example, in the tension between the conventional

economy and the solidarity economy, since the latter, being economically supported by the Government, still moves in the same competitive market as the conventional economy.

The Social Employment Market has been effectively implemented through various programmes for the promotion and maintenance of jobs, 100% support for the replacement of pregnant women, support for the creation of self-employment, support for the hiring of people with disabilities and the development of occupational and internship programmes. After a new model of regional public policies to support job creation came into force in the Autonomous Region of the Azores, approved by the Regional Government Council in November 2017, it is important to know the available results and evaluate the effectiveness of this public policy. Its main objectives bring together, essentially, three strands: job creation, being an objective of quantitative nature; reduction of precarious employment, with a more qualitative nature; and improvement of labour income and employment qualification.

Of the measures in force as of 2018, two - the CPE-PREMIUM and the Support for self-employment of people with disabilities - are aimed at supporting the creation of self-employment or the creation of their own company, while the others - ELP, FILS, Employment +, INTEGRA, PIIE, AGRICULTURE +, INVESTIR-AZORES, Insertion Companies and Incentives for hiring people with disabilities - are geared towards supporting hiring.

The information provided by the Regional Directorate for Employment and Professional Qualification (DREQP) does not cover the support measures for the functioning of the social employment market, since their development and monitoring is the responsibility of the Regional Commission for the Social Employment Market.

From Report No. 05/2019 - FS/SRATC, resulting from the Audit of this public policy by the Court of Auditors, we have access to data regarding the implementation of the programmes in the 1st semester of 2017 and 2018. It can be seen that the total number of approved jobs in the 1st semester of 2018 amounted to 712, 63 less than in the same period. Compared to 2017, 341 fewer jobs were approved through the hiring support programmes, which corresponds to a decrease of 20%. Regarding the contribution of supported jobs to more stable job creation, there was an increase of 369 jobs compared to 2017. In the same period, regarding the employment support programmes, 84 self-employment creation projects were supported. The special distribution of the approved applications shows a high concentration of support on the islands of São Miguel and Terceira, where most of the population is concentrated.

Since the reformulation of this policy in 2018, the unemployment rate in the Region has decreased from 9% in 2017 to 8.6% in 2018 (Employment Survey, SREA), also verifying that in this period there was a reduction of 11%, which represents 959 less (Monthly Statistics, IEFP), of the unemployed registered in the Employment Services, recipients of these active measures, pointing to some success of the main objective of the model in question, i.e. the promotion of labour stability and autonomisation of individuals.

This success of the public employment policy has an impact in the current context, by reducing the number of unemployed eligible for the measures and by highlighting the mismatch between demand and supply of skills. Therefore, an analysis based only on the comparison of jobs created through hiring support programmes, in different economic and, consequently, employability cycles, does not translate at all the impact of the new model in the stabilisation of assets in the labour market.

The same Court of Auditors Report (2019, p. 44) concludes that the new model encourages the creation of precarious jobs, in continuity with the previous model, but including some measures aimed at creating more stable employment, namely the ELP programme and the support for self-employment. In most of the programmes, the value of the support is linked to the qualification of the workers targeted, being higher if the qualification required is higher, which can contribute to the objective of improving employment qualification. When dealing with disabled people with a devaluation equal or superior to 60%, the hiring support is increased in 20%. However, no geographic, gender or criteria related to the structure of the employing entities or to the profile of the beneficiaries were considered for the increase of support, although some of these aspects were included in the evaluation criteria of the applications, namely in the analysis of relative merit.

#### **4. Contributions to the review of the Social Employment Market in the Azores**

Twenty years after the implementation of this public policy, it seems important to evaluate it, listening to the collective and individual actors to whom the policy is addressed, making them participate in the policy reformulation process. At the level of the actors involved, problems arise as to the economic viability of various solidarity economy enterprises, which have developed in a logic of local development and valorisation of knowledge, not always viable

in the free market logic in which we live. We have also verified that apart from the solidarity economy enterprises set up mainly in the 1990s, few others have been created in the Azores, which reveals the social and economic fragility of these initiatives.

Regarding the inclusion in the labour market of people with disabilities, who are the most vulnerable, there is no public data available on their employability in the Azores, but if we look at the findings of the latest report "PEOPLE WITH DISABILITIES IN PORTUGAL: INDICATORS OF HUMAN RIGHTS 2018" by the Observatory of Disability and Human Rights of the Higher Institute of Social and Political Sciences, we see that in 2017 the activity rate of people with disabilities in Portugal was much lower than that of people without disabilities (66.7% and 85.7%, respectively). On the other hand, the same report indicates that registered unemployment decreased by 19.3% between 2016-2017 in the general population, but only 2.0% among the disabled population. Between 2011-2017, it decreased by 34.5% among the general population, but increased by 24.0% among people with disabilities.

Considering these data, we realize that there is still a long way to go for the social inclusion and employability of people with disabilities. In this sense, the Regional Government of the Azores launched the AQI programme - Evaluate, Qualify and Insert, which has, created with the aim of fostering the social and professional inclusion of people with disabilities in the Azorean community. To this end, it has outlined an action plan, to be implemented between 2018 and 2020, included in the I Action Plan to Combat Poverty and Social Exclusion 2018-2019, published in Official Journal I Series - Number 107, 22 August 2018 and which aims to:

**Evaluate** the social responses aimed at people with disabilities, their users and level of satisfaction, in order to assess the quality and effectiveness of services provided, as well as their conformity with the potential and needs of their users; this evaluation has already resulted in a Characterisation and Evaluation Study of the Occupational Activity Centres (CAO's) of the Autonomous Region of the Azores (RAA), and the Global Report is available on the Government Portal. It is also planned to carry out an Evaluation Study of the Satisfaction of Users of the CAO's in the Azores Region, as well as a Characterization Study of the Residential Homes in the Azores Region.

**Qualifying** those same social responses, both at physical (by providing them with better conditions) and organisational level, as well as their technical and auxiliary staff, adjusting them to the new profile of users. From the Study of Characterization and Evaluation of the CAO's in



the Region, the priority areas for training were identified as Sexuality and techniques of containment and management of aggressive behaviours, and the operationalization of the way in which this training will be made available to professionals of the valences in the Disability area throughout the RAA, through a partnership with the National Institute for Rehabilitation (INR).

**Integrate** disabled people into society both socially and professionally, through pilot projects in the field of socially useful activities, employability and accessible tourism.

Afterwards, based on the evaluation of the impact and effectiveness of these projects, the Government of the Azores hopes to propose changes to the legislation within the scope of the Social Employment Market that are deemed relevant for the greater social and labour inclusion of people with disabilities.

Here we think that within the scope of training and qualification, it is important to guarantee that it is made available in a form and with contents adjusted to people with disabilities. As far as hiring incentives are concerned, it is important to foresee a differentiation of support according to the verified capacity to work. After the hiring incentives have been in force and in the case of open-ended contracts, we propose a co-funding system whereby the employing entity ensures the salary in the percentage corresponding to the capacity of the person in question and the Regional Government of the Azores would pay the remaining percentage, equivalent to the proportion of incapacity.

Evaluating this policy in a more general way, and again resorting to the Report of the Court of Auditors (2019, p. 45), it is important to note, positively, that the observations made led to a favourable assessment of the adequacy of the management support instruments, monitoring and control procedures, as well as the IT applications used in the operationalisation of the support programmes for job creation. However, no instruments were created to support the evaluation of the measures, by defining the indicators to be used and the targets to be achieved for each of the programmes or for all the programmes of support for job creation.

## **Conclusion**

The analysis of the public policy, the Social Labour Market, allows us to understand the process in which it is proposed, its objectives and effects, in addition to highlighting the various interests, rationalizations and power games involved. With the contribution of this theoretical

construction we can understand the design and implementation of the policy, making explicit some invisible determinants, as well as some difficulties, which may contribute to the reformulation of new interventions. This work tried to make explicit the relevance of socio-cultural factors and to establish a bridge between objective and subjective factors in the implementation of a public policy. A qualitative systemic analysis was sought, in the perspective of distinctive logics of action at each moment of the public policy production chain.

Thinking about the public policy of the Social Labour Market implies a broad reading of several social, political, economic and cultural factors that are present and delimit the actions and measures of such policy. This is because the implementation of the Social Labour Market in the Region was the result, in a complementary perspective, of a vast set of social policies implemented in the country. This highlights the complexity and articulation of the various social policies.

Given the structural backwardness of Portugal in relation to most European countries, with the establishment of democracy in Portugal in 1974, and subsequently with the process of European integration, being prepared since 1976 and culminating in accession in 1985, it was possible to consistently study and develop social policy in Portugal in an unprecedented way, thus emerging the first public policy responses to the problems of poverty and social exclusion.

The importance of structural measures such as the creation of the national minimum salary, a national health service accessible to all citizens, new family allowance schemes, the minimum pension and the social pension, and the replacement of the systems until then in force by an integrated Social Security system, should be highlighted.

Another important measure was the creation in 1996 of the Social Labour Market in the Portuguese mainland and in 2000 in the Autonomous Region of the Azores, with the aim of promoting employment among socially disadvantaged groups through various programmes with GMI beneficiaries: School-Workshops; Occupational Programmes, Insertion Enterprises, Protected Employment and Insertion Employment.

From 1998 onwards, following the directives of the European Employment Strategy, National Employment Plans were elaborated, privileging the professional and social insertion of the most disadvantaged, which brought more consistency to the social policies to fight poverty and social exclusion.

From the reform operated in 2018 it was possible to improve the policy in some aspects, however, it is important to create evaluation mechanisms, because the absence of instruments to support the evaluation of the new model prevents the proper exercise of DREQP's powers on this matter.

Twenty years after the implementation of the Employment Market in the Azores, it is important to review this public policy, an intention that has already been demonstrated by the Regional Government. Mainly in relation to the inclusion of people with disabilities we realise that this law can be improved. At this moment this goal is on the political agenda of the Azores and it is hoped that significant steps will be taken towards the inclusion of these people.

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