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The Impact of COVID-19 on Sustainable Development Goals (SDG)1: Reducing Poverty

Nicole Moreira Cavacas dos Santos Antunes

Mestrado em Estudos Internacionais

Orientadora: Doutora Sónia Pintassilgo, Professora Auxiliar
Iscte- Instituto Universitário de Lisboa

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Departamento de História

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Para o meu avô Agnelo e para a minha avó Lila, que tanto gostariam de celebrar comigo

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Resumo

A pobreza é um conceito complexo e multifatorial, e há muito se discute a sua evolução. Ao longo dos anos foram feitos avanços no sentido de melhor avaliar e caracterizar a pobreza, otimizando indicadores como os associados ao *Capacity method*, aos Objetivos de Desenvolvimento Sustentável (ODS) e a proposta do Banco Mundial para o índice de Pobreza Multidimensional. A caracterização do padrão de pobreza, atualmente, vai para além dos indicadores monetários, implicando considerar a multidimensionalidade da pobreza, com um foco em áreas como a saúde, a educação e o nível de vida. Em contextos de crise, esse olhar multidimensional deve ser particularmente aprofundado, atendendo ao impacto que uma situação de crise pode ter a diferentes níveis, nas condições de vida das populações.

Este trabalho analisa o papel da Pandemia COVID-19 no primeiro dos ODS, o da erradicação da pobreza, e tem como principais objetivos medir a pobreza em Portugal como um fenómeno multidimensional e identificar os perfis de desigualdade da pobreza em Portugal num contexto temporal recente.

Para caraterizar a pobreza em todas as suas dimensões foram utilizadas as diretrizes dos indicadores do Banco Mundial, no âmbito da construção do Índice de Pobreza Multidimensional. Em termos metodológicos, optou-se por uma abordagem quantitativa, a partir da análise de indicadores de fontes secundárias, de natureza oficial, produzidas, no caso português, pelo Instituto Nacional de Estatística (INE), no âmbito do funcionamento do Sistema Estatístico Nacional.

Pela análise realizada, tornou-se evidente que a Pandemia COVID-19 pôs em causa os progressos alcançados nas últimas décadas contra a pobreza, bem como agravou as disparidades entre grupos de diferentes características. Argumentamos que, embora os números gerais pareçam indicar uma melhoria da pobreza para valores pré-pandémicos, certos grupos não estão representados por um indicador médio e são mais vulneráveis face à pobreza.

Em Portugal, concluímos que as mulheres, os idosos e a população que vive em zonas predominantemente rurais foram os mais afetados pela Pandemia de COVID-19.

Palavras-chave: COVID-19, Pobreza, Pandemia, Portugal, Pobreza Multidimensional

Abstract

Poverty is a complex and multifactorial concept, and its evolution has long been debated. Progress has been made over the years to better assess and characterize poverty, optimizing indicators such as those associated with the Capacity method, the Sustainable Development Goals (SDGs) and the World Bank's proposal for the Multidimensional Poverty Index. The characterization of the pattern of poverty currently goes beyond monetary indicators and involves considering the multidimensionality of poverty, focusing on areas such as health, education and standard of living. In crisis contexts, this multidimensional approach must be particularly deepened, given the impact that a crisis situation can have at different levels on people's living conditions.

This work analyses the role of the COVID-19 pandemic in the first of the SDGs, the eradication of poverty, and its main objectives are to measure poverty in Portugal as a multidimensional phenomenon and to identify the inequality profiles of poverty in Portugal in a recent context.

In order to characterize poverty in all its dimensions, the guidelines of the World Bank indicators were used, as part of the construction of the Multidimensional Poverty Index. In methodological terms, a quantitative approach was chosen, based on the analysis of indicators from official secondary sources, produced, in the Portuguese case, by the National Statistics Institute (INE), as part of the operation of the National Statistical System.

From the analysis carried out, it became clear that the COVID-19 pandemic has jeopardized the progress made in recent decades against poverty, as well as exacerbated disparities between groups of different characteristics. We argue that, although the overall figures seem to indicate an improvement in poverty to pre-pandemic values, certain groups are not represented by an average indicator and are more vulnerable to poverty.

In Portugal, we conclude that women, the elderly and the population living in predominantly rural areas have been the most affected by the COVID-19 pandemic.

Keywords: COVID-19, Poverty, Pandemic, Portugal, Multidimensional Poverty

Contents

Index of Figures

Index of Tables

Acronyms

xi

A.M.L.- Área Metropolitana de Lisboa

CIKD- China Centre for International Knowledge on Development

FAO- Food and Agriculture Organization of the United Nations

INE – Instituto Nacional de Estatística

ODS - Objetivos de Desenvolvimento Sustentável

OECD - Organization for Economic Cooperation and Development

PIP- Poverty & Inequality Platform

R.A.A.- Região Autónoma dos Açores

R.A.M.- Região Autónoma da Madeira

SDG - Sustainable Development Goals

UNDP - United Nations Development Program

Introduction

Poverty is a multidimensional concept and its perception has changed considerably over time (Capucha, 2005).

Only economic measures were considered for a long time when discussing poverty. The most usual indicator to determine if someone was poor was the Internal Poverty Line defined by the World Bank. This line represented a global indicator of poverty, and the share of the population who fell below the amount per day was considered poor (United Nations, 2018).

More recently, different researches began to present poverty as more than the lack of money and financial resources. One major step in doing so happened when the Capacity Method emerged (Clark, 2006). This method considered poverty to be the lack of essential abilities and freedoms. Under this approach, many more people are considered poor than when we focus on monetary poverty only (World Bank Data, 2018).

This also allowed researchers to dive into the fragility of measuring poverty under quantitative indicators only. If we take a closer look at the evolution of poverty itself, we can identify the limitations of financial indicators. The growth of a few countries mainly caused the decrease in poverty rates. China, for example, was responsible for significantly reducing poverty rates upon rapid financial growth (World Bank Poverty and Inequality Platform, 2022). This also reveals a significant factor in fighting poverty worldwide- its distribution.

With the understanding of poverty being a multidimensional concept, the United Nations created the Sustainable Development Goals in 2015. These goals aimed to eradicate extreme poverty, end inequality, protect the planet, and generate universal peace. To monitor compliance with the eradication of poverty goal it is also essential to consider the Multidimensional Poverty Measure (MPM), created by the World Bank.

Here, poverty is divided into three dimensions: health, education, and living standards, with equal weight. Combined with monetary resources, it aims to provide a broader and more complete version of what is to be poor.

The world was not on track to eradicate poverty by 2030 but was not expecting a step back as significant as COVID-19. This global pandemic pushed the world to extremes and created a new wave of people falling into extreme poverty (United Nations, 2020).

It is not easy to assess the exact consequences of COVID-19 on poverty, considering the extent of the damages and all the areas it impacted. However, projections were made, and numbers were presented.

The lack of data to measure multidimensional poverty was already a challenge before COVID-19 and the projections available rely primarily on quantitative analysis. In a country like Portugal, with such disparities between cities, population, and social construct, is the financial aspect of poverty enough to translate the reality of the Portuguese population?

To answer this question, we will start by analysing the concept of poverty over time and its evolution worldwide in a time before COVID-19 in Chapter 1. Here, we will also dive into the biggest contributions to reach the many dimensions of poverty and the struggles in doing so. In Chapter 2, we will analyze the Covid-19 impact on global poverty and the effect it had on the population that became and was already vulnerable to poverty. In Chapter 3, we will focus our analysis on the Portuguese context and the Portuguese population. Chapter 4 corresponds to the Research Methods and Objectives and highlights the methodology and structure of this paper. Finally, in Chapter 5, we will use the indicators guidelines of the World Bank or as closely as possible to understand the impact of COVID-19 on both monetary and multidimensional poverty. We challenge ourselves to measure multidimensional poverty in Portugal, as well as to identify profiles of poverty inequality in the country as the main objectives of this paper.

CHAPTER 1- POVERTY

Definition of Poverty and its Multidimensional Phenomenon

According to the United Nations in 2018, poverty is defined as a state or condition in which a person or community lacks the financial resources and essentials for a minimum standard of living.

The concept has evolved over time, changing the perspective of what it means to be poor. In that sense, researchers have debated for many years what poverty implies. The biggest achievement in that evolution was the consideration that poverty meant more than the lack of financial freedom. It is now recognized that poverty encompasses a range of interconnected dimensions that impact individuals and communities (Capucha, 2005).

Poverty can limit access to quality education, leading to low literacy rates, limited skill development, and reduced opportunities for upward mobility, often leading to a snowball effect that can perpetuate the cycle of poverty across generations. Poverty is also closely linked to inadequate healthcare services, limited access to nutritious food, and insufficient sanitation. It often results in inadequate housing, overcrowding, and access to essential services such as clean water, sanitation, and electricity (Siddiqui et al., 2020).

It can lead to social exclusion and marginalization, preventing individuals from fully participating. This can include limited access to social networks, discrimination, and stigmatization (Middlemiss, 2022).

Operationalization of the concept of poverty

Despite this recognition, wealth, or the ability to buy basic needs, is still the primary way to measure and describe poverty (Friedline, Chen and Morrow, 2021; Morris et al., 2018).

The most known one is the International Poverty Line, defined by the World Bank (World Bank, 2020). Given that monetary indicators are also subject to phenomena like inflation, war, and monetary funding for each country, this line has also changed over the years.

The World Bank initially set a US$ 1 per day cutoff in their estimations of the total number of people living in severe poverty worldwide in 1990. Over time, this lowest international poverty level has changed, bringing it from $1.25 per day in 2008 to $1.90 per day in 2015. According to the World Bank, these adjustments, which are meant to consider newly available data and changes in purchasing power, provide consistency, ensuring that estimates of rises and declines in the number of people living in extreme poverty stay consistent (Kakwani and Silver, 2013).

So, according to the Poverty & Equity Data Portal of The World Bank, the International Poverty Line was defined as $1.90 per day in 2015.

The international poverty line is derived from each nation's national poverty line. These lines are generally related to nourishment, clothing, housing, and other necessities and are established by many low- and middle-income countries to reflect these needs. In contrast, high-income nations frequently base their national poverty thresholds on relative standards, such as earning more than a certain percentage of the average or median income of the country (World Bank, 2020).

More prosperous nations typically have higher national poverty thresholds.

In other words, the concept of necessities differs depending on the affluence of a nation. For instance, in less wealthy countries, a person may merely need clothing and food to work, whereas in wealthier nations, a person may also need internet access, a vehicle, and a cell phone.

A constant poverty line across nations is, nonetheless, required to compare their poverty levels. The international poverty line is derived from the median national poverty line of all low-income nations. Since then, inflation has driven up the price of necessities in the world's poorest nations; as a result, this standard has been raised to $2.15 per day (World Bank, 2022).

Evolution of Global Poverty

Poverty alleviation made relatively little progress over the first part of the nineteenth century. Then, from 1850 to 1990, progress was essentially constant, but during the world wars, it decreased significantly.

The biggest progress was made in the past 25 to 30 years, as we can see in figure 1.1.

In 1990, the extreme poverty rate was set at 38% worldwide. This meant that, statistically, 38 out of 100 people in the world were living below the International Poverty Line. Slowly but steadily, this number began to drop and the fact was that, by 2019, the percentage of people considered poor in the world was at 8.4%. In 30 years, the world saw 29.6 percentage points of people escape poverty. Although a positive breakthrough, there is more to uncover about these numbers. As we will see, the global evolution of poverty might not be so global after all.
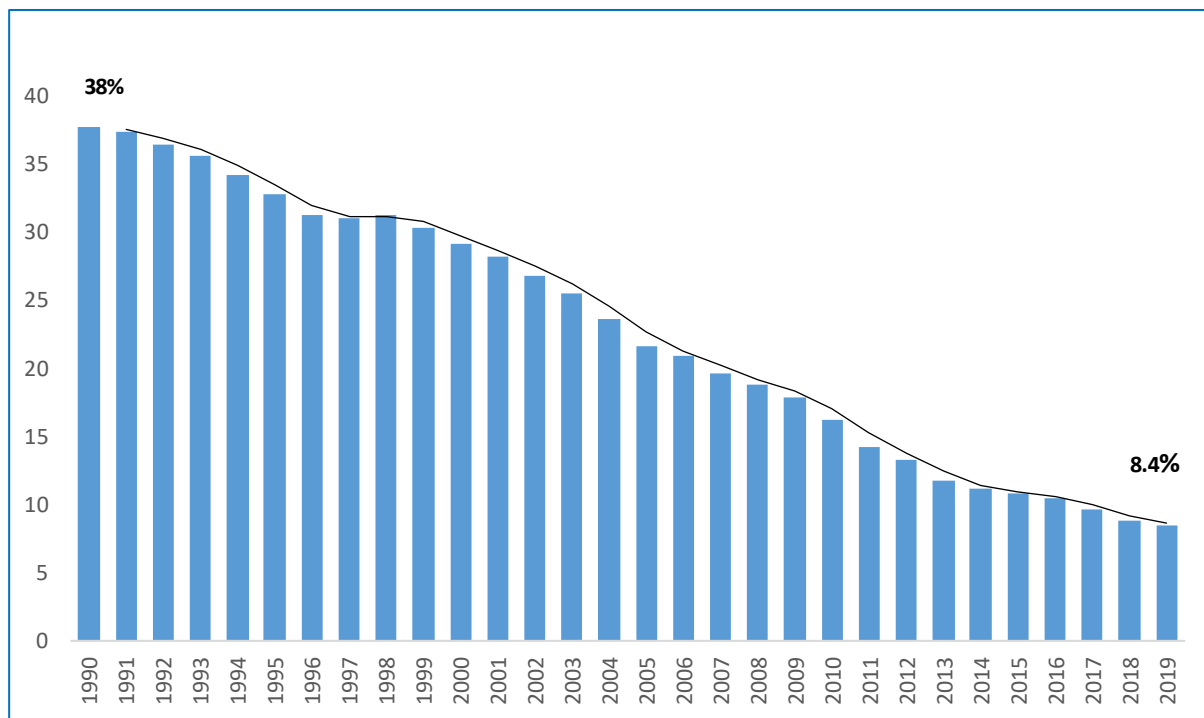
Figure 1.1. Evolution of Global Extreme Poverty (%), 1990-2019
Source: World Bank Poverty and Inequality Platform (2022) (adapted)

China's role in poverty decrease

The number of individuals in China living on less than $1.90 per day has decreased by around 800 million during the last 40 years. Due to this, the number of people living in extreme poverty has decreased globally by over three-quarters. Over the same time span, there were 770 million fewer people living below China's current national poverty level (China Centre for International Knowledge on Development (CIKD)).

This becomes more evident following the analysis of David Rosnick, published in 2019. In actuality, the rates of poverty in China, India, Ethiopia, Myanmar, Uganda, and Nepal all fell below 50% between 1997 and 2006. In 1997, the six nations housed about two-thirds of the world's poor, and their poverty rates decreased by half in just nine years.

Unsurprisingly, China and India were home to the vast majority (93 percent) of the poor in these six nations.
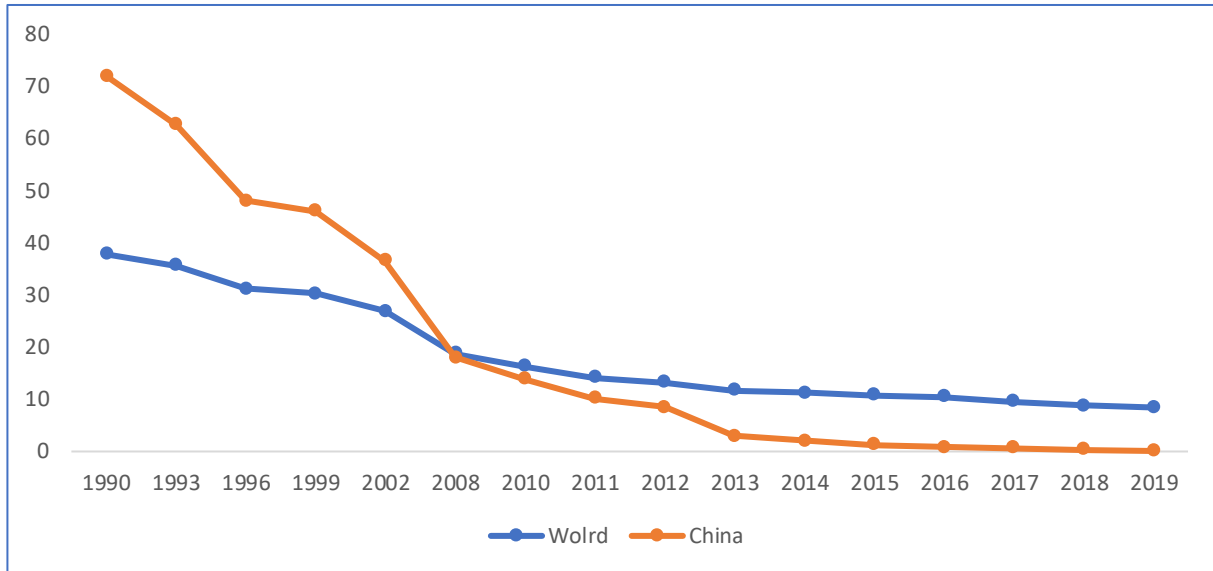
Figure 1.2- Impact of China in global poverty reduction (%), 1990-2019
Source: World Bank Poverty and Inequality Platform (2022) (adapted)

If China were excluded, the concentration of earnings at the poverty line would experience a persistent long-term drop, even though it would remain stagnant throughout the 1980s and 1990s.

Since fewer impoverished people exist elsewhere, sustained poverty decreases outside China and India require extraordinarily high growth rates.

For instance, according to David Rosnick results published in 2019, the data points for 1990 show an annualized growth of almost 1.5% (16% cumulative) from 1985 to 1995.

With more significant growth in China, and to a lesser extent, and most recently, in India, the increase in global income for those living in poverty in the 1980s and 1990s would have been much bigger.

Analysing the figure 1.2, it is observed that the fight against poverty might have halted for decades without Chinese growth.

Chinese and Indian growth peaked at the same time that they represented a highly concentrated share of people living in or just below the poverty line, so these two countries' growth, combined with the fact that they also just so happened to have large populations of people living in or just below the poverty line, overwhelmingly explains the global trend (Center for Economic and Policy Research, 2019).

Main Difficulties in the Fight Against Poverty

Lack of recognition of multidimensional poverty

Although researchers have continuously improved the concept of poverty and its measurements, the financial aspect of it is still the most common one in describing poverty. As we already stated, average financial indicators can hide the reality of poverty. The main cause for that is that these indicators don't take into account the inequality between populations, the higher risk of vulnerability in the face of poverty and the distribution of such poverty around the world and within regions of the countries themselves.

Poverty Distribution

Poverty is not evenly spread out in the world (figure 1.3.).
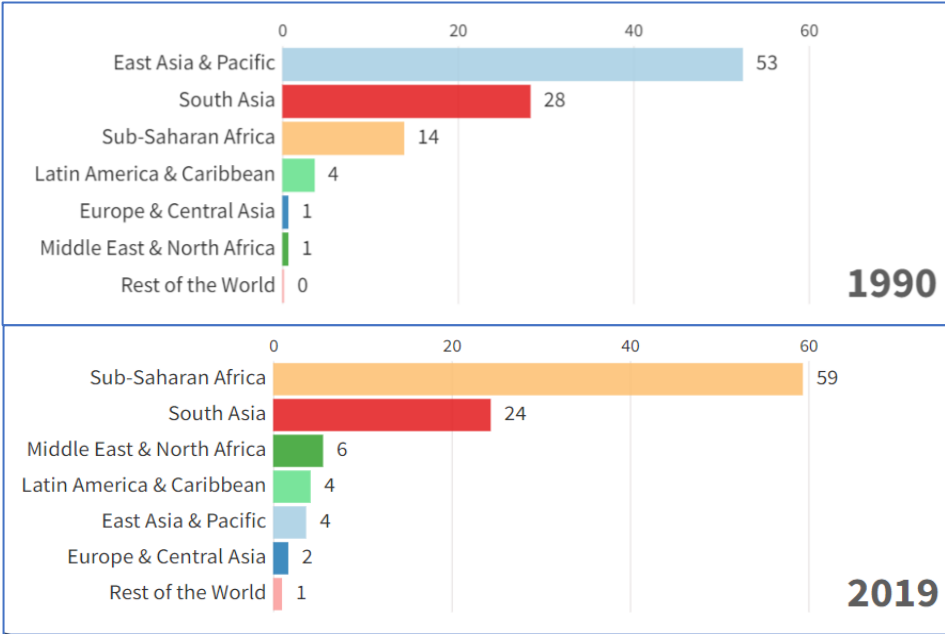
Figure 1.3. Share of global poor living below the international poverty line (%), by region, 1990-2019
Source: World Bank Poverty and Inequality Platform, 2019

In fact, in 1990, East Asia alone was home to 53% of the world's population who lived in extreme poverty, with Sub-Saharan Africa coming in second with 14%. By 2019, only 4% of people living in extreme poverty worldwide were found in East Asia. Thus, with roughly 60% of the world's extreme poor residing in Sub-Saharan Africa in 2019, East Asia is no longer the region bearing the brunt of extreme poverty. East Asia made such amazing strides in eradicating poverty that by 2003, it was South Asia that held the title of region with the greatest concentration of the world's extremely poor. Sub-Saharan Africa rose to second place behind South Asia by 2007. Since 2011, Sub-Saharan Africa has had the greatest and fastest-growing share of the world's extreme poverty (World Bank Data, 2019).

New Approach of Poverty Measuring

As these inequalities became more presented, the world shifted from the idea of measuring poverty in an absolute form only. Researchers began to identify the fragilities of monetary indicators when used alone and a new wave of poverty measure started to emerge.

To start with, the World Bank's monetary measure's explanatory strength has been questioned. There are various ways to criticize this. First, it has been argued that the World Bank's methodology needs to permit consistent estimates of the declines or increases in poverty over time. The number of impoverished people is determined using unrepresentative baskets of goods that produce inaccurate purchasing power parities (Bhat, 2013).

Moreover, the World Bank's statistics are based on household surveys, which hide disparities in the distribution of resources within households—typically to the detriment of women and children. This is another criticism levelled about the World Bank's data. Additionally, it has been claimed that the World Bank's definition of poverty is too low, resulting in an overall underestimation of extreme poverty worldwide. A fundamental criticism is that even the most trustworthy data on people's income and purchasing power only allows for limited inferences about the standard of living these people enjoy because inherent individual differences, as well as variations in social, geographic, and cultural environments, have a significant impact on the financial resources required to lead a life that is at least minimally decent (Kakwani and Silber, 2013).

In that sense, a range of factors that are difficult to quantify in monetary terms, such as access to and enjoyment of adequate food and clothing, clean air and water, access to healthcare and education, and political participation, should be considered in addition to financial indicators when determining poverty (Beck, 2020). For this, there have long been implicitly multidimensional poverty metrics (Booth 1903; Rowntree 1901; Townsend, 1954, 1979).

Quantitative analysis of poverty utilizes statistical methods to measure and quantify poverty levels. The primary advantage of quantitative research is its ability to provide precise and measurable poverty indicators, such as income levels, household expenditure, and poverty rates. These indicators allow for cross-country comparisons, trend analysis, and the identification of poverty patterns (Desiere and Costa, 2019).

However, quantitative analysis has its limitations. It often overlooks the qualitative aspects of poverty, such as social exclusion, power dynamics, and cultural dimensions. Poverty is not merely a matter of income; it encompasses a range of social, psychological, and environmental factors that cannot be captured through numerical data alone. Moreover, quantitative measures may fail to

capture impoverished individuals' experiences, perspectives, and aspirations, limiting the depth of understanding necessary for effective policy formulation (Jones and Tvedten, 2019).

Qualitative analysis delves into the lived experiences of individuals and communities affected by poverty. It aims to uncover the underlying causes, dynamics, and consequences of poverty, providing a nuanced understanding of the lived realities of those involved (Reeves et al., 2019).

The qualitative method is typically quite context specific. Focusing on villages and towns, researchers and interviewers gather a wealth of pertinent and thorough data on the socioeconomic makeup of each community under study (Mack et al., 2005).

An individual needs a minimal degree of well-being to function, which is brought about by a collection of characteristics, and income is the traditional mean to determine whether an individual is above or below the poverty line. The disadvantage of the income approach is that some (non-monetary) traits cannot be bought because there are no markets, or they need to function correctly. Therefore, prices do not reflect people's utility weights to these attributes (Wolf, 2020).

Income as the sole indicator of well-being is limited as it needs to incorporate critical dimensions of poverty. Considering that, three ideas would change the way we view poverty permanently. First, by researchers, then by the United Nations and finally by the World Bank.

Capacity Method

During the 1980s, Amartya Sen offered one of the most vital critiques of a simple financial understanding of poverty. He created the capacity approach in cooperation with Martha Nussbaum (Sen, 1999; Nussbaum, 2000), opening the door for widespread acceptance of multidimensional understandings of poverty. The capability approach can be utilized as a normative framework for measuring human well-being in general and poverty. It faces competition from similar conceptual frameworks, such as welfare, needs-based, and standards-based frameworks.

This method meant we should see poverty as a lack of essential abilities and freedoms. The lack of access to education, health care, social activities, and other things necessary to living a happy life was now considered, which meant poverty was a complex and multidimensional concept (Li et al., 2023; World Bank, 2020). This broader vision recognizes that social inequalities, discrimination, and institutional barriers significantly determine poverty (Siddiqui et al., 2020).

By giving voice to marginalized populations, qualitative analysis highlights the social, cultural, and political contexts in which poverty exists. It sheds light on social exclusion, gender inequality, discrimination, and access to social services, revealing the multifaceted nature of poverty. Additionally,

qualitative research can capture individual narratives, perspectives, and coping mechanisms, providing valuable insights into impoverished people's aspirations, agency, and resilience (Capucha, 2005).

The concept of intersectionality in poverty acknowledges that individuals can experience multiple forms of disadvantage simultaneously, which can compound and exacerbate their experience of poverty. It also makes the challenge of measuring poverty even more exuberant (Crenshaw, 1989; 1991).

This is linked to the idea that "where you are born can dictate how poor you are", in the sense that a person's demographic factors directly correlate to the social reality it experiences. These factors are rooted in social structures, institutions, and systems that shape individuals' opportunities and access to resources. When social mobility is limited, individuals born into poverty or disadvantaged backgrounds often find it challenging to escape poverty due to systemic barriers and lack of opportunities (Rowley et al., 2021).

According to that, being poor implies different things in Africa, Asia, and Europe, and it depends on what social position poor people occupy about wealthy people, the government, international organizations, or possible donors. What constitutes poverty, what kind of data is pertinent and what measures can effectively help to alleviate it are all determined by the social and political context, it turns out (Beck, 2020).

The Sustainable Development Goals

The Sustainable Development Goals (SDGs), also known as the Global Goals, were adopted by the United Nations in 2015 as a universal call to action to end poverty, protect the planet, and ensure that by 2030 all people enjoy peace and prosperity (United Nations 2020a, 2020b).

The SDGs resulted from one of the most inclusive and transparent consultation processes in the history of the United Nations. Together, they address our time's most critical economic, social, environmental, and governance challenges. They present an ambitious set of 17 objectives and 169 targets to eradicate extreme poverty, end inequality, protect the planet and generate universal peace. Many consider them the first agenda set for open cooperation between public, private, and social sectors alongside citizens. Their success relies heavily on the joint action of all these actors.

The 17 SDGs are integrated—it is recognized that action in one area will affect outcomes in others and that development must balance social, economic, and environmental sustainability (Swain and Yang-Wallentin, 2020). They represent an international agreement, understood as soft international

law (Persson, Weitz & Nilsson, 2016), that governs sustainable development through setting goals (Biermann, Kanie & Kim, 2017).

Countries have committed to prioritize progress for those who are furthest behind. The SDGs are designed to end poverty, hunger, AIDS, and discrimination against women and girls (UNDP, 2023).

This work focuses on the first goal, which many consider the basis for achieving rest. The first of these goals is to eradicate poverty in all its forms. To do so, the UN set more specific targets till 2030, such as:

▪ Implement nationally appropriate social protection systems and measures for all, including floors, and achieve substantial coverage of the poor and the vulnerable.

▪ Rights to economic resources, access to essential services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology, and financial services, including microfinance.

▪ Build the resilience of the poor and those in vulnerable situations and reduce their exposure and vulnerability to climate-related extreme events and other economic, social, and environmental shocks and disasters.

▪ Ensure significant mobilization of resources from various sources, including through enhanced development cooperation, to provide adequate and predictable means for developing countries, particularly least developed countries, to implement programs and policies to end poverty in all its dimensions.

▪ Create sound national, regional, and international policy frameworks based on pro-poor and gender-sensitive development strategies to support accelerated investment in poverty eradication actions (Biermann, Kanie & Kim, 2017).

The measurement of these targets was then summarized into specific indicators (Table 1.1).

Table 1.1. Targets and Indicators for eradicating poverty
Source: United Nations, SDGs 2022

Targets	Indicators
1.1. By 2030, eradicate extreme poverty for all people everywhere, currently measured as people living on less than $1.25 a day	1.1.1 Proportion of the population living below the international poverty line by sex, age, employment status, and geographical location (urban/rural)

1.2.	By 2030, reduce at least by half the proportion of men, women, and children of all ages living in poverty in all its dimensions according to national definitions	1.2.1 Proportion of population living below the national poverty line by sex and age 1.2.2. Proportion of men, women, and children of all ages living in poverty in all its dimensions according to national definitions
1.3.	Implement nationally appropriate social protection systems and measures for all, including floors, and by 2030, achieve substantial coverage of the poor and the vulnerable	1.3.1 Proportion of population covered by social protection floors/systems, by sex, distinguishing children, unemployed persons, older persons, persons with disabilities, pregnant women, newborns, work-injury victims, and the poor and the vulnerable
1.4.	By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to essential services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology, and financial services, including microfinance	1.4.1 Proportion of the population living in households with essential services 1.4.2. Proportion of total adult population with secure tenure rights to land, (a) with legally recognized documentation, and (b) who perceive their rights to land as secure, by sex and by type of tenure
1.5.	By 2030, build the resilience of the poor and those in vulnerable situations and reduce their exposure and vulnerability to climate-related extreme events and other economic, social, and environmental shocks and disasters	1.5.1 Number of deaths, missing persons, and directly affected persons attributed to disasters per 100,000 population. 1.5.2. Direct economic loss attributed to disasters about global gross domestic product (GDP) 1.5.3. Number of countries that adopt and implement national disaster risk reduction strategies in line with the Sendai Framework for Disaster Risk Reduction 2015-2030 1.5.4. Proportion of local governments that adopt and implement local disaster risk reduction strategies in line with national disaster risk reduction strategies
1.a. Ensure significant mobilization of resources from a variety of sources, including through enhanced development cooperation, to provide adequate and predictable means for developing countries, in particular least developed countries, to implement		1.a.1. Total official development assistance grants from all donors that focus on poverty reduction as a share of the recipient country's gross national income.

programmes and policies to end poverty in all its dimensions	1.a.2. Proportion of total government spending on essential services (education, health and social protection)
1. b. Create sound policy frameworks at the national, regional, and international levels based on pro-poor and gender-sensitive development strategies to support accelerated investment in poverty eradication actions	1.b.1. Pro-poor public social spending

These goals represented the real effort to consider poverty as more than just the lack of financial resources. In indicator 1.2.2., for example, we see that the aim to «reduce at least by half the proportion of men, women, and children of all ages living in poverty in all its dimensions according to national definitions». Nonetheless, a new struggle emerges- the lack of data. As we will see, a lot of countries, Portugal included, don't measure multidimensional poverty within national indicators. It becomes clear that there is a gap between theory and action, as well as global and national guidelines on the subject of poverty.

Multidimensional Poverty Measure

As researchers shined a light on the multidimensions of poverty, the World Bank created, in 2010, the Multidimensional Poverty Measure (MPM).

By considering access to education and basic infrastructure in addition to the monetary headcount ratio at the $2.15 international poverty line, this assessment aims to comprehend poverty beyond financial deprivations, which continue to be the focus of the World Bank's global poverty monitoring.

The World Bank's measure is influenced and guided by other well-known international multidimensional standards, notably the Multidimensional Poverty Index (MPI) created by the United Nations Development Program (UNDP) and Oxford University. Still, it differs from them in one crucial way: it includes the New International Poverty Line at 2017 PPP (Purchasing Power Parity), the daily income of people living in poverty of less than $2.15, as one of the dimensions.

Although there is a considerable association between financial poverty and lack in other areas, this relationship could be better. According to the Poverty and Shared Prosperity 2022 study (World Bank, 2022), nearly 4 out of 10 multidimensionally poor people (39%) are not included in the definition of monetary poverty since they are also deficient in nonmonetary aspects.

The MPM of a nation is at least equal to or greater than its level of monetary poverty, highlighting the importance of nonmonetary components of poverty and their extra role in determining overall

well-being (World Bank, 2020). For example, lack of access to basic infrastructure and education contributes to poverty and keeps inequality cycles alive. When all forms of poverty are considered, raising living standards for a population becomes more difficult. Still, it can give policymakers a direction and a way to track welfare advances (International Monetary Fund and the World Bank, 2001).

The Global Monitoring Database of the World Bank contains standardized surveys from which the MPM's data is obtained. With household survey data gathered over three years between 2015 and 2021, the most recent projections for the entire world are available for roughly 2018.

The MPM consists of six indicators: consumption or income, educational achievement, enrolment in education, access to clean water and sanitation, and electricity. Financial, educational, and infrastructure-related services are mapped into the three aspects of well-being (World Bank, 2020).

The three MPM dimensions are equally weighted (figure 1.4), and each indicator within a dimension is equally weighted. Suppose a person falls short of the criterion in more than one dimension or a group of indications with the same weight as a whole dimension. In that case, they are said to be multidimensionally deficient. In other words, a household will be deemed poor if it experiences deprivation across all indicators with a weight of at least one-third. Anyone who has a low income is automatically considered poor under the multidimensional poverty measure because the monetary dimension only uses one indicator to measure it (World Bank, 2020).
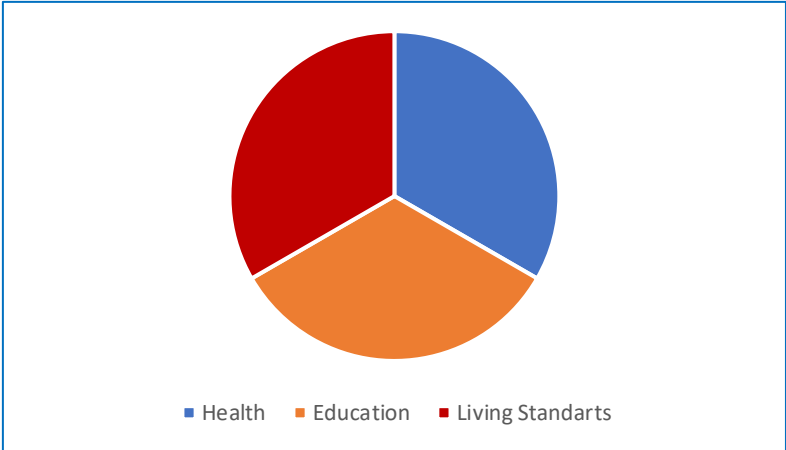
Figure 1.4. Multidimensions of Poverty

Creating a multidimensional measure of poverty is challenging since not all nations have, up-to-date, comparable data on all the categories above, especially globally.

It is feasible to determine how many multidimensionally poor people are not considered by the monetary poverty dimension and which indicator deprivations have the most significant effects on

well-being in the various regions by contrasting the economic poverty dimension with indicators from other dimensions (Table 1.2).

Table 1.2. Monetary and Multidimensional Poverty Headcount, by Region and the World, 2018
Source: World Bank Data, 2018

World Regions	Monetary poverty, headcount ratio (%)	Multidimensional poverty, headcount ratio (%)	Number of economies
East Asia and Pacific	3.2	4.8	13
Europe and Central Asia	0.3	2.1	25
Latin America and the Caribbean	3.8	4.6	15
Middle East and North Africa	1.2	1.8	5
South Asia	8.1	17.3	5
Sub-Saharan Africa	32.5	51.9	34
Rest of the World	0.7	1.4	24
All regions	8.8	14.5	121

Indeed, almost four out of 10 (39 percent) multidimensionally poor persons are not captured by monetary poverty because they are deprived in nonmonetary dimensions alone.

Under this broader definition of poverty, many more people come into view as poor.

If we analyse the poverty count worldwide, we can see there is a significant difference when we consider poverty using only monetary indicators and when we consider poverty to be multidimensional. According to the World Bank, in 2018, 8.8% of the global population was living in poverty. That is, if only monetary poverty was considered. This number increases to 14.5% when the multidimensions of poverty are taken into account. Furthermore, it also becomes evident that the distribution of poverty is an immense challenge, being the poorest population concentred in the Sub-Saharan and in South Asia. According to monetary measurements, 32.5% of the population is considered poor in Sub-Saharan and 8.1% in South Asia. Although these are astronomical numbers, it increases to 51.9% of the population and 17.3%, respectively, when we consider multidimensional poverty.

It is also worth noting that Europe and Central Asia have the lowest poverty rates, both monetary (0.3%) and multidimensional (2.1%) and that every region considered has a higher percentage of the population living in extreme poverty when multidimensional factors are considered as well.

CHAPTER 2 - EVOLUTION OF POVERTY: SDGS AND THE EFFECT OF THE PANDEMIC

Nonetheless, in the last decades, the share of the population living in extreme poverty, based on the international poverty line, has decreased significantly.

When the Sustainable Development Goals were implemented in 2015, the extreme poverty rate was 9.6% worldwide and 19% in Portugal (World Bank Data, 2018).

According to the World Bank, 660 million fewer people lived in extreme poverty in 2019 than in 1990, a 66 percent decrease from 2 billion. The number of people with incomes over the international poverty line rose from 3.3 billion to 7 billion during this time, while the world's population increased by about 2.4 billion. As a result, from around 38 percent to 8.5% of the world's population, fewer people now live in extreme poverty.

Despite the efforts to combat poverty, the world was not on track to eradicate poverty, end hunger, and achieve growth and employment targets under the Sustainable Development Goals. Indeed, none of the SDG indicators on poverty, hunger, growth, and employment are projected to reach the target by 2030.

As much as the world was not on track to achieve the goal of eradicating poverty by 2030, it surely was not expecting a setback as significant as COVID-19. This global pandemic pushed the world to extremes and created a new wave of people falling into extreme poverty.

COVID-19 Pandemic

The novel coronavirus-caused infectious disease 2019 (COVID-19) first emerged in December 2019 in China. It spread worldwide, so the World Health Organization (WHO) announced it as a pandemic in March 2020 (WHO, 2020a). As of January 25, 2021, a total number of 98,794,942 confirmed cases of COVID-19, including 2,124,193 deaths in 235 countries, areas, and territories, has been recorded by the WHO (WHO, 2021). The crisis's magnitude has marked the COVID-19 pandemic as the most severe health catastrophe of this century (Chakraborty and Maity, 2020).

Although the COVID-19 pandemic has not been around for too long, a massive amount of COVID-19-related research has been conducted due to its significant implications and consequences for society, the environment, and the economy worldwide.

COVID-19 began to challenge the progress made so far and obligated countries and nations to act quickly and firmly in the fight against poverty.

The new poor

Lockdown measures, social distancing protocols, and reduced consumer demand have forced many businesses to temporarily or permanently shut down, leading to mass layoffs and job losses across various sectors (Bartik et al, 2020).

Border closures, transportation disruptions, and reduced production capacities have severely impacted global supply chains. This has resulted in job losses in industries heavily reliant on imports and exports (Kazancoglu et al., 2022).

Changing consumer preferences and priorities during the pandemic, such as reduced travel and increased reliance on online shopping, have affected tourism, hospitality, and retail industries, leading to significant job losses (Magableh, 2021).

Sectors such as aviation, hospitality, entertainment, and small businesses have been particularly hard hit due to restrictions on gatherings, travel, and non-essential services (Nicola et al., 2020).

The travel industry, including airlines, hotels, travel agencies, and tour operators, suffered significant disruptions due to travel restrictions and reduced demand. This resulted in layoffs, furloughs, and closures of businesses in this sector.

Construction projects faced delays or interruptions due to lockdown measures and safety protocols. This affected construction workers, contractors, and related service providers. Jobs that require physical presence and close contact, such as domestic workers, hairdressers, and janitors, were impacted due to restrictions and decreased demand for their services (Bardhan et al., 2023).

The vulnerable poor

For globalization experts, the COVID-19 pandemic was a particularly stark wake-up call: recurring systemic crises are unavoidable if open societies cannot convert from fragile to more sustainable and resilient economies. COVID-19 further highlights that health, social inclusion, economic growth, and ecological sustainability are not only inextricably linked in the current stage of globalization but are also accompanied by rising dangers that undermine the whole system's stability and resilience (van Zanten and van Tulder, 2020).

Second, while COVID-19 is a worldwide danger to everyone, it is doubtful that it will have similarly severe implications in all nations and socioeconomic categories within these countries. Like other pandemics, it is most harmful to the most vulnerable people, such as those living in poverty, jobless, or nations with less established medical infrastructure (OECD, 2022).

In 2020, the consequences of COVID-19 became more present than ever. The result of the lockdowns, the increased number of people losing their jobs, and the conflict and migration crisis all around the world inverted, for the first time in 20 years, the decline of poverty. In less than a year, all the efforts to end poverty were crushed by a wave of the poor becoming poor and a wave of 'new poor (International Monetary Fund, 2021).
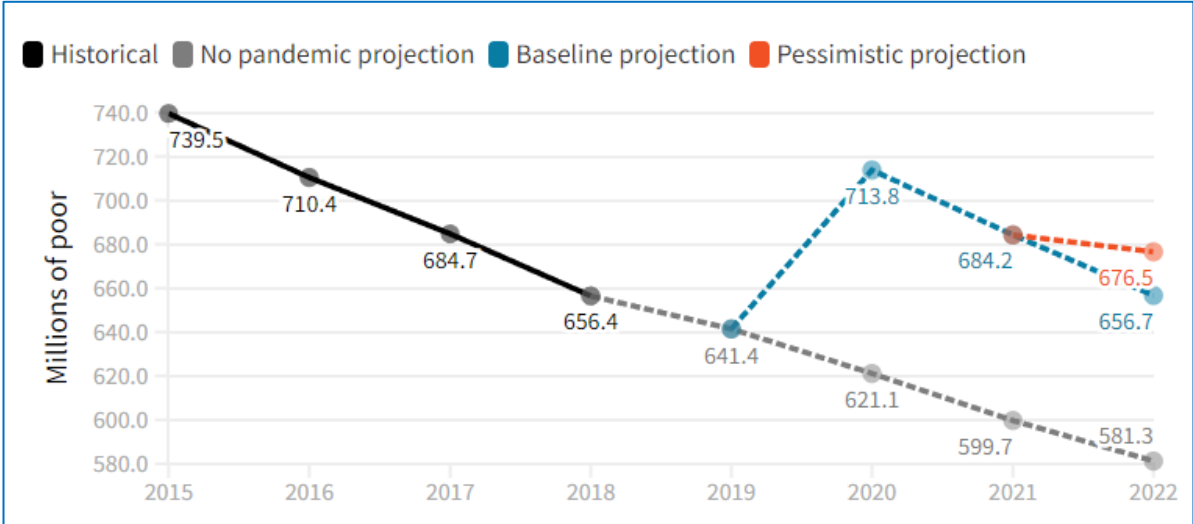
Figure 2.1. Nowcast of extreme poverty, 2019-2022
Source: World Bank Data (by Lakner et al (2022)) (updated), Poverty & Inequality Platform (PIP), Macro and Poverty Outlook

The effects of the crisis in Ukraine and rising inflation have made the pandemic's unanticipated reversals in the fight against poverty much worse. In comparison to pre-pandemic forecasts, we predict that the cumulative effects of these crises will result in an additional 75 to 95 million people in 2022 living in extreme poverty. If the more pessimistic scenario comes to pass, 2022 would rank as the second worst year in terms of progress made in eradicating extreme poverty this century, trailing only 2020, when there was a real rise in poverty worldwide (World Bank, Macro Poverty Outlook, 2022).

Figure 2.1 displays the trends in worldwide poverty under the base case and pessimistic inflation forecasts. According to these two hypotheses, there will be between 657 million and 676 million people living in extreme poverty in the world in 2022.

Reports from the World Bank show that, prior to the epidemic, it was predicted that there would be 581 million poor people worldwide in 2022. Accordingly, compared to pre-pandemic forecasts, an additional 75 to 95 million people would live in poverty this year as a result of the COVID-19 issue, escalating inflationary pressures, and the Ukraine conflict.

It is projected that more than 600 million people will still live in extreme poverty by 2030.

Even so, some countries will be more prejudiced by the pandemic because of gaps in essential services and social assistance.

Overall, not only did the pandemic slow down the progress of the SDGs, but it also jeopardized most of the conquers made so far. As mentioned before, this project's survival depends on global assistance and the route to equality worldwide. With the effects of the pandemic making the world even more disparity- not only on the way the pandemic affects but also on the power of recovery of each country, for example, to buy and distribute vaccines-we could not be further away from reaching the SDGs (Mukarram, 2020).

The highest costs, in terms of deaths and illnesses, and thus the most severe economic consequences, can be expected in the global south, that is, in regions that are also hard hit by other sustainability-related problems, such as climate change, and that are most in need of sustainable development in terms of fighting poverty and hunger (SDG1 – no poverty; SDG2 – zero hunger) (OECD, 2021).

It becomes clear that measuring the impact of COVID-19 on poverty is not an easy task. Especially, because in order to grasp this impact, we can't rely on indicators that only display the financial dimension of poverty. The idea of a multidimensional approach brings advantages, specifically when we look at the reinforce of inequalities worldwide and in between countries themselves.

The bigger the inequalities within a country, the more challenging the task becomes. In a country with major disparities in population, demographic and social factors, can the most used indicators reflect the reality of people in poverty?

CHAPTER 3 - THE PORTUGUESE CONTEXT

Portugal, with its characteristics, differs from other European countries in this matter. More relevant is the fact that the social and demographic differences among different areas of the country make Portugal a worthy case study in an attempt to discuss the impact of COVID-19 in different scenarios.

Portugal faces several disparities in its territory that severely condition its growth. In terms of demographics, there is a high disparity of where the population is based, the sector of activity most relevant to that region, and the age of the people (INE, 2021).

The trend of demographic aging has been observed for several decades in Europe. Portugal is no exception, with a growing increase in the proportion of elderly people and a decrease in the relative weight of young people and people of working age in the total population (INE, 2021).

In 2018, the proportion of elderly people in Portugal was higher than in the EU28, being the 4th country with the highest percentage of elderly people, only surpassed by Finland, Greece, and Italy (INE, 2019).

In 2018, the primary sector accounted for only 2.7% of GVA (against 24% in 1960) and 5.8% of employment; secondary education accounted for 21.9% of GVA and 24.1% of jobs. That year, services contributed 75.3% to GVA and 70.1% of work.

Portugal is among the 50 largest economies in the world and, until 2020, had a positive growth outlook. The economic shock from the crisis caused by the SARS-CoV-2 pandemic put a brake on this trend, causing a sharp drop in activity. However, today, with the vaccination campaign and supporting public policies, macroeconomic forecasts point to the recovery of the national economy, which should reach the pre-pandemic product level after the 3rd quarter of 2022, according to OECD (2022).

Like most countries, in the first half of 2020, the unemployment rate in Portugal rose significantly due to the economic disruptions caused by the pandemic and the imposed lockdown measures. Many businesses, particularly in tourism, hospitality, and retail sectors, faced temporary closures or reduced operations, resulting in job losses.

With this in mind, how did the COVID-19 pandemic impact the poverty levels in Portugal?

Portugal reported its first COVID-19 cases on March 2, 2020, and on March 18, the government issued its first state of emergency. To entities in general and persons in particular, the pandemic presented new difficulties. However, the epidemic succeeded in bringing out and providing more increasing awareness of current issues in Portuguese society, particularly those involving population groups already experiencing poverty and alienation from society. More than two years since the pandemic began, and with more than 80% of the Portuguese people have received vaccinations,

making it look like the pandemic itself is a matter of timing, even though its consequences are still present (Poverty-Watch-Report Portugal, 2022).

The biggest challenge in measuring poverty in Portugal is the lack of consistency in its indicators.

Over the last decades, the share of people living in extreme poverty in the country has not been consistent. We can attribute the increase of this rate from 2009 onwards to the devasting impacts of the 2008 economic crisis in Portugal. Like most of the data we will analyse, the peak happened in 2013, where 0.86% of the Portuguese population was living in extreme poverty (Poverty-Watch-Report Portugal, 2022).

In Portugal, the value below which someone is considered poor was, in 2020, 6,653€ per year, which is equivalent to €554 per month (over 12 months) (Fundação Francisco Manuel dos Santos, 2022).

As we can see from figure 3.1, from 2013 onwards the country was successfully decreasing the number of people living in extreme poverty. By 2019, only 0.15% of the population was considered poor and, one year after the pandemic, this number increased to 0.47%. For the first time in seven years, the trend to decrease poverty inverted. After 2019, following the new guidelines of measuring poverty worldwide, there is no further data in regards to the share of people leaving in extreme poverty in Portugal, to our knowledge.
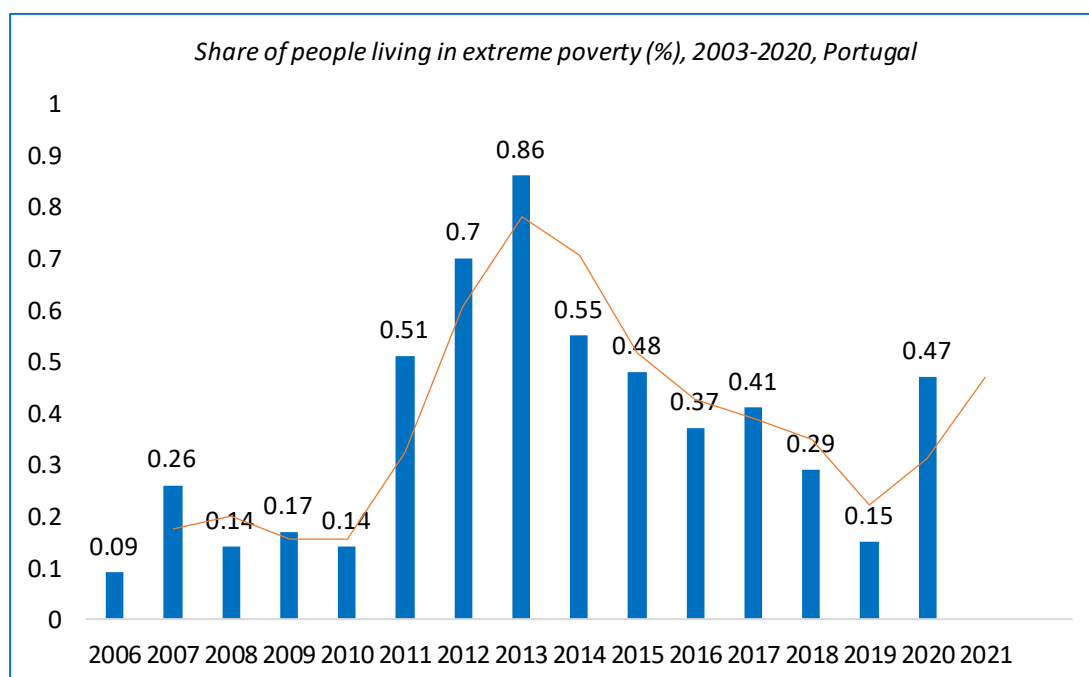
Figure 3.1. Share of people living in extreme poverty (%), 2003-2020
Source: World Bank Poverty and Inequality Platform (2022)

The main substitute for this index is the share of people at risk of poverty. This ultimately refers to the proportion of the population whose equivalent income is below the poverty line defined as 60% of the median income per equivalent adult (Banco de Portugal, 2022).

Analysing the Table 3.1, when we talk about the risk of poverty before any social transfer, we can see that the evolution doesn't follow a straight pattern from 2003 to 2021. However, there are important conclusions to remove from this data. Firstly, we can see that the risk of poverty is higher in 2021 (42.5%) than it was in 2003 (42.5%) in the total of the population. Effectively, more than 40% of the Portuguese population is at risk of being poor without social transfers from the state. The lowest amount registered of this rate was in 2006 (40%) and the highest was in 2013 (47.8%). Undoubtedly, the economic crisis of 2008 left long term consequences and the percentage of people at the risk of poverty only began to lower in a consistent matter onwards. It is also possibly to verify that this trend inverted in 2020, where the rate increases to 43.5% following the 42.4% in 2019.

After the social transfers, we can verify that the risk of poverty drops considerably.

Table 3.1. Monetary poverty indicators, Portugal, (2003-2021)
Source: INE (2023), Survey of living conditions and income 2003-2021

Year	Share of people living in extreme poverty (%)	At-risk-of-poverty rate (before any social transfer) (%)	At-risk-of-poverty rate (after pension transfers)	Poverty Intensity Rate (%)
2003	0.9	41.3	26.5	24.7
2004	0.54	40.8	25.7	26
2005	0.54	40.2	25.1	23.5
2006	0.09	40	24.2	24.3
2007	0.26	41.5	24.9	23.2
2008	0.14	41.5	24.3	23.6
2009	0.17	43.4	26.4	22.7
2010	0.14	42.5	25.4	23.2
2011	0.51	45.4	25.3	24.1
2012	0.7	46.9	25.5	27.4
2013	0.86	47.8	26.7	30.3
2014	0.55	47.5	26.4	29
2015	0.48	46.1	25	26.7
2016	0.37	45.2	23.6	27
2017	0.41	43.7	22.7	24.5
2018	0.29	43.4	22.7	22.4
2019	0.15	42.4	21.9	24.4
2020	0.47	43.5	23	27.1
2021		42.5	21.5	21.7

The poverty intensity rate is designed to assess the extent to which the standard of living of the population below the risk of poverty is below the poverty line and is calculated as follows: (poverty line - the average income of the population below the poverty line) / the poverty line. This is, therefore, the indicator used in Portugal to calculate poverty and the results answer the question: How far is the income of the poorest people from the value set for the at-risk-of-poverty threshold?

Given that these indicators are mostly based on income, it is also interesting to understand the pattern of income in Portugal and the inequalities it hides.

The S90/S10 ratio is an indicator of inequality in income distribution, defined as the ratio between the proportion of total income received by the 10% of the population with the highest incomes and the share of income received by the 10% with the lowest incomes (see Table 3.2).

Table 3.2. Inequality in income distribution S90/S10 (No.), Portugal, 2003-2021
Source: INE (2023), Survey of living conditions and income 2003-2021

Year	S90/S10
2003	12.3
2004	12.2
2005	11.9
2006	10.8
2007	10
2008	10.3
2009	9.2
2010	9.4
2011	10
2012	10.7
2013	11.1
2014	10.6
2015	10.1
2016	10
2017	8.7
2018	8.6
2019	8.1
2020	9.8
2021	8.5

The first year of the period considered was 2003, where the level of inequality between the top 10% of income earners and the same group at the bottom of the income distribution was greatest: the

income of the top 10% was 12.3 times higher than the share of total income earned by the bottom 10%. This figure fell until 2009, when it stood at 9.2. From that year until 2013, the value of this indicator increased by around 2 p.p. (20.1%), which means that the inequality between these extremes of the distribution increased significantly. We can associate this ratio is with a further fall in lower incomes during the crisis period, in a context of rising unemployment (Banco de Portugal, 2018).

However, the ration began to decrease once more, reaching its lowest value in 2019 (8.1%). Unsurprisingly, it reached 9.8%, the first increased in 7 years, amid a COVID-19 pandemic.

If we stopped our analysis here, we would conclude that, although the pandemic had a severe effect on the population in 2019, 2020 and 2021, the country is returning to the numbers before COVID-19. In fact, the United Nations score Portugal 18 out of 166 countries and currently states that the number 1 Sustainable Development Goal to reduce poverty is on track. (Sustainable Development Report, SDGs Index, 2021).

That being said, what happens when we joint multidimensional poverty to the calculations? Better yet, what happens when we dive into the general numbers? Is poverty spread equally between the Portuguese territory and its population? Could the optimist indicators, currently used, not reflect the true effects of the COVID-19 pandemic in Portugal?

CHAPTER 4 - RESEARCH METHODS AND OBJECTIVES

In this paper, we intend to assess and analyse the impact of COVID-19 on the Portuguese population and explore a qualitative approach to a quantitative analysis. In that sense, the primary goals of this paper are:

1. To measure poverty in Portugal as a multidimensional phenomenon, based on the WB proposal, in dialog with the Capacity Method proposal. This proposal considers three dimensions of poverty.

2. To identify profiles of poverty inequality in Portugal, considering the groups most vulnerable to changes in the at-risk-of-poverty rate.

In order to fulfil these objectives, the Multidimensional Poverty Measure (MPM) proposed by the World Bank will be operationalized, taking into account the three dimensions that make it up: health, education and living conditions.

To characterize monetary poverty in all its dimensions, - we will follow the indicators guidelines of the World Bank or as closely as possible. The indicators considered are the prevalence rate of moderate or severe food insecurity and the Infant mortality rate and perinatal mortality rate for health dimension; the highest level of education completed and the percentage of school dropouts for education dimension; access to basic infrastructures and sanitary conditions for living standards dimension.

To do so, we will consider the evolution of these indicators for a period that allows us to comprehend, even if indirectly, the impact of COVID-19 on the poverty results in Portugal.

On the other hand, knowing that poverty does not affect all population groups in the same way, whenever possible, the analysis will consider the categories of gender, age and region, which mark marked differences in the living conditions of the population in Portugal and may expose some groups to a greater risk of poverty in a heavily ageing country, particularly in the interior and peripheral regions.

For the theoretical framework, search terms and the following keywords were used throughout the research. "Poverty", "Poverty line", "Pandemic", "COVID-19" and "Portuguese Population" were searched using Boolean operators (OR, AND) in various combinations to ensure diverse search results. The search method made the necessary keyword adjustments and adhered to each database's syntax requirements.

In order to analyze the indicators, we used official secondary sources produced, in the case of Portugal, by the National Statistics Institute (INE), as part of the National Statistical System. Specifically, the following surveys and/or sources of statistical information produced by the INE were used: Survey

of living conditions and income 2003-2021, Demographic Statistics 2003-2022, Annual estimates of the resident population, Population and housing census - Census 2021.

Different international sources were also used, from international institutions and organizations which, due to the nature of their activity and the possibility of privileged access to information in the countries in which they work, also produce statistical information in their sector of activity.

In both cases (national and international data), access to information on the conditions under which statistical information is produced made it possible to reliably validate the quality of the data in order to mobilize it for this work. Its characteristics of completeness or representativeness of the population make it all the more pertinent to use.

The indicators consulted and/or calculated on the basis of the data available from the sources indicated will be analysed in depth, either in a circumscribed reading of the phenomenon or dimension being measured, or according to an integrated vision that takes into account different categories or the articulation of indicators associated with the same or other dimensions of analysis.

This exercise might identify profiles of the people more vulnerable to poverty through disaggregated information for the different population groups.

CHAPTER 5 - RESULTS AND DISCUSSION

Multidimensional Poverty in Portugal

In order to understand poverty, we must consider it as a multidimensional concept. Right away, we face our first obstacle: Even though this has been long accepted, there is no data from the MPM for Portugal. The Bank of Portugal has, in 2022, suggested a way to measure multidimensional poverty in Portugal, but no further developments were made in that sense (Alves, 2022). Instead, we decided to focus on gathering data in an attempt to follow the guidelines for multidimensional poverty.

Health

The first of those dimensions is health. Here, the indicators related are the prevalence rate of moderate or severe food insecurity and the infant mortality rate within the country.
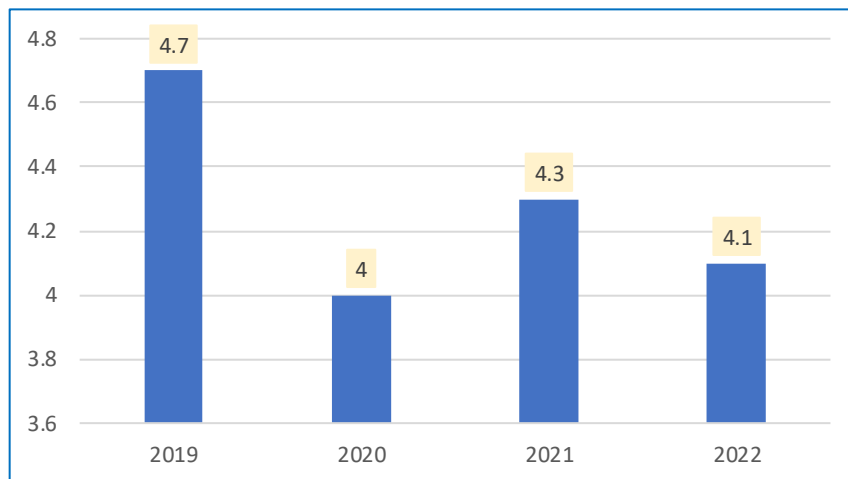
Figure 5.1 - Prevalence rate of moderate or severe food insecurity (%) of the resident population, Portugal, 2019-2022
Source: Source: INE (2023), Survey of living conditions and income 2003-2021

Poverty has a major role in creating hunger and malnutrition. For most countries, Portugal included, there is a direct correlation between poverty and the access to an adequate food routine. In fact, 821 million people globally were already "food insecure " (United Nations, 2021).

Given the continued link between hunger and poverty, the pandemic might cause an extra 130 million people to experience a hunger crisis and result in 265 million people "in need of lifesaving food security assistance". Surely, Portugal will follow the trend of aggravated food malnourish as an effect of the COVID-19 pandemic.

When we talk about food uncertainty, we refer to the deprivation of guaranteed access to sufficient quantities of food suitable for normal growth and development for an active and healthy life. This uncertainty becomes moderate when that stems from the uncertainty of obtaining food, the risk of missing meals or running out of food, being forced to compromise on the nutritional quality and/or quantity of food consumed and severe when it results from the total absence of food or for a day or two, extreme hunger.

In figure 5.1, we can see that the highest rate registered was in 2019, where close to 5 in 100 people were experiencing food uncertainty. Although the average dropped to 4 in 2020, the number rose again to 4.3% in 2021 and 4.1% in 2022, according to the INE.

The Food and Agriculture Organization of the United Nations (FAO) puts its calculations even higher, claiming more than 12% of the Portuguese population suffered from moderate or severe food insecurity in 2020 and 2022.

Although the COVID-19 pandemic is no longer the main concern affecting the population today, the global crisis aggravated by the war in Europe between Ukraine and Russia may be factors of instability that contribute to these figures not showing much of a decrease. According to FAO, almost 600 million people will still face hunger in 2030, 119 million more than in a scenario in which neither the COVID-19 pandemic nor the war in Ukraine had occurred.

Another indicator of health progress is the infant mortality rate in the country.

These indicators refer to the number of deaths of children under 1 year of age and the number of fetal deaths of 28 or more weeks of gestation and deaths of live births under 7 days of age, respectively. We can see that both indicators don't follow a straight pattern. The figure 5.2 shows that the infant mortality rate registered its highest value in 2003 (4.12%) and the lowest in 2021 (2.43%). The perinatal mortality rate had the same high (2003) with a percentage of 5.1% and the lowest value was 3.3% in 2017 and 2022.
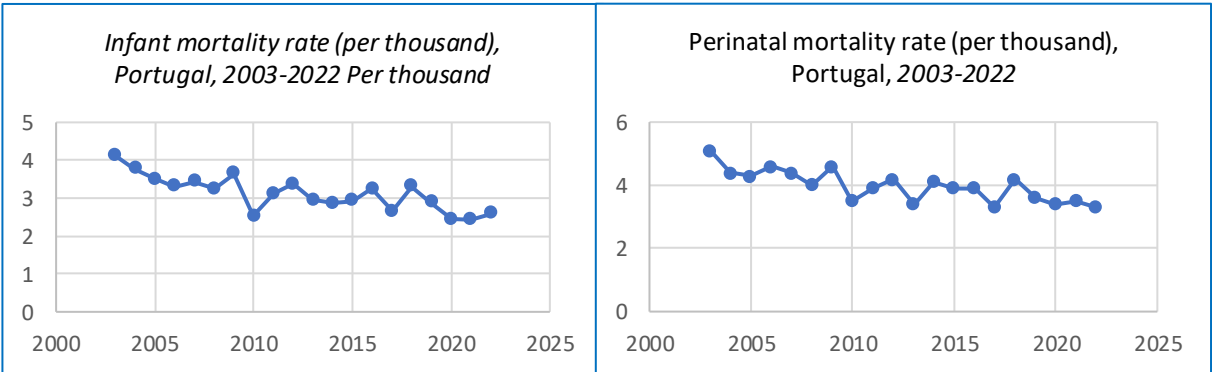

Figure 5.2 - Infant mortality rate and perinatal mortality rate, 2003-2022, Portugal
Source: Source: INE (2023), Demographic Statistics 2003-2022

The second of those dimensions is education. Here, the parameters measured are the degree of education of the population, as well as the percentage of school-drop out.

The table 5.1 represents the degree of education of the Portuguese population, comparing the numbers in 2011 and 2021.

At first observation, we can say that in this ten-year period, the percentage of the population without any degree of education decreased in all regions of Portugal. In 2011, 10.33% of the population didn't have any education level and that number drops to 5.86% in 2021. Our attention can easily be directed to the fact that, in 2011, Alentejo (15.43%), Centro (12.56%), R.A.M. (12.49%), Algarve (10.81%) and R.A.A. (10.43%) are all above the national average. That happens due to only 6.91% of the A.M.L. population not having any education average. Ten years later, Lisbon still registers the lowest value (4.27%) and we see a significant decrease in all the other regions as well. However, only Açores decreased to be under the national average, with 5.56% of its population still not having any education level.

If we look at it from a gender perspective, important conclusions need to be reported. The gap between male and female population becomes evident, as the female percentage of not having any education level is higher than the male's, in both years and in all regions of Portugal. In 2011, the percentage of women with no educational level was 12.87% compared to the men at 7.49%. The highest rates for women were in Alentejo (18.77% in 2011 and 10.46% in 2021), Centro (16.10% in 2011 and 8.57% in 2021), R.A.M. (14.31% in 2011 and 9.26% in 2021). We can see there was a decreased in every region, but the value is still worrying. When it comes to the male population, the highest numbers were registered in Alentejo (11.80% in 2011 and 6.48% in 2021), R.A.M. (10.37% in 2011 and 6.65% in 2021), R.A.A. (10.18% in 2011 and 5.56% in 2021) and Algarve (9.40% in 2011 and 7.07% in 2021). To note that Algarve became the region where more men don't have any education level in Portugal.

Table 5.1. Resident population aged 15 and over by highest level of education completed (%), by place of residence (NUTSII) and sex, Portugal, 2011, 2021
Source: Own calculations, based on INE (2023), Population and housing census - Census 2021

Year	Region	None	Elementary	Secondary	Higher education
2011	Portugal	10.33	59.12	15.71	13.86
	Norte	10.22	62.97	13.98	11.99
	Centro	12.56	59.91	14.49	12.13
	A.M.L.	6.91	53.02	19.28	19.58
	Alentejo	15.43	58.78	14.76	10.18

Year	Region	None	Elementary	Secondary	Higher education
	Algarve	10.81	57.51	18.36	12.18
	R. A. A.	10.43	66.35	12.34	9.99
	R. A. M.	12.49	60.52	14.13	11.65
2021	Portugal	5.86	49.68	23.52	19.78
	Norte	5.66	53.62	21.92	17.78
	Centro	6.69	52.46	22.27	17.45
	A.M.L.	4.27	41.23	26.54	26.62
	Alentejo	8.54	52.61	23.12	14.67
	Algarve	7.88	47.35	26.29	17.28
	R.A.A.	5.56	57.75	20.63	14.69
	R.A.M.	8.05	51.68	22.55	16.50

Year	Region	None	Elementary	Secondary	Higher education
2011	Portugal	7.49	63.82	15.99	11.57
	Norte	7.25	67.76	14.20	9.84
	Centro	8.60	65.93	14.79	9.63
	A.M.L.	4.80	56.01	20.16	17.56
	Alentejo	11.80	64.75	14.63	7.85
	Algarve	9.40	62.05	17.64	9.67
	R.A.A.	10.18	70.21	11.37	7.28
	R.A.M.	10.37	66.07	13.44	8.91
2021	Portugal	4.30	52.83	24.64	16.82
	Norte	4.02	56.78	23.00	14.94
	Centro	4.59	56.32	23.50	14.22
	A.M.L.	3.06	42.97	28.24	24.05
	Alentejo	6.48	57.00	23.77	11.50
	Algarve	7.07	51.37	26.15	14.05
	R.A.A.	5.56	61.95	19.86	11.10
	R.A.M.	6.65	55.82	22.97	13.20

Year	Region	None	Elementary	Secondary	Higher education
2011	Portugal	12.87	54.93	15.46	15.90
	Norte	12.88	58.67	13.79	13.93
	Centro	16.10	54.53	14.21	14.37
	A.M.L.	8.75	50.42	18.51	21.34
	Alentejo	18.77	53.28	14.89	12.34
	Algarve	12.12	53.26	19.02	14.53
	R.A.A.	10.66	62.66	13.26	12.59
	R.A.M.	14.31	55.72	14.72	14.02
2021	Portugal	7.25	46.89	22.53	22.42

Norte	7.13	50.80	20.97	20.31
Centro	8.57	49.03	21.17	20.32
A.M.L.	5.31	39.73	25.07	28.84
Alentejo	10.46	48.54	22.51	17.60
Algarve	8.64	43.62	26.43	20.27
R.A.A.	5.56	53.81	21.35	18.05
R.A.M.	9.26	48.11	22.18	19.34

When it comes to the elementary education, the evolution is not remarkable or standard. It is worth to note that, once again, the percentage of men with this level of education is higher than women, in both years and in all the regions of Portugal. Curious enough, the areas where no level of education was higher are also the ones were most people have elementary education. It is also the only level of education that decreased over this period, being the national average of 59.12% in 2011 and 49.68% in 2021. R.A.M. e R.A.A. lead in this category in both years, with 57.75% and 51.68% of the population having elementary education has their highest level of education in 2021, respectively.

In terms of secondary education, the trend is to have more people with this level of education in Portugal. In 2011, 15.71% of the population registered this level of education, compared to 23.52% in 2021. At this level, it is also the phase were men and women are closer in value.

On the contrary, we see a shift of trend in higher education. In 2011, only 13.86% of the population had a higher degree. We see an increase to 19.78% in 2021. We can also see that the value increased in all areas of Portugal, with the A.M.L. having the most people with higher education, in 2011 (19.58%) and 2021 (26.62%), considerably above the national percentage. Although we see an improvement, R.A.M. e Alentejo are still the regions were less people have higher education, with 9.99% and 10.18% in 2001 and 14.69% and 14.67%, respectively.

For the first time, women take the lead in this category. In fact, 15.90% have higher education compared to 11.57% of men in 2011. The difference is even more significant in 2021, where 22.42% of women have a higher level of education compared to 16.82% of men. This a trend presented in every region of Portugal, with Lisbon being the only above national average for both genders in 2021: 28.84% for women and 24.05% for men.

The next table (Table 5.2) shows us the school drop-out rate between 2003 and 2022 in Portugal by gender. We can see that over that period, the rate dropped significantly since 41.2% of the population dropped out in 2003 and only 6% in 2022. What is important about this data is the difference between male and female students. The percentage of male dropouts are significantly

higher than women for every year. In fact, the male rate is always higher than the national average. Combined with the previous information, we can conclude that, even though women have fewer access to education, they are also the ones who conclude it more often. For 2022, only 3.9% of women dropped out compared to double the men, at 7.9%.

Table 5.2 - School dropout rate: total and by gender, Portugal (2003-2022)
Source: Source: INE (2023), Demographic Statistics 2003-2022

Years	Total	Men	Women
2003	41.2	48.7	33.6
2004	39.3	47.6	30.9
2005	38.3	46.2	30.2
2006	38.5	46.1	30.7
2007	36.5	42.8	30
2008	34.9	41.4	28.2
2009	30.9	35.8	25.8
2010	28.3	32.4	24
2011	23	28.1	17.7
2012	20.5	26.9	14
2013	18.9	23.4	14.3
2014	17.4	20.7	14.1
2015	13.7	16.4	11
2016	14	17.4	10.5
2017	12.6	15.3	9.7
2018	11.8	14.7	8.7
2019	10.6	13.7	7.4
2020	8.9	12.6	5.1
2021	5.9	7.7	4.1
2022	6	7.9	3.9

Living Standards

Once again, we are left with no data to assess the living standards of the Portuguese population in recent years as per the guidelines of the World Bank's Multidimensional Index.[1] Therefore, this indicator was based on the material and social deprivation rate.

This indicator refers to the Condition of the population living in deprivation due to economic difficulties of at least five of thirteen items of material and social deprivation (INE, 2022).

The correlation of this indicator to living standards is due to some of the items of material and social deprivation referring to household conditions. Seven of the thirteen items are collected at

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[1] INE was contacted about this data by phone and email on September 2023, but of these attempts didn't provide a suitable answer to our inquiry.

household level: a) ability to ensure the immediate payment of an unexpected expense close to the monthly poverty line (without resorting to a loan); b) ability to pay for one week's vacation per year away from home, bearing the cost of accommodation and travel for all household members; c) the ability to pay rent, credit instalments or current expenses for the main residence, or other expenses not related to the main residence, on time; d) the ability to have a meat or fish meal (or vegetarian equivalent) at least every 2 days; e) the ability to keep the house adequately heated; f) the ability to have a car (light passenger or mixed); g) the possibility of replacing used furniture. The remaining six items are collected at the level of individuals aged 16 and over: h) the possibility of replacing used clothes with some new clothes (excluding second-hand clothes); i) the possibility of having two pairs of shoes of an appropriate size (including a pair of all-weather shoes); j) the possibility of spending a small amount of money on oneself every week; k) the possibility of regularly taking part in a leisure activity; l) the possibility of getting together with friends/family for a drink/meal at least once a month; m) the possibility of having access to the internet for personal use at home.

Table 5.3. Material and social deprivation rate (%) by Place of residence (2018-2022)
Source: INE, Survey on living conditions and income

Regions	Years				
	2018	2019	2020	2021	2022
Portugal	14.5	13.2	12.7	13.5	11.9
Norte	15.1	13.6	12.8	15.3	13
Centro	13.5	11.5	12.3	11.2	9.7
A.M.L.	13.3	11.6	10.5	11.9	11.8
Alentejo	12.8	13.3	11.4	11.5	8
Algarve	15.9	16.5	17.5	16.4	12.9
R. A.A.	26.2	28.7	24.2	19.1	19.9
R.A.M.	20.8	20.1	24.4	21.8	18.5

That being said, important conclusions can be withdrawn from this table. Firstly, we can see that from 2018 to 2020 this index decreased, meaning that fewer people in Portugal were experiencing this deprivation. This value rose again in 2021 to 13.5% but decreased once more in 2022 to 11.9%. This pattern happened in every region, where the year 2021 was the highest registered value.

The most important evidence, perhaps, is the inequality between regions. In fact, the Norte, Algarve, R.A.A. and R.A.M. were always and in every year above the average of the Portuguese guideline. Interestingly, the last available data for 2022, shows that even though the Portuguese

average is 11.9%, only the Centro, A.M.L. and Alentejo are under this value. Last year, 13 out of 100 people in Porto were material and/or social deprived, 20 out of 100 in R.A.A and 19 out of 100 in R.A.M.

Once again, we see a clear isolation of the R.A.M and R.A.A. from the rest of the continent.

When we analyse multidimensional poverty, we can see that there is a significant difference between different groups of the population and regions of the country. If we extend our search for inequality in the monetary indicators, will we be able to find the same discrepancies?

Table 5. 4. At-risk-of-poverty rate (before any social transfer) (%), by sex and age group, Portugal, 2003-2021
Source: Source: INE (2023), Survey of living conditions and income 2003-2021

Year	Total				Men				Women			
	Total	0 - 17 years	18 - 64 years	65+ years	Total	0 - 17 years	18 - 64 years	65+ years	Total	0 - 17 years	18 - 64 years	65+ years
2003	41.3	35.7	32.4	81.8	38.8	35.2	30.4	81.5	43.6	36.2	34.2	82
2004	40.8	34.4	31.7	82	38.6	34.1	29.9	83	42.8	34.6	33.4	81.4
2005	40.2	30.5	31.4	83.5	38.1	30.7	29.9	84.1	42.1	30.3	32.9	83
2006	40	30.2	31	84.2	38	30.9	29.9	82.9	41.9	29.5	32.1	85.1
2007	41.5	33.1	32.3	84.5	39.8	34.6	31.4	82.6	43.2	31.4	33.1	85.8
2008	41.5	33.5	31.9	84.5	39.8	34.9	31.1	83	43.1	32	32.7	85.6
2009	43.4	35.4	34.1	84.8	42	37.5	33.5	83.3	44.7	33.3	34.6	85.9
2010	42.5	33.4	33	85	41	34.1	32.6	84.2	44	32.5	33.5	85.6
2011	45.4	33	35.9	87.7	43.7	33.6	35	87.8	47	32.4	36.7	87.6
2012	46.9	35.4	37.8	87	45.6	35.1	37.6	87.8	48.1	35.7	38	86.5
2013	47.8	36.5	37.9	88.9	46.1	37.2	36.8	90	49.3	35.8	38.8	88.2
2014	47.5	34.5	37.3	89.7	45.4	33.3	36.5	90	49.4	35.7	38.1	89.6
2015	46.1	31.6	35.6	89.8	44.1	30.2	34.9	90.3	48	33.2	36.3	89.5
2016	45.2	29	34.4	90	43.4	29.6	33.8	89.9	46.8	28.3	35	90.1
2017	43.7	28.1	31.9	89.8	41.7	27.4	31.4	89.4	45.6	28.8	32.5	90
2018	43.4	28.4	31.4	88.8	41.4	28.4	30.5	88.7	45.3	28.5	32.2	89

2019	42.4	28.4	29.5	88.3	40.9	30	29.1	88.2	43.7	26.8	29.9	88.4
2020	43.5	28.1	31.6	87.4	41.6	27.6	31.3	86.2	45.3	28.5	31.8	88.3
2021	42.5	30.2	29.5	84.1	41.2	30.8	30	81.9	43.8	29.6	29	85.7

If we take a closer look at the population in question, we can observe differences between male and female rates, as well as the age group they fit into.

In Table 5.3 we divide this information into three age groups. On the group up until 17 years old, we can see that the highest rate of being at risk of poverty happened in 2013 (36.5%). From that onwards, we verify a decrease and, both in 2007 and 2020, the lowest rate was registered (28.1%). Contrary to this tendency, we verify an increase and, in 2021, 30.2% of people between the ages of 0-17 years old were now considered to be at risk of poverty. Within this group, we don't see a significant difference between man and women.

On the group of 18-64 years old, the population considered to be active and in place to work, we see that the highest rate was also in 2013, with 37.9% of the population being at risk of poverty. Similarly with the global population, this rate started to decrease consistently, only increasing again in 2020 with 31.6%, compared to 29.5% in 2019. In this group, however, we see that the percentage of female at risk of poverty was higher than male every single one of the years. The peak happened in 2012 for males (37.6%) and in 2013 for women (38.8%). Both groups show a consistent decrease since their highest value, except for 2020, where both rates increased again - 31.3% for males and 31.8% for females.

In the 65 years or older group, we see the highest rate of at risk of poverty in the country. The peak happened in 2016 (90%) overall and a consistent decline has been happening since then. However, the same cannot be said when we differentiate men and women in this category. After men of 65 years or old reached the peak of 90.3% risk at poverty in 2015, this number followed the total of the population trend and keeps declining. For the women, 85.7% are still at risk of poverty in 2021, compared to 81.9% for men.

As we can in Table 5.5, the risk of poverty drops considerable in all age groups and genders. That being said, it also exacerbates the differences between these categories.

The peak of being at risk of poverty after the social pensions happens in the same year of without the social pensions for the age groups of 0-17 years old and from 18-64 years old.

Table 5.5. At-risk-of-poverty rate (after pension transfers) (%), by sex and age group, Portugal, 2003-2021
Source: INE (2023), Survey of living conditions and income 2003-2021

Year	Total				Men				Women			
	Total	0 - 17 years	18 - 64 years	65+ years	Total	0 - 17 years	18 - 64 years	65+ years	Total	0 - 17 years	18 - 64 years	65+ years
2003	26.5	31.9	23.2	32.9	25.3	31.3	21.8	32.3	27.6	32.5	24.5	33.3
2004	25.7	31	22.5	31.8	25.1	31.1	21.8	31.4	26.3	30.9	23.2	32
2005	25.1	27.8	22.8	30.9	24.5	28	22.1	30.2	25.7	27.7	23.4	31.5
2006	24.2	27.1	22	29.2	23.6	28.1	21.4	26.9	24.8	26	22.6	30.8
2007	24.9	30.1	23.4	24.9	24.2	31.9	22.5	21.7	25.5	28.1	24.2	27.2
2008	24.3	30.7	22.8	23.1	23.9	32	22.1	20.8	24.8	29.3	23.5	24.8
2009	26.4	32.2	25.2	24.9	26.1	34.8	24.6	21.2	26.7	29.6	25.7	27.5
2010	25.4	30.9	24.4	23.3	25.2	32	24.1	21.1	25.6	29.7	24.7	24.9
2011	25.3	29.6	25.6	20.2	25.1	30.6	25.2	18.5	25.4	28.6	25.9	21.4
2012	25.5	31.7	26.3	17.4	25.9	31.6	26.7	16.2	25.2	31.9	25.8	18.2
2013	26.7	33.6	27.4	18.5	26.5	34.1	27.1	15.9	26.9	33.1	27.7	20.3
2014	26.4	31.3	27	20.2	26	30.1	27.1	17.8	26.8	32.6	27	22
2015	25	28.6	25.2	21.4	24.4	27.2	25.1	19.3	25.6	30.1	25.4	22.9
2016	23.6	25.5	24.4	20	23.4	26	24.2	18.1	23.8	24.9	24.5	21.4
2017	22.7	25.6	22.6	20.6	22.1	25.1	22.4	18	23.2	26.2	22.8	22.5
2018	22.7	25.7	22.8	20	22	25.3	22.2	18.2	23.3	26	23.4	21.2
2019	21.9	25.7	21.5	20.2	21.6	26.9	21.3	17.4	22.2	24.4	21.6	22.3
2020	23	24.9	22.5	22.8	22.2	24.3	22.3	20	23.6	25.4	22.6	24.9
2021	21.5	25.4	21.3	19.5	21.5	25.9	21.9	17	21.5	24.9	20.7	21.3

In the elderly group, however, that is not the case. Here we have the first glimpse of the crucial role social pensions have on people 65 years old and above and we can conclude they are the biggest beneficiaries of this policy. As of 2021, we can see the national rate of risk of poverty for this group was at 19.5%, nearly 4.5 times less what it was without the pensions. However, while the male rate drops to 17%, the women still have a 21.3% risk of poverty. We also see that minors became the most vulnerable group at poverty, with a national average of 25.4% in 2021.

Older people may have a more challenging time getting good health care, benefits, and social support networks, which could make them more likely to live in poverty. Portugal has one of the highest proportions of elderly people in Europe. The country's population is aging rapidly, with a decreasing birth rate and increasing life expectancy. This demographic shift presents economic and social challenges, including the risk of higher poverty rates among the elderly. Many older adults in Portugal rely on pensions as their primary source of income during retirement. Some retirees may struggle to meet their basic needs and face an increased risk of poverty, particularly those with limited work histories or who have worked in low-paying sectors (OECD, 2021b).

Table 5.6 refers to the percentage of individuals at risk of poverty or living in households with very low per capita labor intensity or in a situation of severe material and social deprivation. Considering the period of 2018 until 2022, we see there are discrepancies within the regions of Portugal where that risk is higher.

Table 5.6. Proportion of resident population at risk of poverty or social exclusion (Europe 2030) (%) by place of residence (2018-2022), Portugal
Source: Source: INE (2023), Survey of living conditions and income 2003-2021

Regions	Years				
	2018	2019	2020	2021	2022
Portugal	21.6	21.1	20	22.4	20.1
Norte	23	22.3	21.8	25.8	23.9
Centro	22.8	20.5	20.3	22.6	18.7
A.M.L.	16.5	17.5	14.7	17.2	14.5
Alentejo	21.1	21.6	19.5	20.3	18.1
Algarve	23.2	22.7	23.5	25.4	25.7
R.A.A.	36.5	36.7	33.3	27.5	30.3
R.A.M.	31.9	32	32.8	29.2	30.2

In 2018, 21.6% of the population was at risk of poverty or social exclusion in Portugal. In this year, there is a considerable difference between regions, being that while the A.M.L. population risk was at

16.5%, the same indicator for R.A.A. and R.A.M. was at 36.5% and 31.9%, respectively. Ultimately, the risk of being at poverty was more than double in Açores and close to it in Madeira than in Lisbon.

The following year, the national proportion decreased to 21.1%. Above this average we find every region except A.M.L. (17.5%) and Centro (20.5%). Still, it meant that in the Centre of Portugal 1 in 5 people were at risk of poverty or social exclusion. R.A.A. (36.7%) and R.A.M. (32%) both increased by 0.01%, while the North (22.3%), the Centre (20.5%) and Algarve (22.7%) decreased.

In 2020, although the national value decreased to 20%, we verify that Algarve started the pattern of considerable increase that we would see for the following years. In fact, in the two years that followed, this region reached a value in 25.7% compared to 23.5% in 2020.

In 2021, we have the highest rate registered in Portugal, set at 22.4% This meant that roughly 2 313 920 people were at risk of poverty or social exclusion. The highest rate was still in the R.A.M. (29.2%) and R.A.A. (27.5%), with the North (25.8%) and Algarve (25.4%) coming close.

In 2022, the national rate decreased again to 20.1%, but the difference in regions was still very much present. Both R.A.A (30.3%) and R.A.M (30.2%) had more than double the rate of A.M.L. (14.5%).

Profiles

In the beginning of this work, we argued that, even though levels of poverty were recovering in Portugal, some groups were left behind when considering an average value for the Portuguese population. If we focus on the latest available data of monetary and multidimensional poverty, are we able to identify these groups? That is, we focus on the differences and extremes within the indicators used, can we see a pattern?

When we separate the numbers by age, gender, and regions, we can indeed understand that poverty is not equally distributed in Portugal, whether solely based on monetary indicators or as a multidimensional index.

Monetary Poverty

Considering the risk of poverty or social exclusion, there is a significant difference between men and women that remains in 2021 (see figure 5.3).
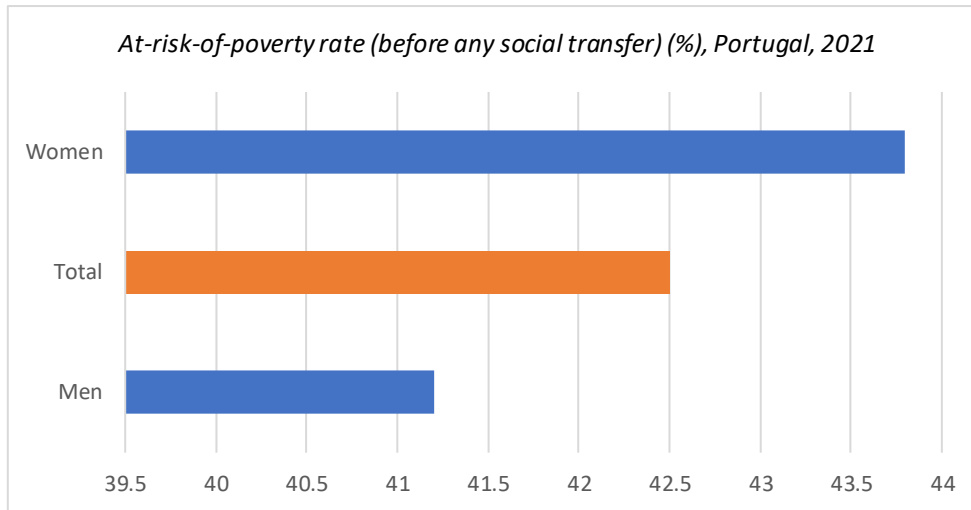
Figure 5.3. At-risk-of-poverty rate (before any social transfer), (%), by gender, Portugal, 2021
Source: INE (2023), Survey of living conditions and income 2003-2021

The epidemic was anticipated to affect women in poverty more than men, as we've seen with education, healthcare, and employment. Women were already 4% more likely than males worldwide to live in extreme poverty before the pandemic.

Currently, COVID-19 poses a threat to expand that disparity. By 2021, 47 million of the 435 million women and girls who would be poor had fallen into poverty as a result of the pandemic (Witter, Arielle, 2020).

The pandemic jeopardized the progress in reducing the proportion of women who live in poverty. Women's poverty rates were predicted to decrease by 2.7% between 2019 and 2021, but because of COVID-19, that rate is now projected to rise to 9.1%.

Because of COVID-19, women's poverty rates, which were expected to decline by 2.7% between 2019 and 2021, are now expected to increase to 9.1% (World Bank, 2021). Therefore, we can see that Portugal follows the global pattern of having the female gender be more vulnerable to poverty than the male gender.

Likewise, the different regions of Portugal still experience the risk of poverty significantly different in 2021.

Urban areas tend to have lower poverty rates than rural areas. Urban centres, such as Lisbon, benefit from more diverse economic opportunities and better access to services, which can help mitigate poverty levels. In contrast, rural areas, especially in the interior regions, often face higher poverty rates due to limited economic activities and infrastructure (International Monetary Fund, 2022).
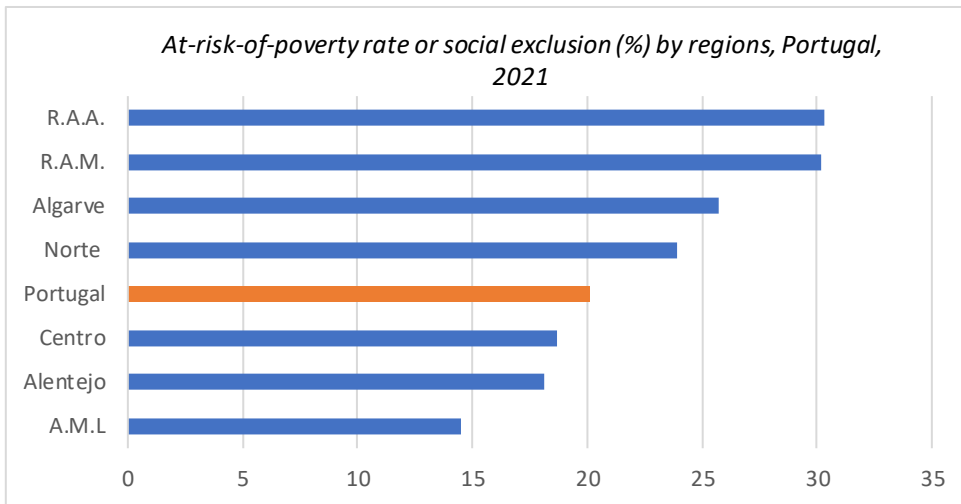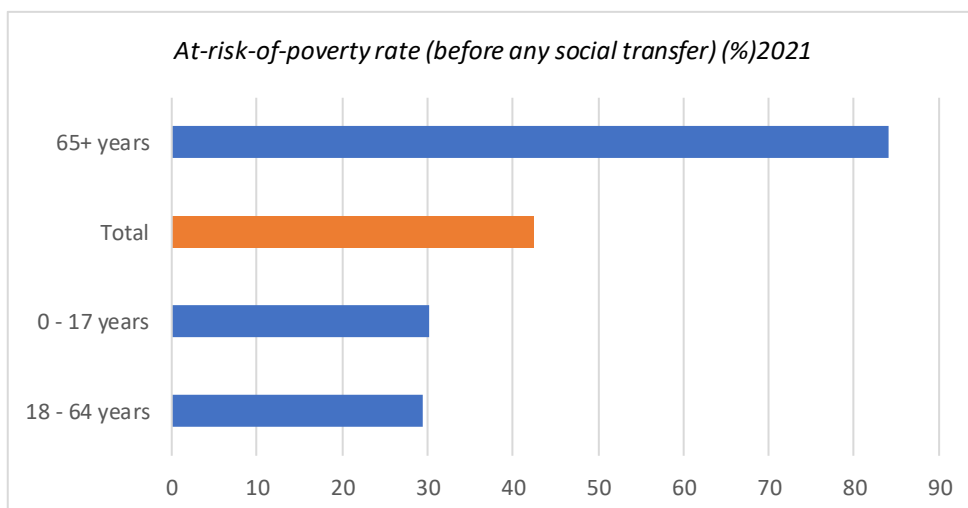
Figure 5. 4.At-risk-of-poverty rate or social exclusion (%) by regions, Portugal, 2021
Source: INE (2023), Survey of living conditions and income 2003-2021

Rowley et al., in 2021, had already expressed that where a person lives is correlated to the level of poverty it may experience. For example, communities that depend on agriculture may be more vulnerable to changes in food yields and market conditions, leading to uncertain income and higher poverty rates. Urban areas may help lower the general rate of poverty by making it easier for people to get an education, get health care, and find work (UNDP, 2023; World Bank, 2020).

When analysing demographic statistics, the age of the community is one of the most important things to consider. Children and older people are often more vulnerable to poverty than working-age adults. Factors such as limited income opportunities for young adults and increased healthcare and financial challenges for more senior people contribute to higher poverty rates in these age groups (Office of Disease and Prevention and Health Promotion).
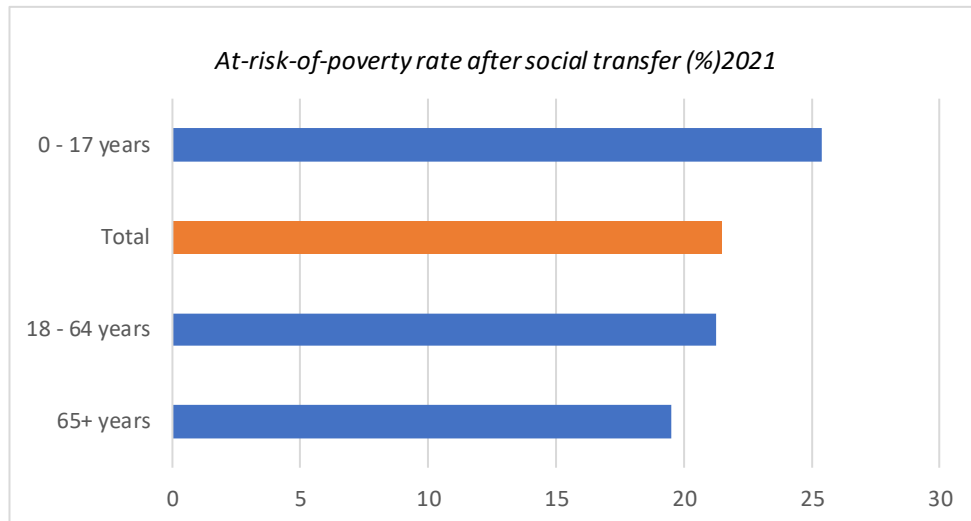
Figure 5.5. At risk of poverty rate before and after social transfers (%), Portugal, 2021
Source: INE (2023), Survey of living conditions and income 2003-2021

Health

If we follow Amartya Sen approach on poverty, we can argue that these two indicators alone might fall short in reflecting the health of a population.

According to the European Institute for Gender Equality (EIGE), in 2021, women in general and women in Portugal have more difficulty when it comes to health.

One of the key findings is that Portuguese women's health is worse than men's, and that this trend has not improved recently, as seen by the finding that the percentage of women reporting good health has increased by only one percentage point from 2010 to 45% in 2019.

Over the same period, the percentage of men who reported good health stayed at 55%, creating a gender gap of 10 percentage points in 2019 (Gender Equality Index 2021).

It continues by stating that older women had the lowest health, with only 12% reporting good or very good health, compared to 18% of men who are 65 and older.

The Index examines five factors within gender disparities in access to health, including "health and mental health status," "healthy behaviours," "access to health services," "sexual and reproductive health," and "the COVID-19 pandemic."

Regarding accessibility to healthcare, it can be noted that in 2016, 53% of women had trouble covering unforeseen dental costs, compared to 44% of males. This gender disparity is four percentage points larger than the European average.

In addition, 49% of women and 41% of men, versus 39% and 33%, respectively, in the average of the 27 European Union countries, cannot afford the costs of receiving mental health care.

Aging individuals often require increased healthcare services, and the associated costs can contribute to poverty risk. Healthcare expenses for the elderly can be significant, particularly for those with chronic conditions or long-term care needs. The availability and affordability of healthcare services are essential considerations in addressing poverty among the aging population (Costa et al., 2023).

We argue that, even though we don't have specific data to examine differences in health between groups, Portugal follows the global pattern and women and the elderly find themselves to be more vulnerable to health, therefore, experience more poverty in this dimension.

Education

The access to education facilities or opportunities for some regions and, on the contrary, the lack of it for others, is expressed in figure 5.6 and 5.7 clearly.

Figure 5.6. Higher level of education completed (%), by regions, Portugal, 2021
Source: Own calculations, based on INE (2023), Population and housing census - Census 2021
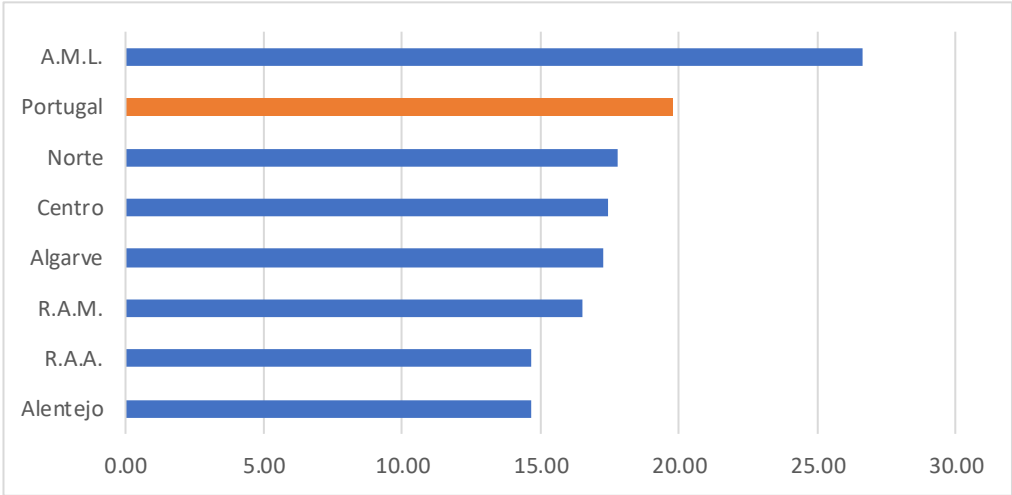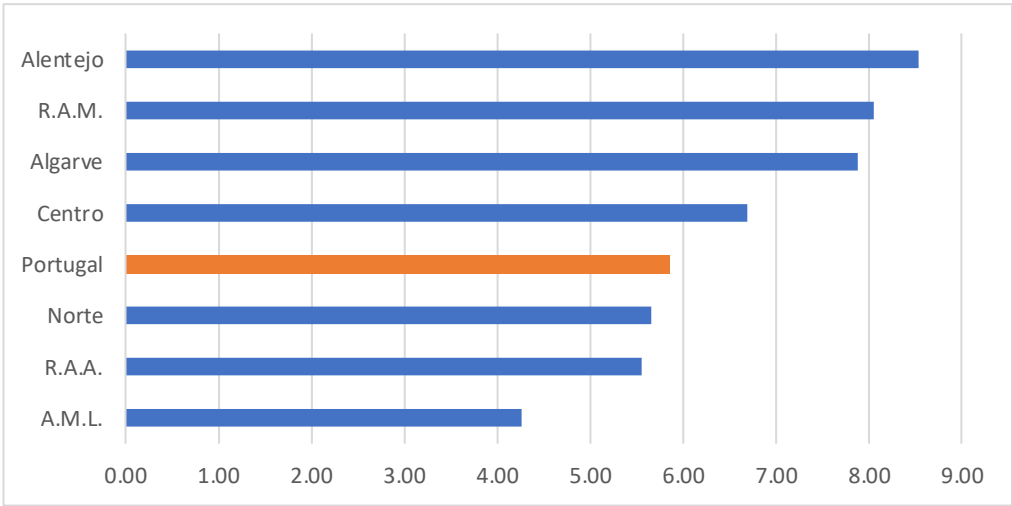

Figure 5.7. No level of education completed (%), by regions, Portugal, 2021
Source: Own calculations, based on INE (2023), Population and housing census - Census 2021

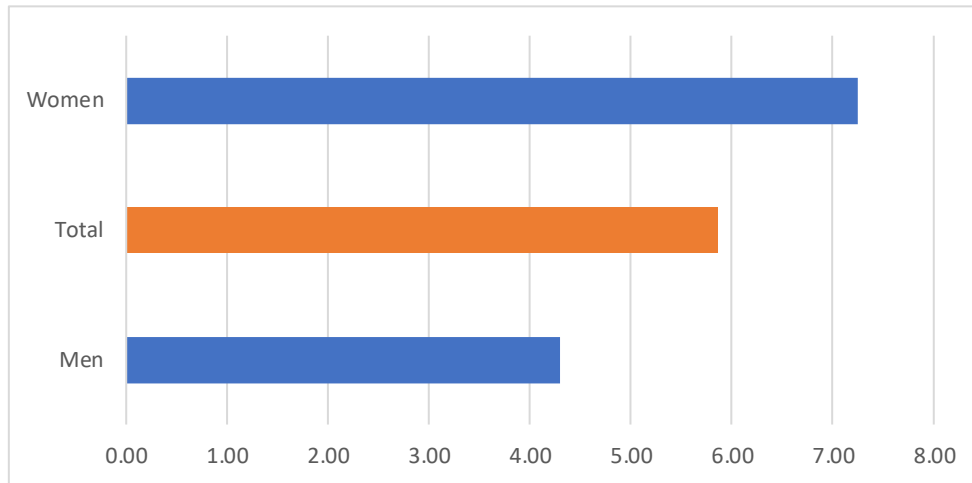Out of the population with no level of education, the majority are, unsurprisingly, women (figure 5.8).

Figure 5.8. No level of education completed (%), by gender, Portugal, 2021
Source: Own calculations, based on INE (2023), Population and housing census - Census 2021

Living Standards

In 2022, the material and social deprivation rate was the highest in R.A.A. and R.A.M, with the Norte of Portugal right behind. Once again, we witness that the marginalization of these areas prevails (figure 5.9).
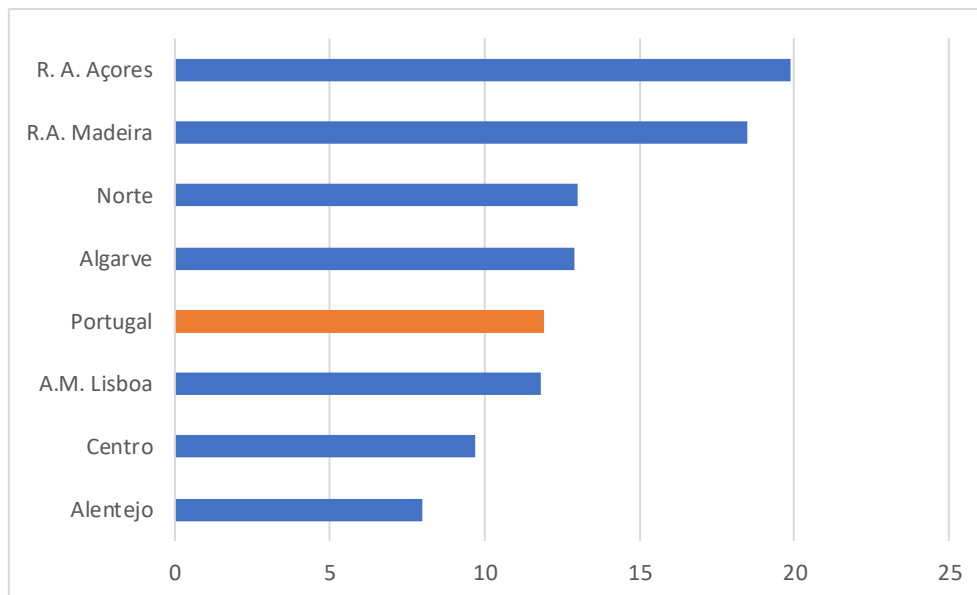

Figure 5.9. Material and social deprivation rate (%) by region, 2022
Source: INE, Survey on living conditions and income

Women, the elderly, and especially elderly women, the youngest, the less educated and those who live on more rural regions of the country face a significant bigger risk of being poor.

Elderly people are already depended on social pensions. Women are already more discriminated than men. Unemployed people might also rely on the state's people or their peers for survival daily. People living in rural areas already don't have access to basic infrastructure, compared to more urban centres. What we can identify is that these people, already vulnerable in most of poverty dimensions, are the ones most affected by COVID-19. These are the group of people that struggle most to be above the international poverty line.

Table 5.7. The profiles of poverty in Portugal (original)

	Monetary	Education	Health	Living Standards
Gender	Female	Female	Female	-
Age	Younger and Oldest	Younger and Oldest	Oldest	-
Region	R.A.M, R.A.A, Algarve and Norte	R.A.M, R.A.A, Algarve and Norte		R.A.M, R.A.A, Algarve and Norte

Banks et al. (2018) and Goutte et al. (2020) already brought our attention to the cycle of poverty. In the Portuguese case, we verify that people who are already in a vulnerable situation have a greater risk at being poor, as demonstrated by the previous indicators.
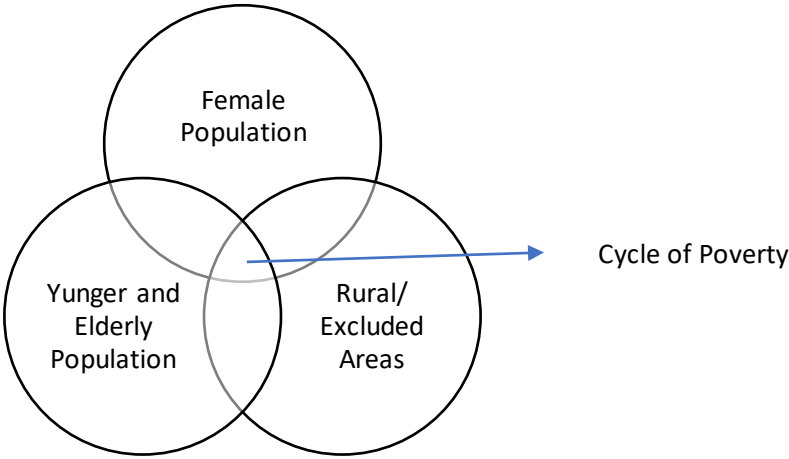

Figure 5.10. The Cycle of Poverty in Portugal (original)

We need to use specialized solutions to fix the differences in poverty that depend on where people live. We need to think about the unique problems that each region faces and support growth plans that can change to meet the needs of both rural and urban places. To make good policies and solutions, it is vital to know how population problems and poverty affect each other (Tang, 2022; Watts, 2019). Policymakers can create focused plans to deal with specific issues and support social growth for all people, regardless of age or location, if they recognize that different demographic groups face additional risks and conditions. With this in mind, policymakers can make these personalized policies (Friedline, Chen and Morrow, 2021).

Conclusion

Poverty is a multidimensional concept and this notion allowed for the central objective of this work to be the operationalisation of the concept in order to analyse the impact of the Covid-19 pandemic on the living conditions and poverty outcomes of the population in Portugal. The objectives and results were therefore based on the proposed concept of multidimensional poverty in Portugal, as well as the possibility of identifying profiles of the population most vulnerable to poverty.

It should also be noted that taken age, gender and regional variables into account has made it possible to identify categories whose population groups are more likely to experience worsening poverty. This is the case of the female population, the elderly and, to some extent, the young, and the population of the less central regions.

We can conclude that data and index are only as absolute as we make them to be. The fact that poverty is recovering to numbers before the pandemic means that, the country, as a whole, is recovering. The data is relative and represents the average of the population. Be that as it may, these numbers often leave behind inequalities and vulnerabilities of certain groups.

Given the demographic structure of the resident population in Portugal, which is heavily aged, with almost twice as many elderly people as young people on average, but in some regions up to four times as many, and the fact that the older population is predominantly female, the intersection of the different categories can worsen poverty situations.

All the profiles identified revealed higher multidimensional poverty figures in 2021/2022 than the national average. When we consider health, we see multiple aspects where women are more vulnerable to poverty, weather that be in feeling healthy overall or in being able to cover medical expenses than men. We also concluded elderly women have the lowest health in all the Portuguese population, which follows the global trend in this matter. In the education dimension of poverty, Portugal registers extremes within the population and specially in its regions. R.A.M, R.A.A., Norte, Alentejo and Algarve present very concerning and distant values from the A.M.L, where most of educated population is concentrated. It is not surprising that, when considering living standards, that the pattern is the same across these regions. It becomes evidently clear that, although accurate and useful in comparing Portugal to other countries, indicators that consider the total Portuguese population often don't capture the disparities and reality of the country itself.

More studies will be necessary to extensively identify the profiles of poverty in Portugal. Collecting data on a more regular and standardised basis would help to better characterise these profiles.

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