

## Economic activity and social class formation in the region of vale do Sousa in Northwest Portugal (1950-2001)

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### Abstract

This paper aims to analyse the processes of social structuration of economic activity in the region of the Sousa River Valley (Vale do Sousa), in Northwest Portugal. Within a wider research on the processes of social reproduction and transformation that have been occurring in the region during the last 50 years<sup>1</sup>, we wish to briefly identify the main *structural properties* of the relation between economy and society in the regional units under scrutiny. With some recent theoretical contributions pertaining to economic sociology and with the reconstitution and analysis of official time-series statistics, we try to explain (i) the patterns of structuration of the labour force, (ii) to understand its renewal capacity and gender composition and (iii) to synthetically identify the long term regional contradictions in its schooling, *de-ruralization*, industrialization and unemployment production. Having this in mind, we argue that the main structural properties of these processes are divergent from those that are characteristic of the Portuguese national formation as a whole. In order to explain the mentioned divergence, we develop a detailed analysis of the social class structure in the regional units under research. Differences in asset constitution are well established regionally and *property* seems to be the main form of asset formation regionally relevant. Focusing in the case of the municipality of Penafiel, we try, thus, to illustrate with valid socio-economical arguments its specificity within the region and, especially, its lower economic dynamism.

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<sup>1</sup> This paper contains some analytical elements raised by a work describing the regional setting of a parish in the Penafiel municipality (Fonte Arcada). It was studied around thirty years ago, and is presently the subject of sociological re-visiting within the frame of the Project “Social transformations in a local collectivity of Northwest Portugal” sponsored by Fundação para a Ciência e a Tecnologia (Project POCI/SOC/58668/2004). The research team is coordinated by José Madureira Pinto and also composed of João Ferreira de Almeida, José Luís Casanova, Idalina Machado, Serge Abramovici and João Queirós.

**Key-words:** Economic activity's social structures; economic field; social class field; socio-economic change; urbanization of the Sousa River Valley region.

**EAEPE Research area code:** O

## **1. Economy and society: a brief highlight of some options in theory and method**

Economic structures, work and occupations have been for a long time relevant issues in the discussion of the configuration of societies. Within the framework a research project on the sociological revisiting of a local collectivity of the municipality of Penafiel studied in the end of the 1970s, in the region of the Sousa River Valley, in Northwest Portugal, the present paper tries to demonstrate the relevance of the combined study of economic activities and society structuration. Following the main theories and methodological implications of the researches developed 30 years ago<sup>2</sup>, this paper is a preliminary contribution to a major theoretical goal that consists in the identification of the patterns of structuration in terms of *field* of the market economy and of the social class structure<sup>3</sup> (and their mutual processes of association) in the regional units under scrutiny.

Methodologically speaking, the paper here presented is part of an effort to reconstitute, for a time span of 50 years, a pertinent and heuristic set of official statistics concerning the region and its units and, in order to better frame the context, the country as a whole<sup>4</sup>. The reading of the relations between economic activity and society is here developed with the help of two main procedures: an effort to capture the social fabric of work, through the identification of the main social characteristics of the labour force; and a socio-economic inventory of key factors in the division of social space.

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<sup>2</sup> The main results of the research at the end of the 1970s-early 1980s were published in José Madureira Pinto, *Estruturas sociais e práticas simbólico-ideológicas nos campos. Elementos de teoria e de pesquisa empírica*, Porto, Edições Afrontamento, 1985 and João Ferreira de Almeida, *Classes sociais nos campos. Camponeses parciais numa região do noroeste*, Lisboa, Edições do Instituto de Ciências Sociais da Universidade de Lisboa, 1986.

<sup>3</sup> Pierre Bourdieu, *Les Structures sociales de l'économie*, Paris, Seuil, 2001 ; Abbott, Andrew. 2002. 'Sociology of work and occupations' in Neil Smelser and Richard Swedberg (eds.), *Handbook of Economic Sociology*, Princeton, Princeton University Press, pp. 307-330. Neil Fligstein, *The Architecture of Markets*, Princeton, Princeton University Press, 2001.

<sup>4</sup> That work is of the responsibility of João Queirós, Project's Research Assistant. The treatment of the information is of the author's responsibility.

## 2. The Labour Force

### 2.1. Variation in the labour force and activity rates

The region of the Sousa Valley has over the last fifty years experienced a demographic transformation which is strikingly different from the rest of the country. In contrast with the rest of Portugal, marked by high volatility, the Sousa Valley population reveals steady growth and almost always at a high rates, meaning that its age structure has remained relatively young over time.

The higher demographic dynamic in the region is inevitably reflected in the behaviour of its labour force, with noteworthy discrepancies in relation to the overall evolution in the rest of the country.

At national level, there is sustained growth in the labour force in the period under study, only interrupted in the 1960s, a period when there is a decline in the number of workers, albeit quite moderate. This decrease in the labour force in the 1960s and the particularly high growth rate in the following decade (about 25% in Mainland Portugal) largely mirrors the demographic transformations the country experienced in those periods. Hence, the slight drop in the number of workers between 1960 and 1970 takes place in a period of acute demographic contraction, whereas the abnormal growth verified between 1971 and 1980 reflects a context of extraordinary population expansion, related with, among other factors, the return of a large number of expatriates from the former colonies.

**Table 1:** Variation in the labour force (1950-2001)

	Variation in Labour Force (%)				
	1950-1960	1960-1970	1970-1981	1981-1991	1991-2001
Portugal	4.1	-0.8	23.2	5.1	13.5
Mainland	4.3	-0.7	24.8	5.1	13.6
District of Porto	8.4	12.0	34.4	13.8	14.5
Greater Porto	7.8	Na	Na	11.4	13.2
Tâmega	6.0	Na	Na	13.7	17.0
Sousa Valley (5 munic.)	11.9	Na	Na	27.8	20.9
Sousa Valley (6 munic.)	11.1	Na	Na	26.9	21.0
Castelo de Paiva	2.6	Na	Na	9.6	22.0
Felgueiras	11.3	Na	Na	17.5	20.5
Lousada	11.9	Na	Na	35.4	22.4
Paços de Ferreira	21.0	Na	Na	34.2	22.6
Paredes	16.0	Na	Na	31.8	26.7
Penafiel	4.6	Na	Na	23.7	12.7

Source: INE – *Instituto Nacional de Estatística* (National Statistics Institute), IX, X, XI, XII, XIII e XIV *Recenseamentos Gerais da População* (9<sup>th</sup>, 10<sup>th</sup>, 11<sup>th</sup>, 12<sup>th</sup>, 13<sup>th</sup> and 14<sup>th</sup> General Population Censuses).

The lack of information on the Sousa Valley region and each of its municipalities in the 1970 census means that it is not possible to conduct a similar analysis at a regional scale. However, a comparison of the numbers with other time-series reveals a significant disparity among the territorial units “Mainland/Portugal” and “Sousa Valley”, where the latter systematically, and not very surprisingly, reveals a labour force growth rate which is considerably higher than the national average.

**Table 2:** Evolution of the activity rate (1950-2001)

	Activity Rate (%) <sup>1</sup>					
	1950	1960	1970	1981	1991	2001
Portugal	39.0	38.5	39.2	42.5	44.6	48.2
Mainland	39.4	38.9	39.5	42.9	44.8	48.4
District of Porto	40.5	38.7	39.2	44.5	48.2	50.6
Greater Porto	42.4	40.3	Na	45.9	49.0	51.4
Tâmega	34.3	33.8	Na	38.5	42.7	46.0
Sousa Valley (5 munic.)	35.0	33.7	Na	39.8	47.1	49.9
Sousa Valley (6 munic.)	35.0	33.5	Na	39.5	46.6	49.6
Castelo de Paiva	35.0	31.3	Na	34.4	38.8	45.1
Felgueiras	38.1	36.2	Na	44.6	49.1	50.1
Lousada	34.4	34.2	Na	40.5	48.9	50.5
Paços de Ferreira	35.4	33.6	Na	40.9	50.6	51.7
Paredes	33.5	32.3	Na	37.3	45.6	50.6
Penafiel	34.0	32.6	Na	37.7	43.8	47.0

<sup>1</sup> Calculations based on total population.

Source: INE – *Instituto Nacional de Estatística* (National Statistics Institute), *IX, X, XI, XII, XIII e XIV Recenseamentos Gerais da População* (9<sup>th</sup>, 10<sup>th</sup>, 11<sup>th</sup>, 12<sup>th</sup>, 13<sup>th</sup> and 14<sup>th</sup> General Population Censuses).

Nevertheless, considerable disparities persist among the municipalities within the Sousa Valley region. Paços de Ferreira and Paredes register a strong dynamic in labour force growth, accompanied to a lesser degree by Lousada and Felgueiras. On the contrary, Penafiel and Castelo de Paiva reveal some limitations at this level. Indeed, in some moments during the period analysed, growth rates were lower than the national average, contrasting acutely with the very region to which they belonged. On this matter, particularly striking is the low labour force growth rate in Penafiel during the last decade of the 20<sup>th</sup> century, which is very similar to its demographic evolution overall.<sup>5</sup>

Proceeding with the analysis of the labour force now based on the development of activity rates, it is immediately clear that profound transformations took place in the Sousa Valley region between 1950 and 2001. Regardless of the fact that there is generally a rise in activity rates in all the territorial units analysed, there is an inversion

<sup>5</sup> Penafiel registered a population growth of (only) 4.9% between 1991 and 2001, whereas the other municipalities in the Sousa Valley region, with the exception of Castelo de Paiva, presented figures between 14.2% (Paredes) and 19.9% (Paços de Ferreira).

in the relative position of the units “Portugal”/“Mainland” and “Sousa Valley”, with the latter registering a higher number of workers in total population in the 1991 and 2001 censuses than in the rest of the country. This situation, pointing to a greater degree of dynamism in the Sousa Valley within the overall context of Portugal, is however again accompanied by striking disparities within the region itself, where the municipalities can be divided into a first group, apparently more dynamic, comprising Paredes, Paços de Ferreira, Lousada and Felgueiras, and a second group, including Penafiel and Castelo de Paiva, with figures below the national average.

The evolution of the relative importance of employed individuals in the total population reveals an identical relationship in every aspect. Between 1950 and 2001, all the territorial units analysed registered a rise in this ratio, with a drop in the relative importance of unskilled work. The increase in the relative importance of employed workers is, however, more pronounced in the Sousa Valley region, which had initially started out with a figure below the national average and, by 2001, the figure had risen above it by about 3 percentage points. Once more, this evolution is particularly associated to the performance of the municipalities of Paredes, Paços de Ferreira, Lousada and Felgueiras, whereas Castelo de Paiva and Penafiel again lag behind, with numbers below the national averages.

**Table 3:** Ratio between employed labour force and resident population (1950-2001)

	Employed Labour Force / Resident Population (%)					
	1950	1960	1970	1981	1991	2001
Portugal	37.9	37.3	36.5	39.1	41.7	44.9
Mainland	38.2	37.7	36.8	39.4	42.0	45.1
District of Porto	39.0	37.5	36.6	40.7	45.4	46.9
Greater Porto	40.5	39.2	Na	42.0	45.9	47.2
Tâmega	33.9	32.7	Na	35.0	40.8	43.5
Sousa Valley (5 munic.)	34.6	32.5	29.7	36.2	45.4	47.9
Sousa Valley (6 munic.)	34.6	32.3	Na	35.9	44.8	47.6
Castelo de Paiva	34.7	29.7	Na	31.5	35.1	41.3
Felgueiras	37.8	35.4	36.0	41.4	47.7	48.2
Lousada	34.0	33.0	28.7	36.2	47.7	48.6
Paços de Ferreira	35.0	33.1	29.0	37.5	49.2	50.3
Paredes	33.1	30.9	28.3	34.0	43.6	48.5
Penafiel	33.6	31.1	27.1	33.8	41.7	44.8

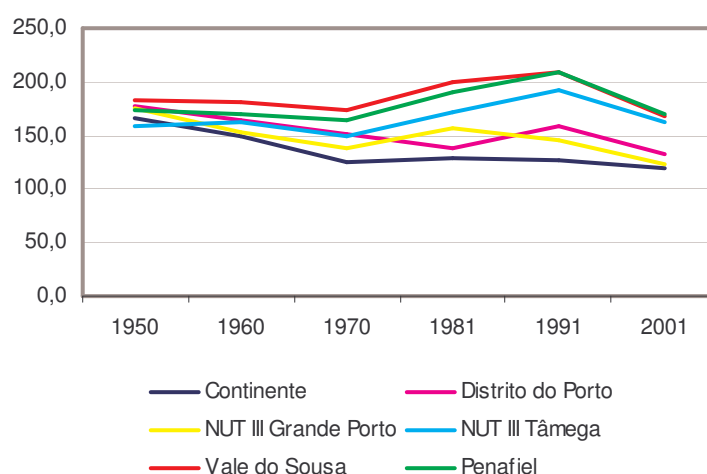
Source: INE – *Instituto Nacional de Estatística* (National Statistics Institute), IX, X, XI, XII, XIII e XIV *Recenseamentos Gerais da População* (9<sup>th</sup>, 10<sup>th</sup>, 11<sup>th</sup>, 12<sup>th</sup>, 13<sup>th</sup> and 14<sup>th</sup> General Population Censuses).

## 2.2. Youth and the capacity to renew the labour force

One feature which should be particularly highlighted in the evolution of the labour force is its youth and the consequent capacity for renewal. In demographic terms, the second half of the 20<sup>th</sup> century, particularly after 1970, is marked by a process of generalised ageing, even though in the Sousa Valley region this process has taken place at a relatively slower pace.

Population ageing in Portugal is also perceptible in the labour force, as shown in Figure 1, representative of the evolution of the *Índice de Juventude da População em Idade Activa* (IJPIA) (Youth Share of the Working Age Population).<sup>6</sup> According to this index's values, ageing is more intensive between 1950 and 1970, with a drop of about 42 percentage points in the *IJPIA* (Mainland), followed by a slight recovery in 1981, and again by a period of ageing, albeit less intense, up to the present time.

**Figure 1:** Evolution of the Youth Share of the Working Age Population (1950-2001)



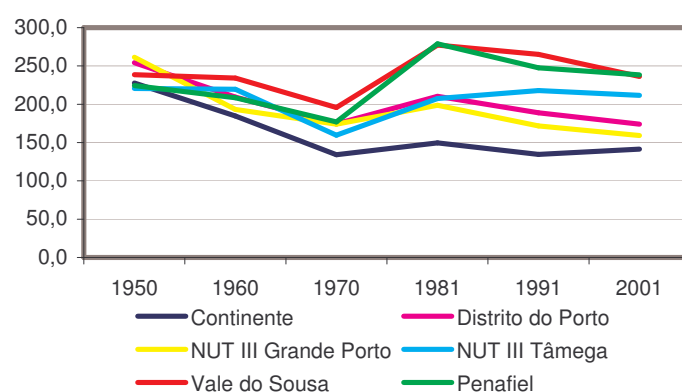
In the Sousa Valley region and, particularly, the municipality of Penafiel, there are again significant discrepancies with regard to the situation at national level. Thus, not only does the process of population ageing take place at a much slower rate, where the IJPIA decreases by only 15 pp between 1950 and 2001 (4 pp in Penafiel), but there is also a clearly distinct evolutionary dynamic. In fact, the tendency in population ageing between 1950 and 1970, much lower than at national level, is followed by an extraordinary rise in the IJPIA in the 1970s and '80s, contrasting clearly with relative

<sup>6</sup> This index represents the ratio between the number of people aged 15 to 39 and the number of people aged 40 to 64, multiplied by 100.

stagnation in this index in the rest of the country. The last decade of the 20<sup>th</sup> century, though, does bring a halt to the rate of growing (positive) divergence in the youth share of the labour force of the Sousa Valley region and Penafiel in relation to the national average. Indeed, in a single decade, the IJPIA suffers a sharp drop of about 40 pp. Although it does maintain its characteristic positive differential, the Sousa Valley region has tended to converge to numbers closer to those registered in the country as a whole.

The trend toward ageing in the Portuguese labour force can also be seen in terms of its capacity for renewal. There has been a decrease in the corresponding index at national level in the period analysed of about 87 pp.<sup>7</sup> It is once again in the 1950s and '60s especially that there is a pronounced decrease in the index, followed by a certain amount of fluctuation, although less intense.

**Figure 2:** Evolution of the Labour Force Renewal Index (1950-2001)



In the Sousa Valley region and, generally speaking, the municipalities it comprises, the evolution is again quite distinct from that in the rest of the country. The sharp decrease in the *Índice de Renovação da População Activa* (IRPA) (Labour Force Renewal Index) in the 1950s is in this case very low and even the drop registered in the 1960s is much less pronounced. The period in which there is the greatest divergence between the national and regional levels takes place, however, in 1981, when the IRPA in the Sousa Valley region (and Penafiel) registers an extraordinary rise, significantly above that for the country overall. As from 1991 and similarly to the IJPIA, there is a slight convergence between these two measures of analysis, although a significant differential is maintained in the Sousa Valley region (and Penafiel) in relation to the national average (about 95 percentage points in 2001).

<sup>7</sup> The Labour Force Renewal Index is defined as the ratio between the number of people aged 20 to 29 and the number of people aged 55 to 64, multiplied by 100.

### 2.3. Gender Balance

Analysing now the evolution of the labour force according to gender, the feature which seems to best portray the period studied has to do with the rising importance of female participation in the labour market. In fact, if we exclude the first decade, the entire period is marked by a progressive rise in female workers, which goes from less than a fifth in 1960 to practically half the Portuguese labour force in 2001.

The trend to an increasingly more balanced situation between genders is clear both at the national level and at the level of the different territorial units analysed, where the last few decades have witnessed greater convergence in numbers among the regions. Even so, female participation in the labour force in the municipalities of the Sousa Valley is systematically below the national average, with Penafiel registering the lowest numbers in the region.

**Table 4:** Breakdown of the Labour Force by Gender (%; 1950-2001)

	Labour Force (%)											
	1950		1960		1970		1981		1991		2001	
	M	W	M	W	M	W	M	W	M	W	M	W
Portugal	77.6	22.4	82.3	17.7	74.8	25.2	64.7	35.3	58.8	41.2	54.9	45.1
Mainland	76.9	23.1	81.8	18.2	74.6	25.4	64.4	35.6	58.5	41.5	54.8	45.2
District of Porto	71.4	28.6	75.1	24.9	69.9	30.1	62.7	37.3	57.9	42.1	54.9	45.1
Greater Porto	68.8	31.2	72.0	28.0	Na	Na	61.0	39.0	56.5	43.5	53.5	46.5
Tâmega	81.0	19.0	86.2	13.8	Na	Na	69.1	30.9	63.2	36.8	59.9	40.1
Sousa Valley (5 munic.)	80.1	19.9	85.4	14.6	Na	Na	69.5	30.5	61.5	38.5	58.0	42.0
Sousa Valley (6 munic.)	80.2	19.8	85.7	14.3	Na	Na	69.6	30.4	61.7	38.3	58.1	41.9
Castelo de Paiva	81.4	18.6	89.6	10.4	Na	Na	70.4	29.6	65.4	34.6	58.5	41.5
Felgueiras	72.3	27.7	78.0	22.0	Na	Na	61.3	38.7	57.5	42.5	55.3	44.7
Lousada	80.5	19.5	84.0	16.0	Na	Na	68.1	31.9	58.7	41.3	57.2	42.8
Paços de Ferreira	81.9	18.1	89.3	10.7	Na	Na	70.5	29.5	60.4	39.6	57.9	42.1
Paredes	85.9	14.1	89.3	10.7	Na	Na	75.1	24.9	64.6	35.4	58.6	41.4
Penafiel	80.7	19.3	86.9	13.1	Na	Na	71.2	28.8	64.0	36.0	60.3	39.7

Source: INE – Instituto Nacional de Estatística (National Statistics Institute), IX, X, XI, XII, XIII e XIV Recenseamentos Gerais da População (9<sup>th</sup>, 10<sup>th</sup>, 11<sup>th</sup>, 12<sup>th</sup>, 13<sup>th</sup> and 14<sup>th</sup> General Population Censuses).

The trend towards a more balanced representation of both genders in the labour market can also be seen in the evolution of the activity rates. In all the territorial units, the rate of female activity rises very sharply between 1960 and 2001 (about 30 pp in Mainland Portugal), and by the end of this period, there is a high level of convergence between the values for the Sousa Valley and the country as a whole. This trend is however more



noticeable at national level, since in this case the rise in the female activity rate is accompanied by a highly significant decrease in the male activity rate.<sup>8</sup>

Again, significant differences arise among the municipalities of the Sousa Valley region, where relatively less dynamic municipalities (Castelo de Paiva and Penafiel) present the lowest female activity rates. On the contrary, the municipalities which reveal the greatest variation in female activity rate are precisely those which register the highest growth in labour force and overall activity rate. Thus, in these municipalities, the largest increase in the labour force is primarily related with a very significant rise in female participation in the labour market.

**Table 5:** Evolution of the activity rate by gender (%; 1950-2001)

	Activity rate (%)											
	1950		1960		1970		1981		1991		2001	
	M	W	M	W	M	W	M	W	M	W	M	W
Portugal	62.8	16.8	66.2	13.1	61.8	18.8	57.1	29.0	54.3	35.5	54.8	42.0
Mainland	63.0	17.5	66.5	13.6	62.0	19.1	57.2	29.5	54.3	35.5	54.9	42.3
District of Porto	61.5	21.8	61.6	18.2	57.8	22.4	57.9	32.0	54.4	36.0	57.4	44.1
Greater Porto	62.9	24.7	62.4	21.1	Na	Na	58.7	34.3	57.7	39.2	57.3	45.8
Tâmega	57.7	12.5	60.2	9.1	Na	Na	54.1	23.4	57.8	40.8	55.9	36.3
Sousa Valley (5 munic.)	58.0	13.5	58.7	9.7	Na	Na	55.8	24.0	54.8	31.0	58.5	41.4
Sousa Valley (6 munic.)	58.1	13.4	58.6	9.4	Na	Na	55.4	23.8	58.5	35.9	58.2	41.2
Castelo de Paiva	58.5	12.7	57.2	6.4	Na	Na	49.1	20.0	58.1	35.4	53.6	36.9
Felgueiras	57.3	20.3	58.4	15.4	Na	Na	55.9	33.8	51.5	26.5	56.8	43.7
Lousada	57.0	13.0	58.2	10.8	Na	Na	55.9	25.5	57.8	40.8	58.5	42.7
Paços de Ferreira	59.5	12.5	60.1	7.2	Na	Na	57.8	24.1	58.3	39.8	59.5	43.8
Paredes	59.3	9.1	58.5	6.8	Na	Na	56.0	18.6	61.4	39.8	59.8	41.5
Penafiel	57.4	12.6	58.7	8.3	Na	Na	54.2	21.5	59.0	32.2	57.4	36.8

Source: INE – *Instituto Nacional de Estatística* (National Statistics Institute), IX, X, XI, XII, XIII e XIV *Recenseamentos Gerais da População* (9<sup>th</sup>, 10<sup>th</sup>, 11<sup>th</sup>, 12<sup>th</sup>, 13<sup>th</sup> and 14<sup>th</sup> General Population Censuses).

### 3. Economic activity and class structure

#### 3.1. Redefining the relation between agriculture, industry and the services

The analysis of the labour force according to its division in activity sectors (primary secondary and tertiary) reveals a major shift in Portuguese productive structure during the period under analysis. On a national scale, there is a very important decline in agriculture. This decline was counterbalanced, namely, with the increase in the services sector that doubles its relative significance in the period and, in a smaller degree, with the creation of economic activities and occupations in industry. The dramatic reduction

<sup>8</sup> Contrarily to the Sousa Valley region and each of its municipalities considered individually, where the male activity rate remains practically unaltered over the entire period analysed.

of the labour force in agriculture, that only represents 4.76% of the labour force of the country as a whole in 2001, is also visible in the region of the Sousa River Valley. If we have in mind that agriculture still played an important role in the economic activity of the region in the 1950s, we can clarify the impact of the referred transformation by verifying that in 2001 that percentage in the region is smaller than the one of the country (2.45%). The same situation, although not so visible, can be identified in Penafiel (3.51%).

In what concerns the secondary sector, the contrast between the country as a whole and the Region of the River Sousa Valley is very high. The growth in industrial activity occupation in the country had its most relevant period between the 1950s and 1981 (reaching this year almost 40% of the labour force, its highest mark of ever). In the Sousa River Valley, its growth continued until the beginning of the 1990s and, even in the last Census, the difference between the region and the national rate was almost 30 pp. If in some of the municipalities of the region we can identify rates of work in industry superior to two thirds of the labour force, in others, such as Penafiel, those rates are less expressive, although high (57%). It is precisely in Penafiel (or in Castelo de Paiva) that we can also identify a clear pattern of specialization in industry branches such as Construction or Mining<sup>9</sup>, in contrast with other municipalities that are totally orientated to Furniture, Clothing and Foot-wear industries. Yet, in each one of the cases, there is always a clear specialization in activities that are dependent on the low costs of work force, thus, making the region highly vulnerable to unfavourable economical circumstances<sup>10</sup>.

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<sup>9</sup> For a detailed analysis of the processes of economic reconversion in the municipality of Castelo de Paiva, whose economic structure was dominated until recently by mining, see Ana Maria Duarte (1996), "Desemprego e Reconstrução de Identidades – O caso dos Mineiros do Pejão", *Cadernos de Ciências Sociais*, n.º 17, pp. 105-134.

<sup>10</sup> Cf. Daniel Bessa, *Programa de Recuperação de Áreas e Sectores Deprimidos – Relatório Final*, Lisboa, Ministério da Economia, 2004, pp. 31-34 and 82-84.

**Table 6:** Evolution of the labour force according to the sector of activity and gender (%)

	1950			1960			1970			1981			1991			2001		
	M	W	T	M	W	T	M	W	T	M	W	T	M	W	T	M	W	T
<b>Primary S.</b>																		
Continente	40,57	7,87	<b>48,44</b>	39,66	3,38	<b>43,05</b>	26,14	5,99	<b>32,14</b>	11,92	6,94	<b>18,86</b>	6,69	3,82	<b>10,50</b>	3,15	1,61	<b>4,76</b>
V. Sousa (6 conc.)	39,68	6,65	<b>46,33</b>	34,47	3,42	<b>37,89</b>	Na	Na	<b>Na</b>	8,63	7,01	<b>15,64</b>	4,82	2,50	<b>7,32</b>	1,41	1,04	<b>2,45</b>
Penafiel	45,40	6,34	<b>51,74</b>	43,03	3,14	<b>46,17</b>	Na	Na	<b>31,34</b>	11,40	9,45	<b>20,85</b>	8,46	3,85	<b>12,31</b>	1,83	1,68	<b>3,51</b>
<b>Secondary S.</b>																		
Continente	19,48	5,49	<b>24,97</b>	24,24	5,45	<b>29,69</b>	25,34	8,44	<b>33,78</b>	29,62	9,73	<b>39,35</b>	26,36	12,22	<b>38,59</b>	24,62	10,95	<b>35,57</b>
V. Sousa (6 conc.)	30,19	5,35	<b>35,54</b>	40,53	4,07	<b>44,60</b>	Na	Na	<b>Na</b>	48,38	12,17	<b>60,54</b>	40,08	24,54	<b>64,62</b>	39,77	23,61	<b>63,38</b>
Penafiel	23,03	4,45	<b>27,48</b>	30,34	2,93	<b>33,27</b>	Na	Na	<b>43,02</b>	41,42	5,80	<b>47,22</b>	35,24	18,70	<b>53,94</b>	38,51	18,13	<b>56,64</b>
<b>Tertiary Sector</b>																		
Continente	16,64	9,95	<b>26,59</b>	17,34	9,92	<b>27,26</b>	22,27	11,82	<b>34,09</b>	24,25	17,54	<b>41,79</b>	26,53	24,38	<b>50,91</b>	27,89	31,78	<b>59,67</b>
V. Sousa (6 conc.)	10,28	7,85	<b>18,13</b>	10,21	7,30	<b>17,51</b>	Na	Na	<b>Na</b>	14,84	8,98	<b>23,82</b>	17,60	10,46	<b>28,06</b>	17,55	16,61	<b>34,16</b>
Penafiel	12,17	8,61	<b>20,78</b>	12,86	7,70	<b>20,56</b>	Na	Na	<b>25,64</b>	21,20	10,73	<b>31,93</b>	21,30	12,94	<b>33,75</b>	20,98	18,87	<b>39,85</b>

**Table 7:** Evolution of labour force in the manufacturing industry's sub-sectors (% within manufacturing industry; 1981-2001)

	1981						1991						2001					
	C. Paiva	Felgueiras	Lousada	P. Ferreira	Paredes	Penafiel	C. Paiva	Felgueiras	Lousada	P. Ferreira	Paredes	Penafiel	C. Paiva	Felgueiras	Lousada	P. Ferreira	Paredes	Penafiel
Food	7	2	5	2	2	10	3	1	2	1	2	5	3	1	3	1	2	4
Textile	11	22	27	16	6	19	7	12	31	25	10	18	4	5	8	8	3	9
Clothing	6	9	21	10	3	22	10	7	30	23	19	46	10	6	45	29	19	52
Foot-Wear	1	49	6	0	0	1	32	70	15	1	1	1	42	76	15	1	1	1
Wood	43	4	5	3	6	8	24	2	2	2	4	4	10	2	3	3	5	5
Furniture	4	1	18	60	73	6	5	1	12	42	55	3	9	2	14	49	55	3
Metal.	10	8	10	5	3	9	9	4	4	4	3	4	7	3	5	4	4	4
Other industries	18	6	8	4	7	25	10	3	4	3	5	19	14	5	7	5	11	22

**Table 8:** Economic activity sector of the labour force according to the proportion of women (1950-2001)

	Primary Sector						Secondary Sector						Tertiary Sector					
	1950	1960	1970	1981	1991	2001	1950	1960	1970	1981	1991	2001	1950	1960	1970	1981	1991	2001
Continente	16,3	7,9	18,7	36,8	36,3	33,7	22,0	18,4	25,0	24,7	31,7	30,8	37,4	36,4	34,7	42,0	47,9	53,3
V.Sousa 2 (6 CC)	14,4	9,0	Nd	44,8	34,1	42,3	15,1	9,1	Nd	20,1	38,0	37,3	43,3	41,7	Nd	37,7	37,3	48,6
Penafiel	12,2	6,8	Nd	45,3	31,3	48,0	16,2	8,8	Nd	12,3	34,7	32,0	41,4	37,5	Nd	33,6	38,3	47,3

Sources: INE, IX, X, XI, XII, XIII e XIV Recenseamentos Gerais da População.

The rationale of production of economic differences that we can, thus, identify in the secondary sector can also be highlighted in the services sector. Between 1950 and 2001, the occupation in services doubled its significance in the country. Its growth was particularly relevant during the 1970s. In the region under analysis this movement does not have the same strength. Penafiel also shows its difference in this process, since it has the most relevant rate of work in the services, although with a difference of 20 pp from the national average.

Like we have seen, the transformations occurred in this period also concern the growth of women's participation in the labour force. In the country as a whole, this growth started with women's more visible participation in agriculture in the 1960s and in the 1970s. In the 1980s it touched industry, although with a certain incoherent pattern after that. On the other hand, with its beginning in the 1970s, women's participation in the services sector has been continuously growing since then. In the region of Sousa River Valley, there are also important differences from the processes that were registered nationally. The most relevant show, undoubtedly, the "explosion" of women's industrial activity in the 1980s and the less relevant expression of women's tertiary occupations in the last decade.

**Table 9: Breakdown of Labour force by level of education (1981-2001)**

	1981			1991			2001		
	Mainland	Sousa V.	Penafiel	Mainland	Sousa V.	Penafiel	Mainland	Sousa V.	Penafiel
Illiterate	11,11	9,29	10,92	4,01	2,68	2,88	1,75	1,16	1,38
More than 1 and less than 4 years	11,32	13,99	13,77	8,08	10,51	11,08	4,32	5,44	5,68
4 years	44,21	57,68	56,23	36,75	48,24	44,47	26,05	36,75	34,17
Attending primary school	0,13	0,18	0,13	0,20	0,23	0,16	0,15	0,12	0,09
More than 4 and less than 6 years	2,96	2,66	2,31	3,55	3,44	3,44	3,26	3,44	3,59
6 years	7,26	8,17	6,93	12,72	22,23	22,01	12,79	25,26	24,56
Attending secondary school	0,16	0,12	0,10	0,26	0,50	0,63	0,09	0,12	0,10
More than 6 and less than 12 years	7,15	2,77	3,38	9,72	4,40	5,13	21,33	15,58	17,18
12 years	7,98	2,60	3,09	12,49	4,71	5,16	11,99	5,96	6,24
Attending Secondary school	1,13	0,35	0,51	2,01	1,01	1,24	1,59	0,81	0,86
Post-secondary and/or incomplete Higher education	0,77	0,18	0,22	1,60	0,24	0,34	1,83	0,45	0,52
Higher education	5,32	1,94	2,34	7,57	1,67	3,15	11,82	3,99	4,63
Attending post-secondary school or the university	0,50	0,07	0,07	1,04	0,15	0,31	3,02	0,92	1,00

During the last decades, and as we have already stated, the replacement of the old agricultural specialization by the occupations in industry was made in the region under a model of low skilled labour force.

As it would be expected, this model is explicitly visible when analysing the qualifications of the labour force. During the last 50 years, the country experienced, in general terms, a movement of continuous (although not as strong as it should be) reduction of the high rates of illiteracy it had and of correlative gain in higher qualifications (secondary school and higher education levels). Yet, almost 50% of the labour force does not have more than 6 years of formal education – a rate that significantly goes to 72% in the region of the Sousa River Valley. Such a discrepancy is a good illustration of one of the most serious problems of the region, which is also visible when we verify that only 11% of the same population holds at least a secondary school degree (29% on a national scale) and 4% a university diploma (with women performing better than men on this specific dimension, even when compared with national trends). On this regard, Penafiel holds a position that is similar to the one of the region as a whole.

### **3.2. Employment and unemployment**

In this Section, we proceed with the characterisation of the evolution of the labour force between 1950 and 2001, by analysing separately the components, employment and unemployment.

Starting with employment, the information gathered in the different censuses conducted in this period reveals a situation of relative stability at national level, where the employment rate remains practically unaltered over time. The Sousa Valley region however registered a different trend: although having relatively similar numbers to the national average for most of the period analysed, in 1991, there is a very significant increase in employment rate, which remains high until 2001, at approximately 7 pp above the overall national rate. This fact again indicates the region's greater dynamism when it comes to the labour market, even though considerable differences persist among the municipalities within the Sousa Valley itself. Hence, the steep rise in employment rate in 1991 reflects the performance of a group of relatively more dynamic municipalities (Felgueiras, Lousada, Paços de Ferreira, and to a lesser degree, Paredes), whereas Penafiel and especially Castelo de Paiva present significantly lower figures.

**Table 10:** Evolution of the Employment Rate (15 years and over; 1950-2001)

	Employment Rate – Population Aged 15 and over (%)					
	1950	1960	1970	1981	1991	2001
Portugal	53.7	52.7	51.4	52.5	52.1	53.4
Mainland	54.1	53.0	51.4	52.7	52.3	53.5
District of Porto	56.7	56.0	55.0	56.6	57.9	57.0
Greater Porto	56.9	56.6	Na	56.9	57.4	56.4
Tâmega	52.8	52.1	Na	52.2	54.6	54.9
Sousa Valley (5 munic.)	54.8	53.5	50.2	55.0	61.4	61.1
Sousa Valley (6 munic.)	54.9	53.1	Na	54.4	60.5	60.6
Castelo de Paiva	56.1	49.2	Na	46.5	45.9	51.2
Felgueiras	60.7	58.4	61.2	61.7	64.6	62.0
Lousada	54.2	54.4	47.5	54.9	64.9	62.8
Paços de Ferreira	56.1	54.8	49.8	56.7	65.9	64.2
Paredes	52.7	51.2	48.8	52.7	58.9	61.4
Penafiel	52.1	50.3	45.0	51.2	56.5	56.8

Source: INE – *Instituto Nacional de Estatística* (National Statistics Institute), IX, X, XI, XII, XIII e XIV *Recenseamentos Gerais da População* (9<sup>th</sup>, 10<sup>th</sup>, 11<sup>th</sup>, 12<sup>th</sup>, 13<sup>th</sup> and 14<sup>th</sup> General Population Censuses).

With regard to unemployment, the available information indicates an important turning point in the 1970s. If until the census of 1970, official statistics reveal extremely low unemployment rates, as from 1981, the unemployment rate suffers a sharp rise, about 4 pp in relation to the figure registered at the beginning of the pervious decade. At the national level, this higher rate persists to the present day. This change was undoubtedly influenced by the critical international economic situation arising from the oil crisis, which severely affected Portugal, as it coincided with two critical moments of domestic upheaval, decolonisation and the post-revolutionary period.<sup>11</sup>

Although there was a pronounced rise in unemployment in the Sousa Valley region in 1981 (in relation to the number registered in 1960), in 1991, there is again a decrease in this indicator, which drops significantly below the national average. In fact, in Lousada, Felgueiras and Paços de Ferreira, there is apparently at the beginning of the 1990s a situation of full employment, with unemployment rates at approximately 2 percentage points. In the last decade of the 20<sup>th</sup> century, however, unemployment tends to rise in the region, where the municipalities generally register an increase in the unemployment rate.<sup>12</sup>

<sup>11</sup> Cf. José da Silva Lopes, *A Economia Portuguesa desde 1960*, Lisboa, Gradiva, 1996, pp. 22-33. 1974 marked the end of a 40-year dictatorship and the beginning of the decolonisation of Portugal's overseas territories.

<sup>12</sup> Based on information available at the IEFPP (Portuguese Employment and Vocational Training Institute - <http://www.iefp.pt>) on the number of unemployed registered at employment centres, this situation has severely worsened in the last few years, leading to a sharp rise in the region's unemployment rate, which is in recent times above the national average (value obtained taking as an estimate of the

Between 1980 and 2001, there is furthermore a relatively atypical situation in the municipality of Castelo de Paiva. In sharp contrast with the surrounding region, Castelo de Paiva reveals extremely high unemployment rates, significantly above the national average. To a lesser extent, Penafiel and Paredes present figures slightly above the region's average values.<sup>13</sup>

**Table 11:** Evolution of the Unemployment Rate (1950-2001)

	Unemployment Rate (%)					
	1950	1960	1970	1981	1991	2001
Portugal	2.80	2.40	2.67	6.83	6.09	6.80
Mainland	2.85	2.38	2.66	6.92	6.12	6.85
District of Porto	3.53	2.37	1.98	7.51	5.35	7.09
Greater Porto	4.56	2.42	Na	7.56	5.99	8.01
Tâmega	0.97	2.59	Na	7.76	4.10	5.14
Sousa Valley (5 munic.)	1.03	2.63	Na	7.78	3.24	3.84
Sousa Valley (6 munic.)	1.00	2.75	Na	7.71	3.53	4.05
Castelo de Paiva	0.77	4.12	Na	6.49	9.31	8.29
Felgueiras	0.55	1.80	Na	6.14	2.61	3.70
Lousada	1.01	2.54	Na	9.43	2.30	3.59
Paços de Ferreira	1.08	0.68	Na	7.09	2.34	2.74
Paredes	1.12	3.48	Na	7.76	4.03	4.18
Penafiel	1.32	3.79	Na	8.70	4.24	4.59

Source: INE – *Instituto Nacional de Estatística* (National Statistics Institute), *IX, X, XI, XII, XIII e XIV Recenseamentos Gerais da População* (9<sup>th</sup>, 10<sup>th</sup>, 11<sup>th</sup>, 12<sup>th</sup>, 13<sup>th</sup> and 14<sup>th</sup> General Population Censuses).

The analysis of unemployment over the second half of the 20<sup>th</sup> century also reveals considerable differences between genders. Between 1950 and 1970, female unemployment is significantly lower than the numbers registered for male workers. It is in fact in certain areas of the country practically non-existent. From 1970, the situation is inverted and female unemployment rises and reaches considerably higher values than male unemployment. In the 1981 census, for example, the female unemployment rate was higher by almost 8 pp than the male unemployment rate (Mainland). The 1991 and 2001 censuses again reflect this trend, although the difference between genders is slightly less pronounced.

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regional/municipal labour force numbers from the 2001 census, updated by the annual variation rates in labour force as estimated by the INE for Portugal.

<sup>13</sup> According to the same data from IEFP, in the more recent period, Castelo de Paiva maintained the highest unemployment rate in the region. Similarly to Castelo de Paiva, it is particularly the most industrialised municipalities which register a steeper rise in unemployment in the last few years (for example, in 2006, the municipality of Felgueiras has an unemployment rate of about 14 pp). In this context, the overall unfavourable evolution of unemployment in the Sousa Valley seems to be associated with a deteriorating economic conjuncture in the more recent period, instigated by progressively more intensive international competition in the region's areas of specialisation (particularly footwear and clothing).

**Table 12:** Evolution in Unemployment Rate, by Gender (1950-2001)

	Unemployment Rate (%)											
	1950		1960		1970		1981		1991		2001	
	M	W	M	W	M	W	M	W	M	W	M	W
Portugal	3.12	1.69	2.78	0.61	2.49	3.21	4.13	11.75	4.15	8.86	5.21	8.73
Mainland	3.19	1.71	2.78	0.59	2.46	3.26	4.20	11.82	4.19	8.84	5.30	8.73
District of Porto	4.17	1.94	2.99	0.50	1.86	2.27	4.63	12.34	4.13	7.03	5.73	8.74
Greater Porto	5.58	2.29	3.16	0.50	Na	Na	4.81	11.86	4.65	7.73	6.82	9.38
Tâmega	1.06	0.61	2.92	0.49	Na	Na	4.50	15.05	2.94	6.09	3.24	7.98
Sousa Valley (5 munic.)	1.10	0.73	3.02	0.40	Na	Na	3.94	16.55	2.43	4.54	2.83	5.24
Sousa Valley (6 munic.)	1.08	0.69	3.14	0.43	Na	Na	3.98	16.26	2.56	5.08	2.91	5.64
Castelo de Paiva	0.88	0.30	4.49	0.87	Na	Na	4.59	11.03	5.03	17.41	4.52	13.60
Felgueiras	0.66	0.29	2.25	0.16	Na	Na	3.89	9.71	2.27	3.06	3.19	4.34
Lousada	0.83	1.74	2.87	0.85	Na	Na	4.52	19.95	2.15	2.51	2.94	4.46
Paços de Ferreira	1.18	0.65	0.74	0.20	Na	Na	3.24	16.29	1.72	3.28	2.15	3.56
Paredes	1.17	0.76	3.84	0.47	Na	Na	3.77	19.77	2.39	7.02	2.84	6.08
Penafiel	1.47	0.70	4.30	0.47	Na	Na	4.30	19.58	3.28	5.95	2.99	7.02

Source: INE – *Instituto Nacional de Estatística* (National Statistics Institute), IX, X, XI, XII, XIII e XIV *Recenseamentos Gerais da População* (9<sup>th</sup>, 10<sup>th</sup>, 11<sup>th</sup>, 12<sup>th</sup>, 13<sup>th</sup> and 14<sup>th</sup> General Population Censuses).

The Sousa Valley presents a similar evolution to that verified at national level, although there is an even more pronounced disparity between genders in the 1981 census (about 12 pp). This difference is later mitigated, and there is, on average, greater relative proximity between the male and female unemployment rates in the Sousa Valley region than in the rest of the country. At the municipal level, Castelo de Paiva again reveals a relatively atypical performance, presenting a striking disparity between genders, about 12 pp in 1991 and 9 pp in 2001. Thus, the high unemployment in this municipality reflects above all a situation of unemployment among the female labour force. To a lesser degree, in 2001, Penafiel presents a more pronounced difference between genders than in the country overall.

The breakdown of unemployment by different levels of instruction bears out much of the situation described above with regards to the labour force. That is, the relative importance of each level of instruction in the situations of unemployment largely reflects its dimension in the total labour force. Even so, there is a slight over-representation of lower levels of schooling and, consequently, a relative under-representation of higher levels. In 2001, for example, individuals with postsecondary or higher education represented about 17% of the workers at national level, whereas the corresponding percentage in terms of total unemployed is only 13%.<sup>14</sup>

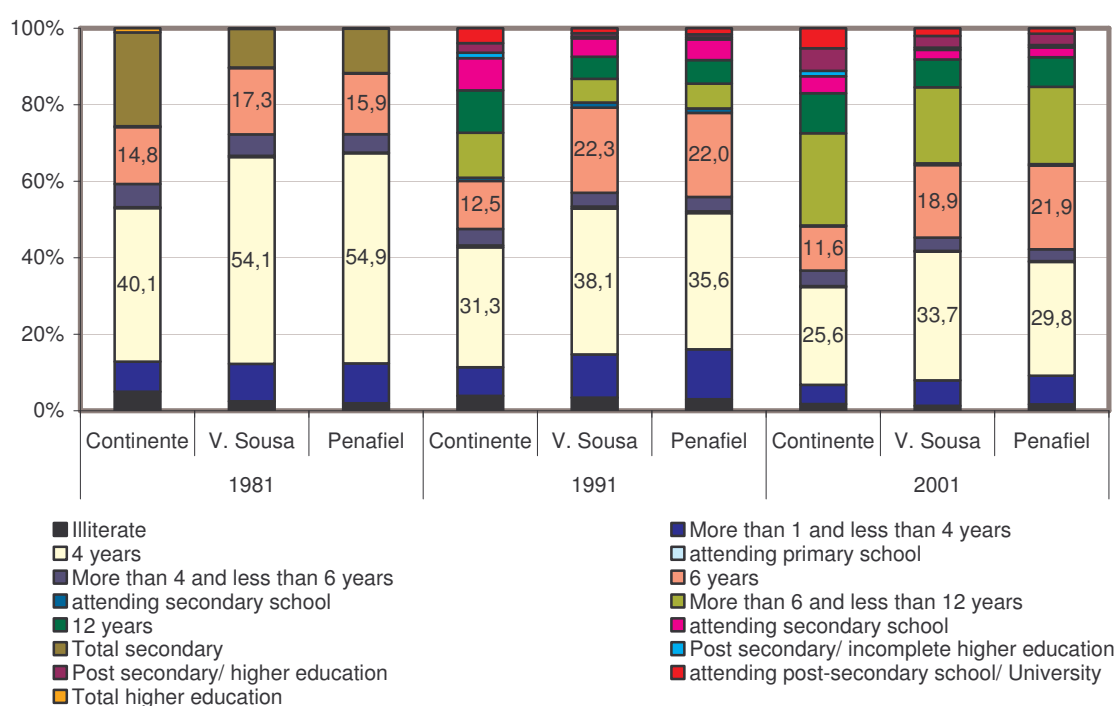
An analysis of the evolution of the labour force in the different territorial units at hand reveals that the relative importance of unemployed workers with lower levels of

<sup>14</sup> The corresponding figures for Penafiel are 6% and 5%, respectively.



schooling has tended to decrease over the last two decades. Even so, the large majority of the situations of unemployment are associated to very low levels of instruction, a fact which has higher relevance in the Sousa Valley region and the municipality of Penafiel. In 2001, about half the unemployed in Mainland Portugal possessed a level of education which did not go beyond preparatory education (5<sup>th</sup> to 6<sup>th</sup> grades of schooling in the Portuguese educational system), whereas in the Sousa Valley region and Penafiel, the corresponding figure is approximately 65%.<sup>15</sup>

**Figure 3:** Breakdown of Unemployment by Level of Education (Mainland, Sousa Valley and Penafiel; 1981-2001)



Note: As it was not possible to obtain separate data on unemployed workers for secondary education and higher education in the 1981 census, we have opted to present the aggregated values. Hence, the categories “Total secondary” and “Total Postsecondary/Higher edu.” Include all the workers who achieved these levels of education, whether they have or not completed their instruction or are still studying.

Finally, with regard to the breakdown of unemployment according to the demand for employment, a profound transformation takes place at national level between 1960 and 2001<sup>16</sup>. While in the 1960 and 1970 censuses the demand for new employment has relatively low importance in the overall situations of unemployment (31% and 24%, respectively), as from the 1980s, this category gradually assumes growing relevance,

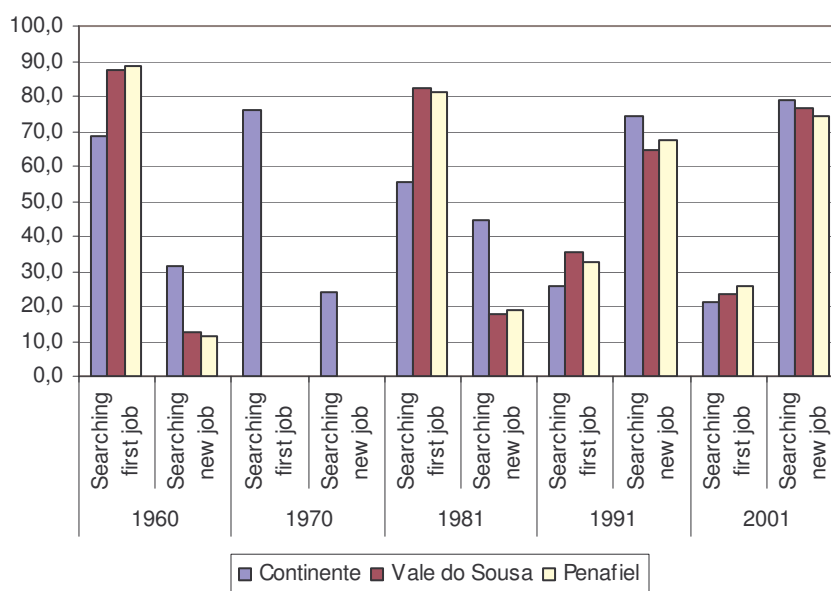
<sup>15</sup> There is a situation of relative uniformity at the municipal level, similarly to that which occurred with the labour force. Also in this case, only Castelo de Paiva reveals a slightly different pattern, with less relative importance of unemployment among individuals with primary education (1<sup>st</sup> to 4<sup>th</sup> grades of schooling) and, inversely, greater relative importance among unemployed individuals with 6<sup>th</sup> grade schooling.

<sup>16</sup> The 1950 census does not make this distinction, considering only the separation between those looking for employment for less than 6 months and those who have been doing so for a longer period of time.

representing almost 80% of unemployment in the last census. This change undoubtedly reflects the transformations operated in the labour market in the second half of the 20<sup>th</sup> century, particularly from the mid-1970s, with the growing precariousness in job security and consequent intensification of unemployment associated with the search for new employment.

An identical situation takes place in the Sousa Valley region, where the inversion of the relative importance of the two unemployment categories is even more striking: in 1960, approximately 90% of the unemployed were looking for their first job; in 2001, the corresponding figure is only 23%. Penafiel follows a similar pattern.

**Figure 4:** Breakdown of unemployment by employment demand (Mainland, Sousa Valley and Penafiel; 1960-2001)



### 3.3. The restructuring of the social space

The process of redefinition of economic activity, with a gradual replacement of agriculture by industry, which we have been identifying, is also accompanied by a restructuring of the profile of relations with property within labour force, thus making the period of 50 years under study a crucial one. With some specificity, this process can be described as one that permits the affirmation of wage labour and the diminishing of informal family work. On a national level, in 1950, more than 70% of the labour force was already on a wage relation; yet, the internal contrasts of the country were relevant. In those days, the differences between the Sousa Region (59%) and Penafiel (59%) and the rest of the country (72%) were superior to 10 pp. In what concerns family workers,

the situation was reversed: the national formation, which already had a relatively small percentage of workers in that situation in the 1950s (7%), still contrasted with the 12% of both Sousa Region and Penafiel. To this we should also add the relative figures of the self-employed and even of employers that were superior to the national ones in both situations, although with different intensities.

The processes that emerged since the beginning of the period until 2001 show a relatively incapacity from the Sousa Valley and from Penafiel to maintain high levels of comparative rates of employers and self-employers (these values are lower than the national ones). On the other hand, and since family work become residual and it is even less representative regionally and locally than nationally, wage labour became increasingly more relevant in Penafiel and in the Sousa Valley. Nowadays, wage labour is a characteristic of 81.5% of the Portuguese labour force and of more than 84% of the regional and local cases here under specific scrutiny.

**Table 13:** Situation in the labour force (1950-2001)

	1950	1960	1970	1981	1991	2001
<b>Employer</b>						
Mainland	7,78	5,95	2,36	3,41	6,53	10,41
Sousa Valley 2 (6)	9,88	6,52	Na	3,43	6,55	8,99
Penafiel	9,16	6,17	Na	2,89	5,86	8,62
<b>Self-Employed</b>						
Mainland	13,56	13,11	18,31	16,25	13,47	6,29
Sousa Valley 2 (6)	18,65	16,41	Na	14,31	9,59	5,70
Penafiel	19,32	16,45	Na	15,05	10,15	5,40
<b>On wage relation</b>						
Mainland	71,86	73,95	74,86	76,89	76,64	81,48
Sousa Valley 2 (6)	58,90	66,28	Na	76,71	80,99	84,22
Penafiel	59,48	65,52	Na	75,20	81,05	84,84
<b>Family workers with no payment</b>						
Mainland	6,65	6,22	3,99	2,60	1,98	0,77
Sousa Valley 2 (6)	12,42	10,30	Na	5,06	2,12	0,55
Penafiel	11,89	11,07	Na	6,31	2,12	0,59

Source: INE, IX, X, XI, XII, XIII e XIV Recenseamentos Gerais da População.

Taking into consideration the socio-professional structures and, in detail, the social class structure of the territorial units permits another in-depth and complementary portrait of the processes that we are identifying<sup>17</sup>.

Thus, the occupational structure of the country's labour force in 1981 has very divergent patterns from those of the Sousa Valley and from Penafiel.

<sup>17</sup> 1981 is the first year of the period with valid information for doing this kind of multilevel class analysis in the Portuguese official statistics system.

First, the more qualified sectors of the social space are clearly under-represented in regional and local social spaces: professionals and managers and top executives represent, then, 8.5% of the labour force of the country, but these figures are much smaller in the Sousa Valley and in Penafiel (around 4% for each of the units).

A second relevant difference is associated to the modalities of constitution of the occupations in services: clerks, commerce staff and protection and domestic services workers are more relevant in the country than regionally and locally; in only one occupation we can find a figure closer to one of the national scores (10.43%), which is, significantly, the case of security and domestic workers in Penafiel (8.56%), traditionally a socio-professional group with less qualifications within Routine Employees<sup>18</sup>.

A third trend concerns mainly the presence of industrial workers and the preponderance they get in all the territorial units, but with the extremely significant fact that their national relative presence (40%) is less important than that of Penafiel (53%) and, especially, of the Sousa Valley (62%).

A fourth pattern concerns agriculture; although relatively vague in its formal and conceptual definition, the 1981 category that gathers agricultural occupations shows that the process of *de-ruralization* had more relevance in the Sousa Valley region as a whole than in the country (18.99%) and Penafiel (21.1%) – of all three units, the municipality was still the territory under more close association with agriculture.

**Table 14:** Occupations of the labour force in 1981 (%)

	Portugal	Sousa Valley (6)	Penafiel
Professionals, technicians, artists and similar staff	7,19	2,75	3,43
Public service managers, private sector managers and executives	1,31	1,60	0,93
Clerks and similar staff	13,14	5,64	6,71
Commerce and sellers staff	8,09	5,30	5,90
Protection, security, personal and domestic services and similar staff	10,43	6,53	8,56
Farmers, animal raisers, agricultural workers, fishermen and hunters	18,99	15,74	21,10
Industrial workers	40,31	62,30	53,16
Armed forces	0,53	0,12	0,21

Source: INE – *Instituto Nacional de Estatística* (National Statistics Institute), *XII Recenseamento Geral da População* (12<sup>th</sup> General Population Census).

The analysis of the processes of class structuration between 1991 and 2001 makes possible to highlight some relevant divergent dynamics.

<sup>18</sup> For further developments on this, see João Ferreira de Almeida, A.F. da Costa and F.L. Machado (1994), 'Recomposição Socioprofissional e Novos Protagonismos', in A. Reis (ed.), *Portugal: 20 Anos de Democracia*, Lisbon: Círculo de Leitores, pp. 307–330.

Thus, the patterns of class structuration in the most qualified sections of the social space in the Sousa River Valley and Penafiel are different from those of the national social formation. These differences are not very much associated with the process of structuration of the Entrepreneurs, or even with case of Executives and Managers, since it is here that we can identify, through the relevance of property (although mainly small in the regional and local units, as we will see), a certain common feature between all the units. The situation is extremely different when we consider the Professionals. In this case, the rise is similar between all the territorial units, but their presences are not: 7% on a national scale and, due to the already mentioned schooling problem of the region, only 2% and 3% on a regional scale and on a local one, respectively.

**Table 15:** Social class fractions of the individuals (Men and Women) of the labour force (1991-2001) (%)

	Mainland	Mainland	Sousa Valley (6)	Sousa Valley (6)	Penafiel	Penafiel
	1991	2001	1991	2001	1991	2001
Entrepreneurs	8	9	8	8	7	8
Executives and Managers	1	3	0	2	0	2
Professionals, intellectuals and scientists	5	7	1	2	2	3
Intermediate Managers	7	8	4	4	4	4
Self-employed	8	5	7	5	6	4
Agricultural Self-employed	6	2	3	1	5	1
Routine employees	27	32	14	19	17	21
Industrial Workers	33	30	59	56	54	53
Agricultural Workers	4	2	2	1	3	2

Source: INE – *Instituto Nacional de Estatística* (National Statistics Institute), *XIII e XIV Recenseamentos Gerais da População* (13<sup>th</sup> and 14<sup>th</sup> General Population Censuses).

Treatment according to Almeida, J.F. de, A.F. da Costa and F.L. Machado (1988), 'Famílias, Estudantes e Universidade: Painéis de Observação Sociográfica', *Sociologia: Problemas e Práticas*, 4, pp. 11–44; Almeida, J.F. de, A.F. da Costa and F.L. Machado (1994), 'Recomposição Socioprofissional e Novos Protagonismos', in A. Reis (ed.), *Portugal: 20 Anos de Democracia*, Lisbon: Círculo de Leitores, pp. 307–330.

Similar conclusions can also be identified about the processes of formation of the Intermediate Managers: their scores are the same in the Sousa Valley and Penafiel, they are 4 pp lower than the average national rate and they did not register variation during the last decade.

The situation of the Self-Employed and of the Agricultural Self-Employed is similar in all three spatial formations. Nevertheless, we should highlight that the scores of the Agricultural Self-Employed have almost residual expressions in both the Sousa Valley and in Penafiel, a process that is of great significance, since a few decades ago the situation was entirely different (in the case of Penafiel we should also mention that Agricultural Workers are, in 2001, even more represented than the Agricultural Self-Employed).

Divergence also stands for the weights that Industrial Workers have in national space, in Sousa Valley and in Penafiel. Such relevance, as it follows from previous information, can be verified by the fact that they represent more than 50% of the labour force (in 2001: 56% in the Sousa valley; 53% in Penafiel and 33% in the country); yet, the dynamic of class formation has a common feature that registers its relative regression (mainly for the national space and for the Sousa Valley, with 3 pp drop and 1 pp for Penafiel). On the other, it is possible to identify the exact opposite situation in the case of the Routine Employees, where, with a dynamic of growth in all the territorial formations (5 pp for the country; 5 pp for the Sousa Valley and 4 pp for Penafiel), their relative proportions are very different: in 2001, there are 32% of Routine Employees in the national territory (mainland), 19% in the Sousa Valley and 21% in Penafiel.

Thus, and since *property*<sup>19</sup>, as a result of *entrepreneurship* and *firm* constitution, seems to be the only relevant asset in the region, it is worthy to pay some attention to it.

A considerable number of firms are located in the Sousa Valley region, an overwhelming majority of which are sole proprietorship companies (75% of the total in 2004). At the municipal level there are, however, some asymmetries, where Castelo de Paiva presents an extremely low number of firms (only 4% of the regional total in 2004), while Paredes, Felgueiras, Penafiel and Paços de Ferreira concentrate among them over four-fifths of the region's enterprises.

**Table 16:** Firms and companies with headquarters in the region/municipality (1994; 1999; 2004)

	Firms			Companies		
	1994	1999	2004	1994	1999	2004
Portugal	911,570	1,140,735	1,221,555	196,481	266,527	363,412
North	277,321	351,876	385,999	56,117	79,638	113,106
District of Porto	138,154	174,498	192,602	33,093	45,789	62,739
Greater Porto	102,822	129,898	139,962	27,559	37,315	48,539
Tâmega	36,401	45,636	52,829	4,867	7,879	13,470
Sousa Valley	22,230	27,369	33,358	3,308	5,023	8,351
Sousa Valley Urban Comm.	23,402	28,993	34,759	3,426	5,222	8,673
Castelo de Paiva	1,172	1,624	1,401	118	199	322
Felgueiras	4,222	5,207	6,453	749	1,135	1,844
Lousada	3,263	3,662	5,035	455	666	1,217
Paços de Ferreira	4,348	5,426	6,497	642	929	1,498
Paredes	6,123	7,553	8,843	844	1,307	2,045
Penafiel	4,274	5,521	6,530	618	986	1,747

Source: INE - *Instituto Nacional de Estatística* (National Statistics Institute), *Anuários Estatísticos da Região Norte*. (Statistical Yearbooks of the Northern Region)

<sup>19</sup> For further analytical developments on this, see Mike Savage et al., *Property, Bureaucracy and culture. Middle-class formation in contemporary Britain*, London, Routledge, 1995.

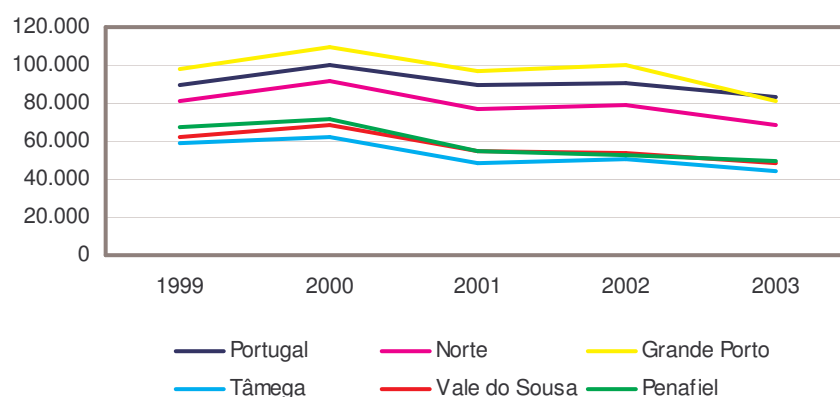
**Table 17:** Companies founded in the region/municipality (1995; 1999; 2004)

	1995	1999	2004
Portugal	2,840	2,660	1,845
North	1,335	1,255	842
District of Porto	663	781	412
Greater Porto	443	343	226
Tâmega	195	204	156
Sousa Valley	146	132	108
Sousa Valley Sousa Valley Urban Comm.	151	140	112
Castelo de Paiva	5	8	4
Felgueiras	48	28	30
Lousada	18	17	13
Paços de Ferreira	19	29	28
Paredes	42	44	26
Penafiel	19	14	11

Source: INE - *Instituto Nacional de Estatística* (National Statistics Institute), *Anuários Estatísticos da Região Norte*. (Statistical Yearbooks of the Northern Region)

When taking into consideration the more dynamic indicator of the constitution of firms, the region's enterprising capacity is immediately apparent. Noteworthy at this level are the municipalities of Felgueiras, Paredes and Paços de Ferreira, where the number of companies founded annually is relatively high and is significantly higher than the regional average. Again, Castelo de Paiva reveals the greatest frailty, registering the creation of only 4 firms in 2004, even though it is one of the region's municipalities, together with Paredes and Penafiel, which benefits from an incentive scheme for the localisation of economic activities<sup>20</sup>.

**Figure 5:** Average turnover by company with headquarters in the region/municipality (thousands of Euros; 1999 to 2003)



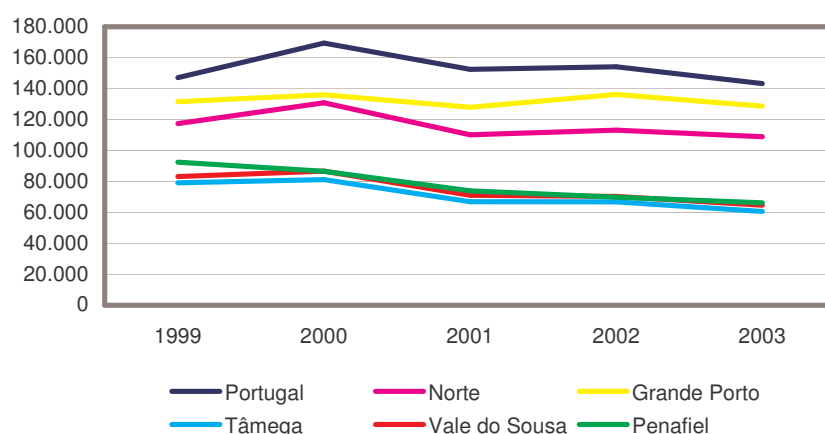
Source: INE - *Instituto Nacional de Estatística* (National Statistics Institute), *Anuários Estatísticos da Região Norte*. (Statistical Yearbooks of the Northern Region)

<sup>20</sup> *Sistema de Incentivos Regionais (SIR)* (Regional Incentives Scheme), Decree-Law n° 193/94 of 19<sup>th</sup> July.

An analysis of average turnover by company, however, reveals a large divergence between the Sousa Valley and the country as a whole, given that in 2003 the value for the region does not reach 60% of the national average. A difference of such magnitude is undoubtedly related to a number of weaknesses in the region's entrepreneurial fabric, namely the prevalence of very small-sized companies and specialisation in low added-value activities.

When it comes to the manufacturing industry, which, as we have seen, comprises one of the region's prime activities, the situation is even more irregular. In this case, the average turnover by company in the Sousa Valley in the last three years does not even reach half the corresponding value at national level. The data suggest that the situation has worsened in this period, but the restricted range of time-series prevents any definitive conclusions from being drawn in this regard.

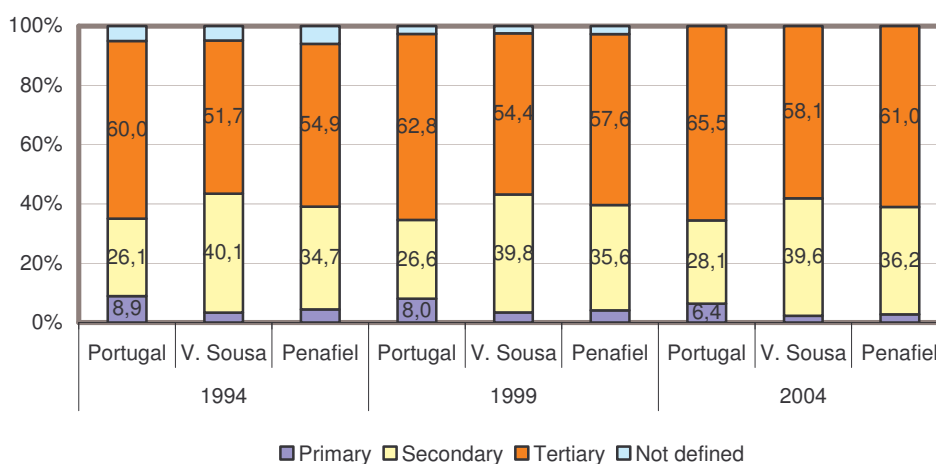
**Figure 6:** Average turnover by company in the manufacturing industry with headquarters in the municipality (thousands of Euros; 1999 to 2003)



Source: INE - *Instituto Nacional de Estatística* (National Statistics Institute), *Anuários Estatísticos da Região Norte*. (Statistical Yearbooks of the Northern Region)

Considering furthermore the classification of the firms by major sectors of activity, the tertiary sector clearly predominates, both at the national level and in the Sousa Valley region. The inversion of the relative positions of the secondary and tertiary sectors at the regional scale, in relation to the classification based on labour force, suggests the existence of a highly diffuse entrepreneurial structure in the tertiary sector, with a relatively higher number of establishments than workers. Particularly striking is the very low representation of the primary sector, which in the Sousa Valley is below 3% of the total firms in 2004.



**Figure 7:** Firms by headquarters municipality by major sectors of activity (% of total firms; 1994, 1999 and 2004)

Source: INE - *Instituto Nacional de Estatística* (National Statistics Institute), *Anuários Estatísticos da Região Norte*. (Statistical Yearbooks of the Northern Region)

## Concluding remarks

In the present paper it was possible to develop an heuristic approach of the relations between economic activity and society in the Sousa Valley region. Such an approach, anchored in a compared times-series analysis of official statistical data, permitted the identification of a relevant process of socio-economic transformation in the region of Sousa and, with some relevant differences, in the municipality of Penafiel, which also constitutes one of our empirical objects.

In the region, those transformations involve a change in activity rates, feminization and an increase of juvenile presence in labour force, as well as an important movement of *de-ruralization* and a major shift towards industry occupations. Anchored in low qualified wage labour in the traditional branches of industry (although with intra-regional relevant variations), the transformation, in municipalities such as Penafiel, from the peasant and semi-aristocratic agricultural world of the mid-1950s to the (de)industrializing world of 2001, implicated relevant divisions in the social space (among them and recently, the emergence of unemployment and the pressure for longer migrations...). These are established mainly around economic *property* (usually a small firm), since culture (through school) and bureaucracy (through organizational development) did not formed more solid and qualified social positions. With its specialization in construction and mining, the municipality of Penafiel does seem to have a less dynamic economic field.