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Activity Report 2010



1 INTRODUCTION

This second year of existence saw the Foundation produce its first public initiatives, namely PORDATA (a database initially focused on Portugal and subsequently expanded to include the whole of Europe), the publication of a collection of essays, “Ensaaios da Fundação” (“Foundation Essays”), and the organisation of conferences, entitled “Questões-chave de Educação” (“Key Education Issues”). Simultaneously, the Foundation continued several projects and studies on different areas, aiming to begin publishing results in 2011.

These activities and achievements put to the test some working methods in which the Foundation, as such, had had no previous experience. A strong and diversified effort was made, in particular, to give widespread public access to the Foundation’s output. A good example of this effort was the widespread distribution of the essays. This remains a major priority: to ensure that all products and results obtained are broadly disseminated, so that every place, social group and individual can benefit from them. This is arguably one of the best ways of fostering public debate – a core mission of the Foundation.

Another major concern during 2010 was to make the Foundation itself better known to the general public, without resorting to any publicity campaign or gimmicky stunt. It is a basic, long-term choice of the FFMS to rely essentially upon effective work, methodological accuracy and relevance of themes in order to obtain recognition.

Top priority was given to informing citizens and providing them with the tools to acquire knowledge. Pordata and the Foundation Essays Collection are the most obvious examples of this priority. The Foundation does not aim at persuading anyone. Its fundamental purpose is to make a serious contribution to better information and improved knowledge, so that citizens can have a greater chance of forming their own opinions in a free way.



2 OPERATING STRUCTURE AND OFFICES

The operating structure of the Foundation remained unchanged throughout the year. From the start, a clear preference for a small permanent structure, complemented by corporate and individual specialised outsourcing, was maintained. At the end of 2010, the permanent staff included 5 employees, 1 contractor, 2 non-executive directors and 1 volunteer: the executive-chairman, two non-executive directors, one project manager (Isabel Vasconcelos), one communication manager (Filipa Dias), one administration secretary (Isabel Bernardes), two programme assistants (Maria Carlos Ferreira and Mónica Vieira) and one PORDATA training assistant (Bernardo Gaivão). In early 2011 the decision was made to engage an operational manager (Susana Norton) and to appoint a volunteer as information and technology manager (Santiago Olmedo). This increase in staff was a direct result of increasing work pressure on the existing team.

Four people have been assigned to PORDATA implementation, led by Maria João Valente Rosa (also a member of the Scientific Council); all having signed hiring contracts with the Foundation.

For the time being, both the administration and operational offices of FFMS are located next to the head-office of the Soares dos Santos Family holding company, in a borrowed space. Such proximity has proven to be quite useful, as it allows for quick interaction between the institutions.

The PORDATA staff work in a rented office at the nearby Rua Conselheiro Fernando de Sousa.

In 2010, specific steps were taken in order to improve efficiency. In fact, all current projects were grouped into thematic programmes according to their dominant area (Health, Education, Justice, Population). These programmes, oriented and supervised by a member of the Scientific Council, include a wide range of projects and initiatives, such as conferences, scientific studies, publications and workshops. New programmes can be set up in the future, to include projects and initiatives on different themes.

FFMS is a rightful member of the Centro Português de Fundações (Portuguese Foundation Centre).

3 MANAGEMENT BODIES

The Foundation's management bodies remained unchanged (*vd.* Annex I).

The Board of Directors meets on a regular basis. The Foundation pays no remuneration to the non-executive directors for the fulfilment of their statutory duties. The Chairman warmly expresses his utmost gratitude for their invaluable assistance.

4 STATUTES

The Foundation statutes, which have already been published in a separate brochure, remained unchanged.



5 PUBLIC UTILITY

The Portuguese Government recognised the Foundation as an institution of public utility. The declaration was issued by the Presidency of the Council of Ministers on 12 March 2010 and published in the official gazette *Diário da República* (II Série) of 23 March 2010 (*vd.* Annex II).

6 CHARTER OF PRINCIPLES

The Charter, setting the guidelines for the Foundation's activities, was issued in due time by the Board of Trustees and remained unchanged during 2010 (*vd.* Annex III). It has been reproduced in a brochure along with the Statutes.

7 BOARD OF TRUSTEES

The Board of Trustees held two meetings, and its members were always available to give assistance. The minutes, sound records and transcriptions of the meetings are kept in the Foundation's archives and can be consulted by anyone interested.

8 AUDIT BOARD

The Audit Board also held two meetings in 2010. The Board of Directors is most grateful for the prompt cooperation and astute comments received, all of which were widely welcomed. The minutes of these meetings, kept in the Foundation's archives, are available for consultation.

9 SCIENTIFIC COUNCIL

The Council held four plenary sessions during the year, and proved its increasing significance as a privileged forum of debate and project launching. Its members have shown strong commitment, not only in participating in the meetings, but also, in most cases, in cooperating with the execution of initiatives. Each project is personally followed-up by at least one member of the Council. It's only fair to acknowledge the growing importance of the Council, as the cooperation provided by its members meets the highest standards. The minutes, sound records and transcriptions of the meetings are kept in the Foundation's archives and can be consulted by those interested.



10 PERMANENT PROJECTS

The Foundation's Website

The first institutional website www.ffms.pt was launched in 2010. It was an experimental initiative, to a great extent improvised in order to establish contact with the general public, with an elementary layout that, with time, became inadequate to meet the growing requirements and demands of all FFMS activities. A new website is in construction, this time incorporating cutting-edge technical solutions. The new site will combine attractiveness with the rigorously high standards that the Foundation is committed to preserving in all areas. We all know for a fact that younger people increasingly rely on the web to communicate and obtain information. That's why one must be fully aware of their needs, their habits, and the aesthetic and intellectual trends they share.

PORDATA

Launched on 23 February 2010, this database on contemporary Portuguese society, *Pordata, Base de Dados Portugal Contemporâneo* www.pordata.pt was the Foundation's maiden project.

Through this database, free, user-friendly and accessible to all, the largest possible compilation of statistical data has been made available in areas as relevant and diversified as Population, Education, Employment and Culture, aggregating 14 different themes. The site, where many indicators present a five decade span, initially referred to Portugal only. In November 2010, data on Europe was also made available. The basic aim was to provide accurate, straightforward information, without any sort of interpretation or comment. PORDATA, therefore, serves the public by being an information provider, not by acting as a forum for analysis or debate. These can take place and evolve based on factual data provided, of course. The accuracy and reliability of the data lies in the fact that all sources cooperating with the FFMS are official bodies, competent and certified to produce statistics in their own fields. All these institutions, be they Portuguese or European, willingly gave PORDATA full access to their figures, thus allowing the compilation of a



wide-ranging, aggregated database, organised in a uniform manner, and easy to read. The Foundation cooperates with more than 50 statistical bodies, in Portugal and throughout Europe. Acknowledgements are due to all of them – and particularly to INE-Instituto Nacional de Estatística (Statistics Portugal, the Portuguese state statistics institute, which also represents EUROSTAT in Portugal), for the promptness and reliability of its cooperation.

In connection with the launching of the site, a training program was set up during the second half of 2010, mainly to the benefit of journalists and students (high school and university levels). These cost-free training sessions are aimed at introducing the site, in terms of visualisation and content, to potential users. After a 90 minute session, approximately a thousand trainees learned that PORDATA does not just provide a multitude of indicators. It allows the user to cross reference data on different subjects, to run simple operations through the site, analyse data graphically, export, print and share data on the Net, access a personal area where tables can be copied and stored, create indicators and set up notices about information updates. The School Libraries Network (Rede de Bibliotecas Escolares) joined the Foundation in a common effort to promote this project in high schools throughout the country. PORDATA provided direct training to small groups in no less than 83 schools. Then, each one of these groups passed what they have learned on to other students and teachers, in a subsequent string of sessions. After this training process was concluded, and based on the search for information at the site, the trainees were expected to produce collective papers, which the Foundation evaluated during 2011. Also, in early 2011, the Diplomatic Institute of the Ministry of Foreign Affairs, where several training sessions took place, distributed a user's handbook "Manual de Formação à PORDATA" throughout the entire Portuguese diplomatic and consular networks.

Aiming at reaching everyone interested, PORDATA joined the Facebook and Twitter social networks by reporting facts in connection with the themes under study, thus fostering public debate and more thorough research at the site. The immediate results of this were quite positive, as the number of daily contacts raised by some 20% to 30%. Towards the end of the year, a new iPhone application was made available. PORDATA results were put to use in a mobile phone format, by which the user has instant access, not only to the most recent figures of each indicator at the site, but also to the figures for a

given year. Diachronic development is presented graphically, as is the ranking of European countries for the same indicator. Some 6000 downloads of this application were executed in less than a month.

Starting from November, the data was also broadcasted on radio, in a joint initiative with radio station TSF, on its daily programme “Sabia que...?” (“Did you know...?”). As for television, a protocol signed with the RTP network will allow for the production of a series of short documentaries based on PORDATA information. These short films will be shown on the daily news. Every week, a new theme related to Portuguese life will be under scrutiny. Figures and diachronic development will allow for a better understanding of the country’s current situation. In connexion with this broadcasting, a weekly debate will take place, focusing on the social facts and main issues raised during the previous week.

In its first 10 months of existence, up to the end of 2010, the site was used by some 400 000 “individual visitors”, making a total 655 000 visits. The average duration of each visit was 4 minutes, with an average of 5 webpages accessed. Although most visits originated from Portugal (89%), PORDATA had visitors from 148 different countries (*vd.* Annexes IV and V).

At the end of 2010, the PORDATA project, managed by Maria João Valente Rosa, was awarded the “Prémio Exame Informática 2010” (Internet area). The jury praised the website as being “inspiring and essential for a clear understanding of what the country was in the past, what it is now, and what changes are in course. PORDATA is produced by a small but highly competent staff, made up of the Project Manager and Ana Luísa Barbosa, Joana Martins and Rita Rosado.





Foundation Essays

Facts bring ideas. By publishing its essay collection “Ensaaios da Fundação”, mainly focused on Portuguese society, the Foundation has made the independent and solidly-based ideas of the various authors available to all those interested. Moreover, it aims at fostering interest and curiosity about issues which concern us all. The collection’s coordinator is Trustee António Araújo, whose outstanding efforts must be acknowledged. Editing and publishing activities are carried out jointly with Relógio d’Água Editores.

In an attempt to counter those who say that “Portuguese don’t read, and they couldn’t care less”, the FFMS insisted on issuing large-scale print-runs, minimizing production costs and displaying the books on places where people normally go to for different reasons (supermarkets, shopping centres, kiosks, cafes, universities, etc.), apart from bookshops, of course. Initial feedback confirms the idea that, in fact, if there is an easy, low-cost access to books focusing on issues of general interest, people are curious and want to read them.

On the other hand (and, again, aiming at reaching a wide and diversified range of readers) the Foundation agreed with the authors that they should write their texts in an accessible style, within the limits of scientific and technical accuracy. Also, the Foundation adopted a non-profit making

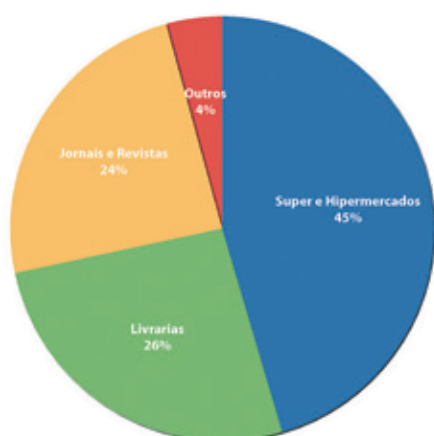
price policy, and distributed all the titles without any pre-conceived ideas about the distribution channels, as long as they could reasonably serve the purpose of reaching potential readers. Selling places included bookshops, supermarkets and some cafes and esplanades throughout the country – not to mention promotional initiatives which were coordinated with several newspapers and magazines. After six months, the collection of seven titles had managed to sell 100 000 copies. The essays were extremely well-received everywhere, reaching the bookshops' best-seller lists and selling hundreds of copies every day in check-outs and other supermarket sections (*vd.* Annex VI).

The table below shows the sales records for each title in 2010, and the percentage share of copies sold in the different kinds of selling points.

Copies sold in 2010 (per title)

Essay	Author	Publication	Copies sold (2010)
Teaching Portuguese	Maria do Carmo Vieira	June	22.092
The Portuguese Economy: Recent decades	Luciano Amaral	June	16.248
Portugal: The numbers	Maria João Valente Rosa and Paulo Chitas	June +16.577	
Fiscal Justice	J.L. Saldanha Sanches	September	26.035
What's difficult is educating them	David Justino	October	6.301
Authority	Miguel Morgado	October	5.388
Private property	Miguel Nogueira de Brito	October	5.040

Selling point shares (percentage)



Supermarkets and hypermarkets	45.4%
Bookshops	26.2%
Newspapers and magazines	24.1%
Others	4.3%



Current plans aim at publishing twelve to fifteen new titles each year, at a rhythm of three to four titles each quarter. The hardback edition will be sold in bookshops (at 5 €), and the paperback edition will be available in supermarkets, kiosks and cafes (at 3.50 €). Print-runs varied between 15 000 and 30 000 copies. Hardback editions from two different titles were sold out and reprinted. In order to sustain a low-price policy, the Foundation aims only at paying the production costs of each book with the sales income. In the case of the first three essays, this goal was practically achieved.

The publishing activities are pursued by the Foundation jointly with three companies: Relógio d'Água for the editing and distribution in bookshops; GUIDE for the printing; and SODILIVROS for the distribution in hypermarkets. The FFMS acknowledges the good working relations developed with these partners.

Maria do Carmo Vieira, Luciano Amaral, Maria João Valente Rosa and Paulo Chitas, J. L. Saldanha Sanches, David Justino, Miguel Morgado and Miguel Nogueira de Brito were the authors who wrote on Portuguese society, in areas as diverse as economy, education, private property and authority. Some of the books provided subject matter for interviews and debates in newspapers and on radio and television programmes.

A series of debates, called “Pensar Portugal” (“Thinking Portugal”), was organised in cooperation with El Corte Inglés. Every month, from September 2010 onwards, a different essay was discussed in the presence of its author. Renowned specialists Diogo de Lucena, Eduardo Catroga, Paulo Guinote, Santana Castilho, Pedro Lomba and João Taborda Gama also took part in these debates.

POP: Portal de Opinião Pública (Public Opinion Portal)

This site is the result of collaboration between FFMS and ICS-Instituto de Ciências Sociais da Universidade de Lisboa (Institute of Social Sciences of the University of Lisbon). Directed by Alice Ramos and Cícero Pereira, with follow-up by Pedro Magalhães (member of the Scientific Council), it aims at providing a particular kind of information, and a very interesting one: the output of “barometers” and surveys on social attitudes carried out in European countries, in some cases, for nearly three decades now. These permanent surveys try to identify European attitudes as they develop on various specific issues and areas, from democracy to religion, from politics to institutions, from the economy to education and from security to welfare. A thorough analysis led to the conclusion that these highly consistent studies capture the “state of mind” of the different countries. In a sense, this site is an extension of PORDATA, as the main focus switches from facts and figures to attitudes and aspirations. The work of those in charge of the site consists of aggregating the various sources and ensuring that they are reciprocally coherent – and then assembling a user-friendly consultation mechanism. Results from this year, as well as developments over the previous twenty or thirty years, will be made available. The site should be ready for consultation in 2011.





Portugal is represented in several international survey organizations investigating social attitudes and social values. The results of such investigations have important repercussions in the scientific community and in the *media*. However, in spite of the fact that the data is freely accessible for everybody, the non-academic public is hardly aware that it exists and can be used. The scope of this project is to make this data more accessible to those people who are not familiar with advanced data analysis techniques, but are interested in the information provided.

The Foundation Yearbook

The Board of Directors undertook to create an institutional yearbook (the title is yet to be chosen). This book is meant to be a periodic compilation of data, facts, figures, studies, short essays and articles. More than a mere source of information, it should be a starting point for the open debate of ideas and opinions. By producing its own yearbook, the Foundation will have a unique tool for pondering significant worldwide social issues, regardless of conjuncture constraints and enabling the FFMS to assess a wide range of situations and discuss new perspectives and future tendencies. The first edition should be ready in the Autumn of 2011.

11 PROGRAMMES

These programmes consist of thematic domains grouping projects and activities that share common or co-related themes. This creates more efficient coordination and establishes consistent work procedures in each area. Every programme includes studies, research, conferences, publications, television programmes, DVDs and other initiatives. The final results of each study are to be widely disseminated, not only through scientific and technical reports, but also through the publication of books and other wide ranging *media*, more suitable to reach the public in general.

Health Programme

The first two projects approved by FFMS deal with Health issues: “Custos e Preços da Saúde” (The Costs and Prices of Health) e “Evolução da Mortalidade Infantil” (Developments on Infant Mortality). Both projects are nearly completed, in spite of some delay, partly due to difficult access to official data. Given the foreseeable increase in research on this matter, the Foundation decided to organise a “Programa de Saúde” (Health Programme), led by José Mendes Ribeiro (member of the Scientific Council).



The Costs and Prices of Health

This project, executed by a team under the leadership of Carlos Costa, from Escola Nacional de Saúde Pública da Universidade Nova de Lisboa (National School of Public Health of the New University of Lisbon), aims at answering the question: “Is it possible for health institutions in Portugal, through their organisation, management and financing, to change efficiency levels?”. Through analysing the cost progression in the Sistema Nacional de Saúde (National Health System), the team intend to provide all the information needed for a debate on the financing of Health in Portugal. The forthcoming results of the study will include a comparison between costs and prices of treatment, medication and medical acts in different countries.

Developments on Infant Mortality

Given the low rate of infant mortality in Portugal, which has earned the country a top place in the world rankings, it was deemed necessary to study the causes of such success. Specific factors at the institutional, political, administrative and other levels deserve to be studied and applied to other critical areas of public policy. The project, led by José Pedro Correia and Xavier Barreto, is due to be concluded during the first quarter of 2011, and the final results will be made widely available.

Other Activities

Several other activities are scheduled for 2011/12 in the context of this programme, including conferences on key health issues, the publishing of short books focusing on specific matters of Public Health and the launching of new studies.



Law and Justice Programme

This Programme, directed by Scientific Council member Nuno Garoupa (assisted by Maria Carlos Ferreira), was organised during 2010 and has already set up several initiatives.

Law assessment: a comparative approach

The project is run by João Caupers and Marta Tavares de Almeida, both from the Faculdade de Direito da Universidade Nova de Lisboa (Law Faculty of the New University of Lisbon), and Pierre Guibentif, from ISCTE-Instituto Superior de Ciências do Trabalho e da Empresa (Higher Institute of Business and Labour Sciences).

The quality of legislation is a key item on the political agenda, both at the national and international level. The complexity and internationalisation of contemporary societies are dominant factors forcing us to look at the law from a new perspective. The legitimacy of the law certainly derives from compliance with basic juridical principles, consecrated in the country's Constitution and other fundamental legal instruments at the international level, as well as from compliance with statutory provisions regarding the functioning of the Parliament and the Government. But it also derives from the methodology adopted for the preparation of legal texts (the internal, as opposed to the external proceedings of the law)

This project intends to assess the preparation and elaboration of the law from a comparative perspective, based on a number of countries deemed exemplary for their “good practices”. Obviously, the project aims at producing an output that can be useful to scholars and researchers working on such matters; but also one that may interest a wider, non-specialised public.

The study will carry out a thorough analysis of current developments in the area of legislative policy, contextualising itself spatially and temporally, although avoiding expansion on historic details. The text will be clearly structured, easy to follow and well documented.

By studying the quality of legislation, this project will approach law in a comprehensive manner, as an instrument for collective action and economic





and social progress, contemplating both the law-making process as well as its reception and implementation.

Law assessment – case studies

The Project is run under the direction of Ricardo Gonçalves, from the Faculdade de Economia e Gestão da Universidade Católica Portuguesa (Faculty of Economics and Management of the Portuguese Catholic University), with the assistance of Álvaro Nascimento, Ana Lourenço, Sofia Nogueira da Silva and Vasco Rodrigues (all from the same faculty).

The goal is to produce two studies on the impact of legislation, following the methodology adopted by the European Commission. These studies have a didactic purpose, thus contributing to a better dissemination and understanding of this kind of methodology in Portuguese society – and, in

the end, to higher standards in the law itself. This, however, is not about evaluating the merits of specific laws and of public policies associated with them. What really matters here is to analyse the legislative method, as well as related activities prior and posterior to the making of laws.

Two specific laws were chosen for the purpose of evaluating their impact: Law 37/2003, of 22 August (on the financing of universities) and Law 30/2000, of 29 November (the so-called “drugs law”). Unusually, and in spite of intending to abide by the methods recommended by the Commission, these evaluations are to be carried out retrospectively. That is to say, the researchers will try to identify and quantify, as far as possible, all costs and benefits that have occurred since the law came into force; and then they will compare these results with a counterfactual scenario (a hypothetical alternative situation in which there is no such law).

Economic justice

Having been prepared during the second half of 2010, this project started in March 2011. The original idea came as a proposal made by the Associação Comercial de Lisboa (ACL). The ACL initially asked the Foundation to implement a project on “Portuguese Justice” and offered to provide financial support. They were looking for an independent partner to set up the idea. The first reaction of the Foundation’s Board of Directors was to decline involvement in such a vast and wide-ranging study, whose results would hardly be interesting. However, after the matter was discussed by the Scientific Council, a more restricted counterproposal was presented: to study some core aspects of “Economic Justice”, namely, all the legal, procedural and judicial issues which contribute to hinder economic activity, investment and development. The ACL agreed enthusiastically. Both institutions also agreed that it would be necessary, not only to produce an analysis of legislation and other documents, but also to apply a questionnaire to the individual agents involved (of all kinds, from businessmen to jurists). A most important aspect was the practical utility of the study: in addition to its conclusions, specific solutions and suggestions should be made in order to pursue legal and procedural reforms and improvements in all juridical, economic and administrative domains.

For the first time, the FFMS engaged in an externally-financed initiative. This was accepted under the prerequisite that strict impartiality, independence and rigour would be preserved in all circumstances.

The negotiations and the preparation of the project were led by Scientific Council member Nuno Garoupa. A Committee was created, formed by Nuno Garoupa, Mariana Gouveia (Universidade Nova de Lisboa) and Pedro Magalhães (also from the Scientific Council). Jorge Carvalho (Universidade Nova de Lisboa) was appointed as chief-executive.

The relevance of Justice as a factor of sustainable economic growth and competitiveness is well documented, not only in academic literature and, but also in the current policy menus of international institutions such as the World Bank and the International Monetary Fund. The low quality of Portuguese Justice, both from the perspective of the requirements and needs of a modern society and from that of entrepreneurial activity, has been a matter of deep concern. In spite of the broad consensus about the need to reverse the situation at the structural level, the truth is that, for various reasons, the reforms implemented in the last decade have not borne the expected fruit.

Some say that diagnostics are made. But it seems quite obvious that they are not. Or, if they are, they're wrong, because the measures induced by them clearly failed to bring greater efficiency. We urgently need a more thorough and accurate diagnosis, one that takes into account the economic costs that the justice system insists on perpetuating. And we must have a clearer picture of all entrepreneurial problems that are caused or worsened by a Justice system that is ineffective in economic life.

A new diagnosis, innovative in its methodology and uncompromising towards the customary political equilibriums, will allow the pondering of an original reform of economic justice. Obviously, no study of such a nature can be exhaustive. Nor can it take the place of those authorities who have the power and the duty to build policies in this field. Nonetheless, given the stagnation and oblivion surrounding justice reforms in this severely difficult moment of our economic life, we believe it is important to encourage a complex-free, non self-recriminatory way of thinking, enabling us to overcome old methodologies.

Portuguese economic justice is ineffective. It must be changed. There are, however, no miraculous solutions. Neither is there a reform without costs.

For the sake of scientific rigour, we have to ponder on the pros and cons of each solution, always resisting seduction by miraculously easy ones, which invariably end up in disappointment and failure.

Quantification is, within measure, an important methodology for studying justice. Unfortunately, Portugal is short of statistical production in this area, as in many others. Having said that, we just have to make the most of what we have. For this study in particular, we will not hesitate to make use of quantification and statistics.

The primary goals of the project are: to understand the problems of Portuguese economic justice; to evaluate the plausible solutions; to ponder the costs and benefits of existing alternatives; to develop a “best practices” exercise, selecting as examples several successful experiences in European countries (Holland, Scandinavian states, and even England; also relevant is the recent reform in Italy, where procedural laws share a common matrix with the Portuguese case); and, finally, to promote a set of reforms that are coherent and structure-building.

Intended results are as follows: to foster debate on reforms of economic justice from an innovative perspective, a comprehensive vision and a comparative analysis; to alert public policy-makers against the current state of affairs in the domain of economic justice, and provide them with plausible and executable solutions; to facilitate a mid-term improvement in economic



justice, enabling us to overcome present-day constraints and to reduce contextual costs in a significant manner; to make sure that the entrepreneurial world takes part in the process of reforming economic justice.

E-Book on the Constitutional Revision

Considering the fact that a new revision of the Portuguese Constitution should take place during the 2010-2014 legislature, the FFMS decided to engage in an unprecedented initiative: to publish an e-book on the matter. The Foundation would not stand for or against any opinion, as it would not comment on the sense of opportunity of such revision. Instead, it would invite a large group of specialists (a few dozen) to discuss the revision. Those in favour of the revision should suggest and support specific changes to the text of the Constitution. FFMS intentionally sought to diversify the professional areas of the participants (economists, political scientists, sociologists, etc.), so that the debate would not be confined to jurists and politicians. No invitation was addressed to any member of a political organ, magistrate, or representative of a professional organisation connected to judicial activities (e.g., from the Portuguese Parliament, Government, European Parliament, Courts, professional orders, associations and unions). It was deemed preferable to obtain the opinion of scientists and specialists who are not personally involved in political and professional debates. FFMS does not intend to replace political debate *proprio seuso*. Rather, it calls upon the civil society to participate in a wider discussion of political issues. The e-book will be available in Internet during the first half of 2011. The Editorial Board is formed by four members of the FFMS Scientific Council: Nuno Garoupa, José Tavares, Miguel Maduro and Pedro Magalhães.

Judicial Confidentiality

The FFMS intends to undertake a small project to produce a current situation report on a chosen matter of obvious interest, in order to provide a starting point for a soundly supported discussion in a workshop or specialised seminar. This first discussion may, in turn, become a further, more in-depth analysis. “Judicial Confidentiality”, in Portugal and several other

European countries, was chosen as the maiden theme. The choice was made by Fernando Gascón, Professor of Law at the Universidad Complutense de Madrid (Complutense University of Madrid). Results will be made available during 2011.

Court congestion

It was also decided to produce a short study on the phenomenon of court congestion in Europe. The basic idea is to obtain as much data as possible on a dozen countries, in order to obtain a panoramic view of this phenomenon, which reflects, to a great extent, the efficiency of the courts and judicial organisation. The task was committed to Sofia Pires de Lima, under the scientific supervision of Nuno Garoupa. The study should be complete by 2011, and a seminar or workshop will follow, focusing on the causes of the present-day situation. The possibility of making a more profound study on the Portuguese case will then be considered, so as to produce suggestions and recommendations for future improvements.

Key Justice issues

All the above projects have been conceived to stimulate public debate on specific problems that hinder Portuguese justice, and they include, whenever possible, a comparative analysis. Further steps should be taken, such as carrying out shorts studies, gathering specialists in workshops and organising large conferences. Some of the forthcoming themes are: A-The Jury in Europe: modalities and consequences for the quality of the criminal procedure; B-The Public Defender: modalities and experiences; C-Relationship between the Prosecutor-General, executive and legislative powers: different models, problems and solutions.

Education Programme

The guidelines for the 2010 programme and that in preparation of 2011 are: to foster well-informed debate on education issues; to stimulate foreign experts to participate, so as to establish a better comparison between the

Portuguese situation and that of other countries; to disseminate up-to-date international studies; to sponsor the implementation of empirical, experimental and statistics-based studies on the Portuguese situation. The programme is directed by Nuno Crato, member of the Scientific Council, assisted by Mónica Vieira.

Autumn Conferences: Key Education Issues

This conference cycle sought to bring international experts to Portugal, as well as to disseminate recent, scientifically-founded, studies in our country. FFMS tried to provide an opportunity for debate involving specialists, teachers, parents and other people with an interest in education, broadening discussion as much as possible.

The selected themes were: “O valor de educar” (“The importance of educating”), with Fernando Savater and Ricardo Moreno Castillo; “Fazer contas ajuda a pensar?” (“Does doing sums help you think?”), with Michel Fayol and Andrei Toom; and “Como se aprende a ler?” (“How do you learn to read?”), with Roger Beard and Linda Siegel.

In order to be more inclusive, an effort was made to organise these conferences throughout the country. As a result, four different cities (Faro, Lisbon, Oporto and Coimbra) hosted six conferences.

The project was mainly publicised through the Foundation’s website, and also through contacts made by Porto Editora with teachers and others having a potential interest in the matter. Some 1500 posters were put up in secondary schools and in 42 Escolas Superiores de Educação (Higher Schools of Education).

The conferences were broadcasted by SIC online, with each being accompanied by a book, a copy of which was offered to all participants. All the texts were original, except for one by Fernando Savater that was taken from “O Valor de Educar” (“The Importance of Educating”) and included in the first book, along with three original texts from other authors. These editions also included two short studies exploring the state of Education in Portugal, which were carried out at the FFMS’ request.



Title	Speakers	Venue	Participants
O Valor de Educar (The Importance of Educating)	Fernando Savater, Ricardo Moreno Castillo, Nuno Crato	Main Auditorium of the University of the Algarve	417
		Auditorium of the Faculty of Sciences-Lisbon	489
		Tombo Tower-Lisbon	315
Fazer Contas Ajuda a Pensar? (Does Doing Sums Help You Think?)	Andrei Toom, Michel Fayol, António Bivar	Almeida Garrett Library-Oporto	96
		SIC On Line Broadcast	1039
		Auditorium of the Rectory of the University of Coimbra	324
Como se Aprende a Ler? (How do You Learn to Read?)	Roger Beard, Linda Siegel, Isabel Leite	Tombo Tower-Lisbon	339
		SIC On Line Broadcast	1079

A total 2 547 books were given out at the conferences, and all titles are available for sale in bookshops. Distribution is through Porto Editora.

The main objectives were accomplished, participation was much higher than expected, and places at the conferences quickly ran out. A database was created with 3 682 addresses from teachers wishing to receive FFMS information.

The project leaders estimate that, during the year, the Foundation made a difference by fostering debate and the exchange of scientific information on Education, thus preparing the way for future studies and discussions.

Spring Conferences: Educational myths and realities

These conferences, due to take place in 2012, shall focus on very specific subject matters, attracting specialised participants, especially teachers, administrators, pedagogues and psychologists. It is important to deepen the discussion of seemingly consensual or “untouchable” issues – which, precisely because of that, must be scrutinised on a regular basis.

Education Studies

The following studies were, either carried out, started or approved in 2010: “Portuguese textbooks”; “The teaching of Mathematics in primary and secondary schools”; “Conceptual demands in the teaching of Sciences from 1st to 9th grades”; “Learning a second language”. Furthermore, several other

wide-scope studies are underway: “Preparation levels of newly admitted university students”, “Reading in primary school: beliefs, knowledge and teacher training”, “The development of state schools in recent decades: content, textbooks and exams”. As a rule, these studies focus on well-defined themes and issues, in most cases related to the classroom, going to the very core of the educative and pedagogical process, which so often seems absent from debates on Education.

Population and Demography Programme

This programme deals with social, economic and geographical issues, in connexion with population movement and demographic development. This is a time of rapid demographic change for Portugal, and there is a hard-felt lack of research into the leading forces of the demographic process. In recent decades, birth-rate, infant mortality, fertility, life expectancy, emigration and immigration have undergone very significant and increasingly swift changes, which remain insufficiently studied.

Two different studies are underway, both under the terms of the cooperation protocol formalised between the FFMS and the Instituto do Envelhecimento da Universidade de Lisboa (Institute of Population Ageing of the University of Lisbon): “Ageing processes: social implications” and “Dynamics of ageing: diagnostic and projections”. Both studies started in 2010. However, the working process was delayed by difficult access to some of the statistical data as well as the need to adjust the duration of the study to the carrying out and publication of the 2011 Census.



Ageing processes

The project, under scientific direction of Manuel Villaverde Cabral and carried out by Pedro Moura Ferreira, both from the Instituto de Ciências Sociais da Universidade de Lisboa (Institute of Social Sciences of the University of Lisbon) and working for the Instituto do Envelhecimento da Universidade de Lisboa (Institute of Population Ageing of the University of Lisbon), is aimed at exploring time management and social networks use. This theme, to a great extent still unexplored by social scientists, is crucial for the full understanding of ageing, and particularly of how the process develops and how it is manifested in the different social groups. Ageing in a healthy way obviously requires good health conditions. Such conditions, however, cannot be isolated from the individual's lifestyle, from how the individual spends his/her time and how he/she relates to others.

Research has shown the existence of a close connection between the engagement in social activities and many aspects of the physical, emotional and mental health of ageing people, stressing the importance of such activities in keeping people healthy, productive and independent. The low economic, cultural and even cognitive levels of Portuguese elderly people tend to induce, particularly among retired and widowed individuals, a decrease in outdoor activities, inevitably causing or worsening social isolation. From this perspective, interacting with others and spending time in a manner that is useful for the individual or the community are key factors for how the person gets older. Activities of elderly people (some of them, at least) may make a



valuable contribution to the welfare of the society as a whole – for instance, in the case of some subcontracted activities, self-subsistence agriculture, charitable and volunteer work, neighbourhood and community service, assistance for children and sick people in the family. The spreading of these activities among elderly people is unquestionably an important subject, which deserves to be explored, not only because it may be positively connected with the physical, emotional and mental health of the individual, but also because it would help to rethink the social role of elderly groups – one that has been, so far, usually identified with dependence, poverty and exclusion, ignoring other, more positive, associations, including activities with a relevant economic impact, like tourism, senior universities, etc.

The idea of active ageing, seductive as it may seem, especially in a context stirring increasingly greater concern about the social and economic costs of older generations, no one can afford to underestimate individual and social factors that favour or hinder the possibility of having a healthy ageing process – like gender, social class, health conditions and other socio-demographic characteristics –, considering the social, economic and cultural context in which they emerge.

Social activity may be either the cause or the consequence of healthy ageing. The project avoids the trap of circular causality and engages in stressing the impact of individual and social determinant factors on the articulation of time usage, social networks and ageing.

As for public policies recommendations, the project aims at showing how important it is to engage in activities and social networks for the way one gets



older. It will also identify the social conditions favouring individual motivation for an active, healthy ageing. The implementation of mechanisms enabling the stimulation of activity and bonding to others is a double guideline worth exploring by public policies.

Dynamics of ageing

The project, under the scientific direction of Manuel Villaverde Cabral and carried out by Mário Leston Bandeira, both from the Instituto de Ciências Sociais da Universidade de Lisboa (Institute of Social Sciences of the University of Lisbon) and working for the Instituto do Envelhecimento da Universidade de Lisboa (Institute of Population Ageing of the University of Lisbon), is aimed at exploring the main demographic and social dynamics of population ageing in Portugal.

Portuguese population ageing intensified more clearly during the 1960s – a time when birth-rates were still comparatively high – because of two migratory developments: emigration towards European countries and internal migration towards littoral urban areas. As these movements were mainly carried out by young, active people from rural inland areas, they altered the existing balance of population structures, inducing an ageing process in those inland areas which subsequently intensified – as shown by the 2001 figures referring to population age in the districts of the interior.

Given the fact that Portugal is not demographically homogenous, a comparative and differentiated diagnostic must be made of the present-day situation, complemented by regional perspectives of demographic dynamics and population ageing.

Population structures are constantly influenced by demographic dynamics. But these structures also have an influence on population dynamics, especially at the birth-rate level – as when lower birth-rates originate from the rise of a new model of the conjugal family.

Because they limit the number of descendants they generate, present-day families contribute to an increasingly older population. However, they have a lower capacity to receive and support their elderly, because: 1) family life is organised mainly as a circular enclosure, centred on the children; 2) family



functions are restricted by professional demands impeding on the couple, especially on women.

The analysis of developments in Portuguese population structures and the ageing process will be carried out based on the data provided by decennial censuses, calculating the usual indicators for this analysis – age proportions, dependence relations, ageing indexes – and also indicators for the active population, such as educational level and the presence of immigrants in the labour market, as well as the forms of co-habitation in domestic structures. Whenever necessary, a comparative analysis will be carried out between men's structures and women's structures, and between territorial units, at a given moment in time. The data will be studied in as disaggregated a form as possible, so that it can be adjusted to the NUTS.

In addition to providing better information on regionally differentiated population developments, this project includes population projections for 2050, aimed at answering several questions about future developments in ageing, individual dependence, life expectancy, family situation, family networks, retirement age and health situation of an ageing population.

12 TEMPORARY PROJECTS

Social and economic inequalities in Portugal

This project is run by Carlos Farinha Rodrigues, from ISEG-Instituto Superior de Economia e Gestão da Universidade Técnica de Lisboa (Higher Institute of Economics and Management of the Technical University of Lisbon), with advisory support by consultant Anthony Atkinson, from the University of Oxford. José Tavares, member of the FFMS Scientific Council, is in charge of the follow-up. The project was carried out during 2010, and results are due to be announced and discussed in mid-2011.

The project is aimed at identifying some of the main features of economic inequality in Portugal, pinpointing which sectors of society are most deeply affected by change in the distribution of income; which sources of income contribute more significantly to inequality; and what have been the main trends over recent decades in Portugal.

Putting to use the most relevant statistics available in Portugal, based on the Inquiries on Families carried out by INE (Statistics Portugal) and also on the staff records of the Ministry of Employment and Social Security, the project is focused on describing, as thoroughly as the available information allows, Portugal's economic inequality, as far as individual distribution of income is concerned: the main structural determinants and factors of persistence, as well as the impact of State intervention through fiscal and social policies.

The importance of inequality in Portugal as a subject matter for the scientific community will also be scrutinized in a survey of the existing literature on the theme, starting in the 1960s. The survey will compare the results presented by the different authors with those obtained by the project's research, in order to probe and complement the characterisation and the developments of economic inequality in Portugal.

The core objective of the project is to describe and analyse the developments in the individual distribution of income in Portugal, in recent decades.

The identification and assessment of the main changes in income distribution inequalities requires that the following modules are carried out in an integrated manner: a) Analysis of inequality in Portugal and comparison with inequality in other developed countries, in particular with EU countries; b) Research into the main trends of inequality developments,, in connection with economic growth and changes in the prosperity levels of the population as a whole; c) Identification of the main explanatory factors of inequality, namely through using decomposition analysis techniques (by socio-economic groups and by sources of income); d) Description of the connection between inequality in individual distribution of income and salary inequality; e) Partial evaluation of the impact of fiscal and social policies on income distribution; f) Presentation of a suggestions list aimed at improving information that is instrumental for the study of inequality in Portugal. These suggestions could become the starting point for future research on the matter.



Cultural values, economic development and the quality of democracy: a comparative approach

This project was outlined in 2010 and thoroughly discussed in the Scientific Council, as it was the first time the FFMS engaged in an initiative that was addressed to the international scientific community. The original idea being presented to the Council by its members José Tavares and Pedro Magalhães, the project was launched in mid-2010 by means of a call for proposals which was publicised internationally. The FFMS intended to attract scientists with a sound research reputation in attitudes and cultural values and the ways they relate to economic development and the quality of democracy. This format of asking for proposals imposed particular requirements that, given the magnitude of the project's ambitions and the lack of experience of the FFMS people, demanded an outstanding effort. Thousands of invitations were addressed to scholars and institutions in many different countries, thus establishing new relationships within research and investigation networks.

The main purpose of the project is to characterise the Portuguese population's attitudes and values which can possibly foster or, on the contrary, hinder the country's economic and political development – such as the capacity to cooperate, take risks, organise and anticipate the consequences of possible future events. Keeping this in mind, a comparison will be made between



the said attitudes and values in the Portuguese case and in the case of a foreign country. It is obviously understood that this project, like all projects supported by the FFMS, is bound to provide the general public with the main conclusions resulting from all the data obtained and the relationships which were studied, as well as to create, and make available to the scientific community, a database encouraging more in-depth research on the relationship between attitudes, values and economic and political development, both in Portugal and in the compared country.

The initial phase of the project ended in early 2011. Some 90 scientists, research teams, study centres and universities from different European countries and the United States submitted their working projects. Five of them were chosen to enter second phase – the development and implementation of the project, including methodology choices, investigation hypothesis, timetable and budget (Annex VII).

The contribution of European Funds to Portugal's development, since 1985

This project, carried out by AMA (Augusto Mateus & Associados), aims at studying the impact of European funding on Portugal's development, during the decades following the country's admittance to what is now known as the European Union. The designation "European Funds" encompasses all Structural Funds (ERDF-European Regional Development Fund; ESF-European Social Fund; EAGF-European Agricultural Guarantee Fund; EFF-European Fisheries Fund) and the Cohesion Fund. These were the core funding instruments provided by the European Union to Portugal, in order to reduce the existing development gap between this country and other Member-states and pursue economic, social and territorial cohesion.

Since Portugal's adhesion, in 1986, the European Union has provided the country with huge financial resources, thus supporting either regional or horizontal interventions, with national, public and private investment. Structural Funds were considered in four Community Support Frameworks (CSF): Previous Regulations (1986-1988), CSF I (1989-1993), CSF II (1994-1999), CSF III (2000-2006). The Cohesion Funds, aimed at strengthening economic and

social cohesion within the Member-states presenting a GDP *per capita* less than 90% of the Union's average, had two programming cycles: 1993-1999 and 2000-2006.

The core purpose of this project is to assess the true usefulness of this funding, considering the subsequent developments in Portuguese society. In other words, the Portuguese society will tell us what difference the funds have made. The following questions were put, prior to the analysis: "How would Portuguese society be, without European funds?"; "What was the direct contribution of European funds to the trodden paths of Portuguese society, whether positive or negative, from 1986 to 2006?"; "To what extent has a suitable articulation been achieved between higher equity and efficiency in the allocation of European funds?"

The participation of Portugal in European Union decisions

This project, directed by Richard Rose and Alexander Trechsel (both from the European University Institute, in Florence) intends to analyse and assess Portuguese participation (either from the State and other public bodies or private organisations) in European decision-making procedures. The aim is to scrutinise the methods and effectiveness of Portuguese involvement in these multinational decision-making processes. The procedural provisions give each country – each State and all institutions concerned – a wide range of opportunities and channels to participate in decision-making and influence



decisions. The analysis will focus on some specific centres of decision-making and participation, such as the European Council, the European Commission and the European Parliament, on the Union's side; and, from the Portuguese position, the Government and Public Administration, professional, business and social organisations, and the citizens in general. Special attention will be given to the comparison between Portugal and other small and medium-sized countries. The aim is to assess the different ways of exercising power and influence, either by the State, the Government, the Parliament and other public institutions, or by private organisations (economic, corporate, associative, professional, etc.). A simple question should be answered: "To what extent has Portugal defended and asserted its own interests in the increasingly complex context of European decision-making?". The project follow-up is to be carried out by FFMS Scientific Council member Miguel Maduro, and also by an *ad hoc* Committee, formed by Miguel Maduro, José Tavares, Marina Costa Lobo, Pedro Magalhães, José Pena Amaral, Jorge Vasconcelos and Álvaro Mendonça e Moura.



13 PROJECT DEVELOPMENT STRATEGY

From the very beginning, FFMS activities have been inspired by an experimental, exploratory spirit. Having no history of its own and no close examples to follow, the Foundation set the first main activity vectors and some work methods (*vd.* 2009 Report), and persevered in developing and embracing new ideas. In this respect, the role of the Scientific Council has been crucial. Earlier initiatives abided by the rule of project conception and selection of experts directly made by the Foundation. The principle of opportunity (to pinpoint those who were competent, committed and available) was clearly prevalent at the time. The first major shift in this orientation occurred when the above mentioned “call for proposals” was launched, with significant repercussions. This alternative process might be repeated in future occasions, although in a gradual manner, allowing the FFMS to adapt steadily to new work methods.

Another step forward was taken with the adoption of “Programmes”, encompassing projects according to their subject matter. This kind of organisation aims at consolidating thematic areas for the initiatives, able to aggregate studies, workshops, conferences, editorial products such as books, films and documentaries for cinema, television, DVD, CD, etc.). With time and experience, these programs could embrace new functions – such as “surveys”, archives, think tanks, watchdogs and discussion forums. Resisting dogmatism and pre-conceived ideas, the Board of Directors has tried to adjust organisation, concept and function to reality and tangible results. There is no intention of converting the FFMS itself into a pure think tank. That possibility was dismissed from the start, especially because the FFMS does not wish to engage in any political programme, nor to abide by any specific social and economic doctrine, let alone associate with any party. The Board of Directors continues to endorse the same principles as ever. That does not mean that some typical aspects of think tank activity, such as reality analysis, public debate fostering, and the preparation of suggestions and recommendations are not also present in the Foundation’s own activities.



As the project-related activities developed, a new problem surfaced, calling for future solutions. In fact, the FFMS needs to reinforce its scientific and technical capability in evaluating all the projects, possible proposals and final reports. The careful choice of the leading people responsible for the studies is a mandatory first step, and constitutes a preliminary guarantee of quality and accuracy. But it is also important to ensure that the projects are well prepared, as a basic requisite for their final success, and that the results live up to expectations. The role of the Scientific Council is critical for these tasks. Throughout last year, this body performed functions that greatly increased the assessment capacity of the Foundation. On the other hand, several decisions were taken in order to improve FFMS scientific competence. In some cases, it was decided to seek the participation of renowned experts in evaluation panels, as was the case of the “call for proposals” on “Cultural Values, Economic Development and Quality of Democracy”. In other cases, for instance in the project “The participation of Portugal in European Union’s decisions”, the solution was to create a committee, composed of experts of recognised standing. In yet other cases, it was decided to request the collaboration of qualified institutions. This was the case of a partnership agreement signed with the consultants “Augusto Mateus & Associados”, for the purpose of obtaining some innovative contributions for Pordata. In 2011,

a cooperation protocol was signed with ISEGI-Instituto Superior de Estatística e Gestão da Informação (Higher Institute of Statistics and Information Management). There is also a possibility of implementing, as of this year, a permanent refereeing system. Following a proposal submitted by a member of the Scientific Council, the FFMS would set aside a small percentage from the budget of a project, in order to pay an independent, external referee in charge of monitoring and assessing the course of the project.

It is also worth mentioning the nationality of researchers and institutions entrusted with project responsibilities by the Foundation. These researchers are predominantly Portuguese and are linked to Portuguese institutions. However, three of the projects are conducted and executed by foreign scientists, working in institutions abroad (the European University Institute, in Florence, and the Complutense University of Madrid), and another project had five selected candidates, of which only one is Portuguese. In addition, one approved project will be conducted by a Portuguese researcher (with Portuguese assistants) working in an American university (William and Mary College, Virginia). Decisions were taken and choices were made about the projects and people involved regardless of their nationality.

It is quite normal that the majority of the projects are conducted by Portuguese. The choice of three foreigners was based on opportunity. As for “Cultural Values...”, the FFMS intentionally broadened the range of the initiative, addressing both foreign and Portuguese alike, so that they could to submit their proposals on an equal footing. The initiative gave the FFMS a



new international projection and propitiated numerous contacts throughout the academic community.

The Board of Directors deems it appropriate to keep a balance between national and foreign researchers. The fact remains, however, that there is not a single subject matter that should be studied only by a Portuguese or only by a foreigner. Both “Foreigner’s distance” and “Portuguese closeness” have pros and cons. The country of origin may be a prerequisite, but not a criterion of accuracy and quality.

As for the thematic and sectorial balance, allocations made for project funding and operating costs (in percentage of the year’s total) give us an idea of the current situation:

	%
Overall	100.00
Operating Costs	16.0
Media Dissemination and Promotion	5.0
Projects	
-Pordata	5.0
-Essays	6.0
-Education	3.0
-Justice	0.5
-Health	2.0
-Population and Demography	0.5
-Values and Attitudes	0.5
-Social Issues	1.0
-Development Issues	1.5
-Reserve	59.0

However, if we consider a three-year long period (2010-2012), which gives us a better perspective of reality, as it takes projects progress into account, we find a slightly different distribution of allocations:

	%
Overall	100.00
Operating Costs	20.0
Media Dissemination and Promotion	9.5
Projects	
-Pordata	8.0
-Essays	7.0
-Education	4.0
-Justice	3.0
-Health	3.0
-Population and Demography	1.5
-Values and Attitudes	4.0
-Social Issues	3.0
-Development Issues	3.5
-Reserve	34.0



Projects and Programmes Classification

Health

Health costs and prices
Developments on infant mortality

Education

Conferences “Educational myths and realities”
Conferences “Key education issues”
Portuguese textbooks
The teaching of Mathematics in primary and secondary schools
Conceptual demands in the teaching of Sciences
Learning a second language

Justice

Law assessment in Portugal and Europe
Law assessment: case studies
Judicial congestion
Judicial confidentiality
Economic justice
e-book “Constitutional revision”

Population and Demography

Ageing processes
Ageing dynamics

Values and Attitudes

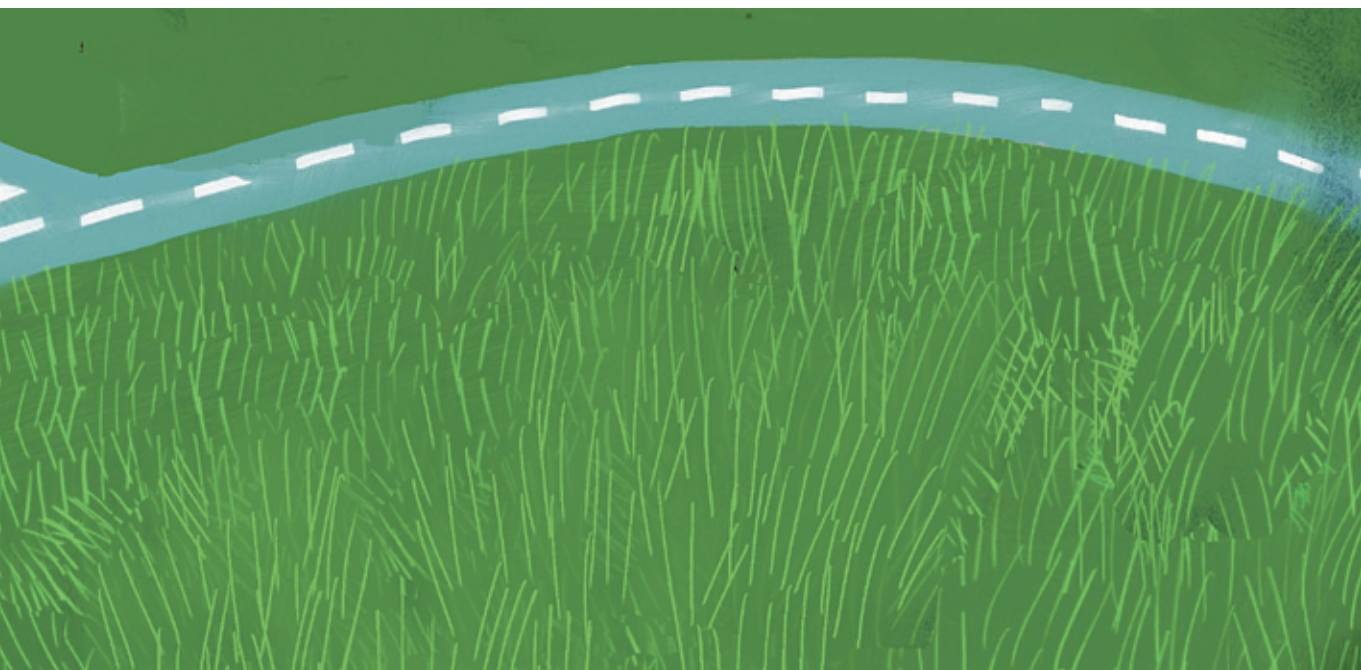
POP-Public Opinion Portal
Cultural values, development and democracy

Social Issues

Social Inequalities in Portugal

Development Issues

Portugal and the European Funds, 1985-2010
Portugal’s participation in European decisions



As for the project formulation strategy, the intention is to gradually move from the initial kind of approach (with the theme and people responsible for the project selected only by the FFMS, and passivity towards non-solicited projects) to a new phase, beginning to pay attention to any possible applications for projects initially formulated by the Foundation. This does not mean, however, that this institution should not look at spontaneous initiatives and external proposals.

The “call for proposals” formula, which has already been experienced once, seems to have great potential, namely because it allows us to spot new opportunities.

It is also important to stress that the Board of Directors maintained a firm, if not inflexible, resolve to reject proposals from countless external initiatives – most of which were, in fact, well outside the Foundation’s statutory scope. Not surprisingly, strong external pressure has been exerted on the FFMS in order to obtain financial support, either for book publication, conference or congress organisation, art production, travel grants, academic project development, scholarships and training grants, or charity. Although some of these requests were quite meritorious, it was decided to make no exceptions, which could result in a dispersion of efforts and ultimately in deviation from the Foundation’s mission.

14 MEDIA, PUBLISHING AND DISSEMINATION STRATEGY

Our main aim is to make FFMS material as widely available and as well-known as possible. All branches of the media are currently or soon will be used to achieve this goal: books, newsletters, conferences, bulletins, newspapers, advertising, television, radio, the Internet, online channels, DVDs, etc. The widespread dissemination of information and analysis seems vital if we are to realise our ambition of organising a public service for the forming of free opinion. The Board of Directors sees that a significant amount of resources should be allocated to fulfilling this strategy.

This “massification” of information, interpretation and analysis is moderated by the need to ensure that certain activities do not disappear: those erudite initiatives which, more complex and specialised, are aimed at a smaller target audience. These, nevertheless, contribute to a better understanding of contemporary issues and provide a more solid breadth of knowledge.

Such “massification”, however, is merely the employment of a tool. The ultimate aim is, in fact, to promote public debate which will form free opinions. This goal further underlines one of the FFMS’ original principles: the Foundation has no intention of trying to persuade anyone of anything, nor does it intend to take a particular position on any subject. Its aim is to provide tools that contribute to free thinking.

This issue raises the question of the means necessary to bring such public debate about. Now in its third year of existence, the FFMS aims to find solutions that will promote the participation of institutions, organisations, professionals, volunteers, students and other groups of citizens.

What, finally, is the image of the FFMS? This has to underscore the essential criteria of the Foundation’s mission and objectives: knowledge, independence, freedom and rigour. There should also be a certain spirit of sobriety, as seriousness is no barrier to modernity.



The Board of Directors believes that all methods should be employed, from the classic use of books and conferences; to the most contemporary means, such as the Net, DVDs, social networks, etc.). The new FFMS website is thus under construction, in an attempt to manage the Foundation's vast store of knowledge and information; making it both more accessible and attractive. If one of the FFMS' basic aims is to stimulate debate and discussion, the new techniques of dissemination seem to be the effective means of achieving it. Ideally, the image of the FFMS will gradually become recognised and familiar.

In 2010, two major identifying features of the FFMS were created and disseminated.



PORDATA also became known through a logotype.





15 INSTITUTIONAL PROTOCOLS

2010 saw new co-operation protocols signed with the following bodies: IM-Instituto de Meteorologia (Portuguese Meteorological Institute), ISEGI-Instituto Superior de Estatística e Gestão de Informação da Universidade Nova de Lisboa (Institute of Statistics and Information Management of the New University of Lisbon), DGAI-Direcção Geral da Administração Interna (Directorate-General for Internal Administration), IGP-Instituto Geográfico de Portugal (Portuguese Geographic Institute), IE-Instituto do Envelhecimento da Universidade de Lisboa (Institute of Population Ageing of the University of Lisbon), RTP-Rádio e Televisão de Portugal (Portuguese Public Television) and RBE-Rede de Bibliotecas Escolares (Portuguese School Libraries Network) (*vd.* Annex VIII).

Contracts and agreements for future co-operation were also established with the following organisations: ACL-Associação Comercial de Lisboa (Lisbon Commercial Association), the publisher Porto Editora, AMA-Augusto

Mateus & Associados, (consultants on management and the economy), IUE-Instituto Universitário Europeu (European University Institute), TSF radio, SIC television, the newspapers *Expresso*, *Público*, *Diário de Notícias* and the magazine, *Visão* (vd. Annex IX).

16 FINANCIAL REPORT

The following detailed financial report gives the Foundation's accounts. It should be stressed that the founding family has met its delivery and contractual commitments punctually. The Board of Directors has remained faithful to its policy of only carrying out safe applications with either no or highly reduced risk. Whilst this option might represent a relative loss of income, it has proved to be correct from all other viewpoints. The Audit Board, asked to ponder this option, has responded very favourably.

Similarly, the FFMS intends to continue its commitment to assign funding to projects for the length of their duration. An issue requiring special future attention here is that of the VAT borne by the FFMS. This year, the Foundation paid 234 750.56€ in VAT, which cannot be included in rendered services. This represents a considerable additional cost to every non-profit-making project sponsored by the Foundation.



17 COOPERATION WITH THE FOUNDER

In addition to the above mentioned financial aspects, the founding family's collaborative efforts have continued to prove both fertile and cordial. The Founder and Chairman of the Board of Trustees, Alexandre Soares dos Santos, has never hesitated in giving advice and providing co-operation.

18 PROGRAMME OF FUTURE ACTIVITIES

The essential aims for 2011 can be summed up as underlining the continuity of the main activities, whilst also stressing the need to adapt, expand and renovate (*vd. Annex X*).

Study and dissemination initiatives will be consolidated.

There will be a broadening and diversifying of means of dissemination: books, studies, the Net, social networks, documentaries, television, conferences, specialised workshops and debating clubs.

It should be emphasised that this use of the media is aimed at various and highly diversified target publics: the learned, the generalised and specialised of all ages and from various sections of society. This diversity may well be a particular vocation for the FFMS, but it also constitutes a genuine difficulty in terms of conception and strategy.

Special attention will need to be given to interested young people; whenever possible organising debate and discussion activities with youth associations, mainly at universities.

It is hoped that certain study areas will be explored in greater depth, dealing with issues in which there has been relatively little interest and little written to date: moral and cultural values or the feelings and conditions of freedom, for example.

Finally, special attention will continue to be given to public policy (Health, Education, Justice, Investment, Solidarity, etc.) which is sometimes not scrutinised as it should be.

In terms of content, the FFMS' projects and initiatives will generally be guided by broad ideas looking to understand current situations and to find ways of improving public institutions, reinforcing rights, individual liberties and social development.

Future FFMS activities may be grouped in terms of broad thematic aims (vd. Annex XI).

Lisbon, 10 March 2011


The Board of Directors



António Barreto (Chairman)



José Soares dos Santos



José Quinta

Annexes to the Activity Report



ANNEX I – MANAGEMENT BODIES

Board of Trustees

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Joaquim Gomes Canotilho
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Raul Miguel Rosado Fernandes
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José Mendes Ribeiro
José Tavares
Maria de Fátima Bonifácio
Maria João Valente Rosa
Miguel Poiares Maduro
Nuno Crato
Pedro Magalhães
Nuno Garoupa
Paulo Rosado

Audit Board

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Luís Palha
Auren Auditores & Associados, SROC, S.A.

Remunerations Committee

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Board of Directors

António Barreto (Chairman)
José Soares dos Santos
José Quinta

ANNEX II – PUBLIC UTILITY



PRESIDENCY OF THE COUNCIL OF MINISTERS

Office of the Secretary of State for the Presidency of the Council of Ministers

Dispatch

Declaration of Public Utility

The Francisco Manuel dos Santos Foundation, private law corporate institution n° 508 867 380, with registered office in Lisbon,

Promotes and deepens knowledge of contemporary Portugal, thus contributing to the development of society, the reinforcement of the citizens' rights and the improvement of public institutions. These goals are pursued through the studies carried out on selected themes, the publication of research findings, including on the Pordata website, the issuing of recommendations, and the encouragement of public debate on the matters under study, especially in the areas of demography and population, social and economic conditions, social and economic development, health, education, professional training, social security, State, national identity, public administration, citizens' rights and duties, citizenship and democratic institutions, work relations, spatial planning, urban issues, social problems, social cohesion, inequalities and conflict, justice, economic and social policies, public institutions, main public services, relationship between the State and the citizens, access to culture, information and the media.

Established and recognised about a year ago, the Francisco Manuel dos Santos Foundation pursues non-profit-making, socially relevant, activities in order to achieve specific goals that are in the interest of the community as a whole.

Being a foundation, the three year term referred to in article 4, number 2 of Decree-Law n°460/77, of 7 November (as amended by Decree-Law n° 391/2007, of 13 December) is not applicable. It must be pointed-out, however, that the said term could also be waived on the grounds of the provisions of the same article, number 3, paragraphs a) and b).

For these reasons, as stated in the conclusions of administrative procedure n° 132/UP/2009 instructed in the Secretariat-General of the Presidency of the Council of Ministers, and in the use of the authority sub-delegated to me by the Minister of the Presidency through Dispatch n° 4231/2010, of 26 February, published in Diário da República, 2ª série, n° 48, of 10 March 2010, I hereby declare the Francisco Manuel dos Santos Foundation a private institution of public utility, under the provisions of Decree-Law n° 460/77, of 7 November (as amended by Decree-Law n° 391/2007, of 13 December).

The Presidency of the Council of Ministers, 12 March 2010

The Secretary of State for the Presidency of the Council of Ministers


João Tiago Valente Almeida da Silveira

ANNEX III – CHARTER OF PRINCIPLES

The Francisco Manuel dos Santos Foundation (henceforth referred to as “the Foundation”) aims to ponder, study and contribute to a better understanding of Portugal today. It proposes to collaborate in the effort to resolve problems faced by society for the benefit of all the contemporary Portuguese and the generations to come.

In order to achieve this goal, the Foundation will promote the carrying out of studies, research and further initiatives that, in line with the highest standards of rigour and quality, enable a greater understanding of contemporary society, presenting concrete solutions and recommendations to the decision-makers, leading to a more profound debate concerning major national problems and contributing to greater justice, development and social cohesion.

The Foundation’s activity will be guided by the principles of personal dignity and social solidarity, as well as the values of democracy, freedom, equal opportunity, merit and pluralism. The Foundation will act with absolute independence in relation to all public and private powers, ideologies, currents of opinion, philosophical tendencies, beliefs and religious persuasions. Its organs are the guarantors of the fulfilment of the statutory norms, its independence in particular.

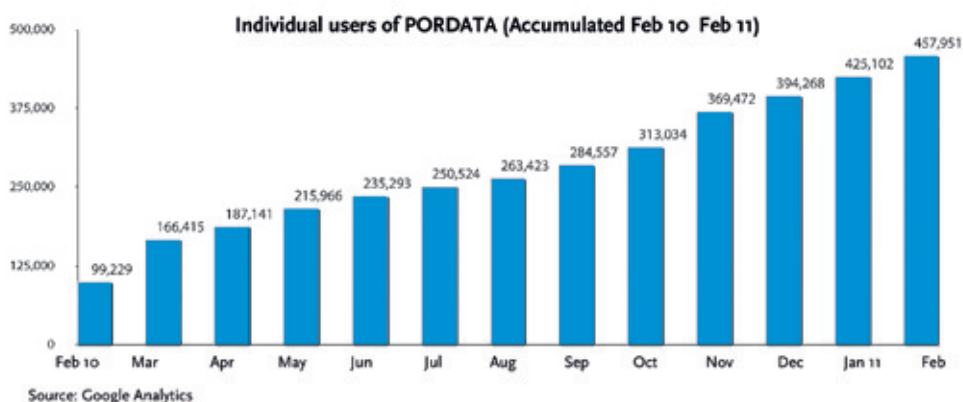
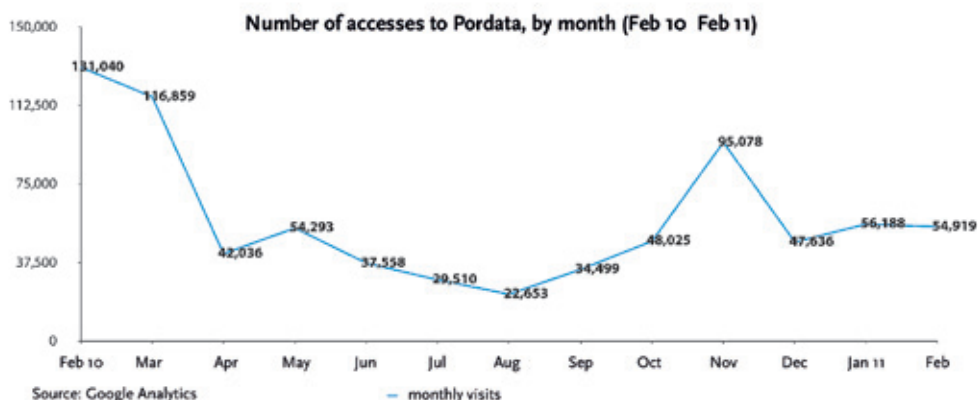
The Foundation considers it essential to promote the more active development of civil society in reflecting and resolving national problems. It will, therefore, channel all its efforts into making citizens fully aware of its initiatives and projects.

To achieve this aim, the Foundation will seek to provide Portuguese society with clear, objective and accurate information concerning the results of its activities, also guaranteeing maximum transparency as regards its organisation, aims, sources of finance and activities.

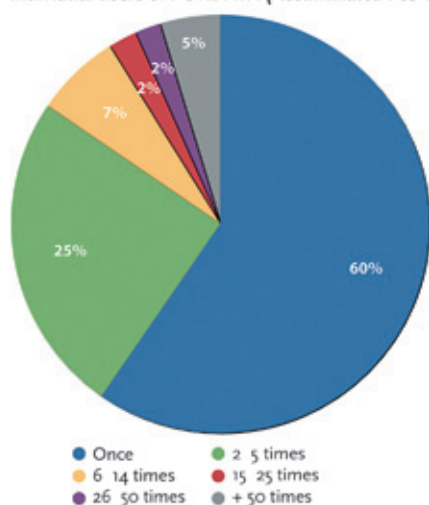
The Foundation believes that the holding of broadly-based, pluralistic public debates regarding its recommendations is just as important an aim as the carrying out of studies and research.

In proceeding with its activities, the Francisco Manuel dos Santos Foundation will seek to be faithful to the commitment to social responsibility that constitutes its mission, as defined by the Founders.

ANNEX IV – PORDATA INDICATORS



Individual users of PORDATA (Accumulated Feb 10 Feb 11)



Summary of statistics (Feb 10-Feb 11)

Number of accessed pages	3.549.035
Number of visits	720.294
Average number of visits/day	1.941
Number of individual users	457.951
Average duration of each visit	4:06
Average number of pages accessed	5
New visits (%)	59,4%
Number of registered users	3.310

Facebook and Twitter (Sep 10-Feb 11)

Number of fans	5.194
Number of followers	461

iPhone application (Feb 11)

Number of downloads	9.727
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ANNEX V – PORDATA TRAINING SESSIONS

Municipalities involved: 61

Districts:

Viana do Castelo, Braga, Vila Real, Oporto, Aveiro, Viseu, Coimbra, Santarém, Lisbon, Setúbal and Faro

Bodies involved:

Press: *Visão/Expresso*, foreign correspondents

Television: RTP, SIC, Canal Q

Radio: RDP, Rádio Renascença, TSF

Secondary Schools: School Libraries Network, Cascais Secondary School

Universities: ISCEM-Instituto Superior de Comunicação Empresarial (Institute of Business Communication), ISCA/UA-Instituto Superior de Contabilidade e Administração da Universidade de Aveiro (Institute of Accountancy and Administration of the University of Aveiro), UAlg-Universidade do Algarve (University of the Algarve), UCP-Universidade Católica do Porto (Oporto Catholic University), IST-Instituto Superior Técnico (Technical University of Lisbon)

Ministry of Foreign Affairs

	Training sessions	Trainees	Trainees %
Press	3	26	2
Television	13	125	12
Radio	21	182	17
Schools	25	545	51
Universities	5	145	14
Ministries	2	30	3
Others	2	17	2
TOTAL	7	1070	100

ANNEX VI – FOUNDATION ESSAYS PUBLISHED IN 2010

Maria do Carmo Vieira, *Teaching Portuguese*

Luciano Amaral, *The Portuguese Economy: Recent Decades*

Maria João Valente Rosa e Paulo Chitas, *Portugal: The numbers*

J. L. Saldanha Sanches, *Fiscal Justice*

David Justino, *What's difficult is educating them*

Miguel Morgado, *Authority*

Miguel Nogueira de Brito, *Private Property*

ANNEX VII – “CULTURAL VALUES...” PROJECT

Admitted proposals: 85

Countries with the highest number of proposals:

Germany, China, Spain, The Netherlands, India, Nigeria, Portugal, United Kingdom, Switzerland and Turkey.

Universities with the highest number of proposals:

Columbia University, DIW Berlin, Duke University, ETH Zürich, Getúlio Vargas Foundation, GALLUP, ICS-UL (Institute of Social Sciences of the University of Lisbon), INESC Porto (Institute for Systems and Computer Engineering of Oporto), ISCTE-IUL (University Institute of Lisbon), ISEG Lisboa (Technical University of Lisbon's School of Economics and Management), LNEC Lisbon (National Laboratory of Civil Engineering), London School of Economics, University of Oxford, Princeton University, RAND Corporation, Trinity College, Cambridge, UCLA at Berkeley, Universidad Autonoma de Barcelona, University of Pennsylvania, University of Amsterdam, University of Aveiro, University of Chicago, University of Coimbra, University of Lisbon, Loughborough University, University of Macau, University of San Francisco, University of Southampton, University of Warwick, University of Minho, University of Oporto and Vanderbilt University.

Members of the evaluation panel:

- Els de Wilde – Professor at the Faculty of Economics of the New University of Lisbon
- João Ferreira de Almeida – Professor at ISCTE-IUL (University Institute of Lisbon)
- José Pena do Amaral – Member of the Scientific Council of the FFMS, Director of BPI-Banco Português de Investimento
- José Tavares – Member of the Scientific Council of the FFMS, Professor at the Faculty of Economics of the New University of Lisbon
- Maria Benedicta Monteiro – Professor at ISCTE-IUL (University Institute of Lisbon)

- Miguel Pina e Cunha – Professor at the Faculty of Economics of the New University of Lisbon
- Pedro Magalhães – Member of the Scientific Council of the FFMS, researcher at ICS-UL (Institute of Social Sciences of the University of Lisbon)

Selected Proposals:

- Understanding how cultural values influence economic development and quality of governance, Any Wong (RAND Corporation)
- Corporate and National Governance, Values, and Economic Development, Nicholas Burger (RAND Corporation)
- Values, Institutional Quality, and Development, Alejandro Portes (Princeton University)
- Valores e atitudes face à mudança para um novo modelo de desenvolvimento económico: a visão de empresários, autarcas e população [Values and attitudes towards the change to a new model of economic development: the view of those in business, local politicians and citizens], João Ferrão (ICS-UL, Institute of Social Sciences of the University of Lisbon)]
- A proposed examination of dishonesty and cheating, Dan Ariely (Duke University)

ANNEX VIII – FFMS PROTOCOL PARTNERS (2009 AND 2010)

INE, Statistics Portugal

ICS-UL, Institute of Social Sciences of the University of Lisbon

IE-UL, Institute of Population Ageing of the University of Lisbon

ISEG-UTL, Higher Institute of Economics and Management of the Technical University of Lisbon

ENSP-UTL, National School of Public Health of the New University of Lisbon

IGP, Geographic Institute of Portugal

ISEGI-UNL, Higher Institute of Statistics and Information Management of the New University of Lisbon

IM, Institute of Meteorology

UL, University of Lisbon

DGAI, Directorate General of Home Affairs

CEGEA, the Research Centre in Management and Applied Economics

RBE, School Libraries Network

RTP, Portuguese Public Television

ANNEX IX – COOPERATION AGREEMENTS

In 2010 and early 2011, the Foundation signed cooperation agreements with the following public and private bodies:

Relógio d'Água Editores

ACL, Associação Comercial de Lisboa

AMA, Augusto Mateus & Associados

Porto Editora

SODILIVROS

TSF

SIC

Público

Diário de Notícias

Visão

Expresso

Universidade do Algarve (University of the Algarve)

Universidade de Coimbra (University of Coimbra)

Universidade do Porto (University of Oporto)

EUI, European University Institute, Florence

ANNEX X – CURRENT PROJECTS

PORDATA: Contemporary Portugal database	Maria João Valente Rosa
Foundation Essays	António Araújo
Foundation Yearbook	José Manuel Fernandes
POP-Public Opinion Portal	Alice Ramos and Cícero Pereira
Health Costs and Prices	Carlos Costa
Infant mortality: Developments and causes of decrease	Xavier Barreto and J.P. Correia
Ageing processes: Social implications	
Demographic dynamics and population ageing	Pedro Moura Ferreira and Manuel Villaverde Cabral
Social inequalities in Portugal	Mário Leston Bandeira and Manuel Villaverde Cabral
Key Education Issues	Carlos Farinha Rodrigues
Educational myths and realities	Nuno Crato
Portuguese textbooks	Nuno Crato
Conceptual demands in the teaching of Sciences	Isabel Leite
The teaching of Mathematics in primary and secondary schools	Maria Margarida Carvalho
Cultural values, economic development and the quality of democracy	António Bivar
Portugal's participation in the decisions of the European Union	To be confirmed
The contribution of European funds to the development of Portugal	Richard Rose and Alexander Trechsel
Law-impact assessment: The law on drugs and the law on tuition fees	Augusto Mateus
Law-making assessment: The state of the art in Europe	Ricardo Gonçalves
Economic justice in Portugal	Marta Tavares de Almeida, João Caupers and Pierre Guibentif
e-book: The Constitutional Revision	Jorge Morais Carvalho and Mariana Gouveia
Judicial congestion in Europe	Nuno Garoupa
Judicial confidentiality: a comparative study on Portugal and Spain	Sofia Pires de Lima
The economic impact of public investment in infrastructures	Fernando Gascón
Determinants of academic performance	Alfredo Marvão Pereira
	Margarida Rodrigues

ANNEX XI – THEMATIC AREAS

1. Information

PORDATA

2. Ideas and discussions

Foundation Essays

Conferences

Documentaries

Yearbook

3. Population and Demography

Ageing processes

Ageing dynamics

4. Values, attitudes and behaviour

Cultural values, development and the quality of democracy

POP-Public Opinion Portal

5. Rule-of-law and Justice

Law and Justice Programme

Law assessment in Portugal and Europe

Law assessment: case studies

Judicial congestion in Europe

Judicial confidentiality: A comparative study

Economic justice in Portugal

e-book The Constitutional Revision

6. Welfare State and public services

Education Programme

Conferences “Educational myths and realities”

Conferences “Key education issues”

Portuguese textbooks

Mathematics in primary and secondary schools

Conceptual demands in the teaching of Sciences Learning a second language

Health costs and prices

Developments on infant mortality

7. Development

European funds in Portugal (1985-2010)

Portugal’s participation in European decisions

Economic impact of public spending on infrastructures

8. Social issues

Social inequalities in Portugal

Economic And Financial Situation



BALANCE SHEET

Financial year to 31 December 2010

ASSETS	Notes	2010		2009	
		gross assets	depreciations and adjustments	net assets	net assets
Stock					
Goods	21	175.581,59	0	175.581,59	0
Financial investments					
securities and other financial applications	17	5.270.000,00	0	5.270.000,00	2.250.000,00
Debts owed by third parties-short term					
Clients		82.603,63	0	82.603,63	0
State and other public bodies		36.005,47	0	36.005,47	0
Bank deposits and cash					
Bank deposits		152.481,62	0	152.481,62	146.650,71
cash		2.411,56	0	2.411,56	1.000,00
		5.719.083,87	0	5.719.083,87	2.397.650,71
Accruals and deferrals					
Income accruals	48	34.414,16		34.414,16	5.625,00
		34.414,16		34.414,16	5.625,00
TOTAL DEPRECIATIONS			0		
TOTAL ADJUSTMENTS			0		
TOTAL ASSETS		5.753.498,03	0	5.753.498,03	2.403.275,71

The Chartered Accountant n.º 45856

The Board of directors

ASSETS AND LIABILITIES			
	Notes	2010	2009
ASSETS			
Capital fund			
Founder's endowments	40	1.000.000,00	1.000.000,00
VARIATION FOR THE FINANCIAL YEAR			
		0	0
TOTAL EQUITY		1.000.000,00	1.000.000,00
LIABILITIES			
Debts owed to third parties-short term			
State and other public bodies		27.020,61	10.085,47
Other creditors		66.986,58	70.353,76
Accruals and deferrals			
Cost accruals	48	91.676,72	54.725,80
Donations	48	4.567.814,12	1.268.110,68
TOTAL LIABILITIES		4.753.498,03	1.403.275,71
TOTAL ASSETS AND LIABILITIES		5.753.498,03	2.403.275,71

STATEMENT OF CHANGES IN ASSETS

Financial year to 31 December 2010

COSTS AND LOSSES		notes	2010		2009	
COST OF GOODS SOLD		41		287.232,74		
EXTERNAL SERVICES AND SUPPLIES		50		1.278.312,71		418.858,64
STAFFING COSTS						
Remunerations		7	388.532,82		331.714,24	
Social charges			40.707,19		14.966,24	
Others				429.240,01		346.680,48
TAXES			1.994,27		55,96	
OTHER OPERATING LOSS AND COSTS			500,00	2.494,27	950,00	1.005,96
(A)				1.997.279,73		766.545,08
INTEREST AND SIMILAR COSTS						
Outros		45	971,79	971,79	432,52	432,52
(C)				1.998.251,52		766.977,60
EXTRAORDINARY LOSSES AND COSTS				0		100,00
(E)				1.998.251,52		767.077,60
INCOME TAX FOR THE FINANCIAL YEAR				4.750,00		665,00
(G)				2.003.001,52		767.742,60
NET RESULT FOR THE FINANCIAL YEAR				0		0
TOTAL				2.003.001,52		767.742,60
INCOME AND GAINS						
SALES			183.780,56	183.780,56		
OTHER OPERATING GAINS AND INCOME						
Others		48	1.706.920,38	1.706.920,38	731.889,32	731.889,32
(B)				1.890.700,94		731.889,32
OTHER INTEREST AND SIMILAR INCOME						
Others		45	112.300,58	112.300,58	35.853,28	35.853,28
(D)				2.003.001,52		767.742,60
(F)				2.003.001,52		767.742,60
SUMMARY						
Operating results	(B)-(A)			(106.578,79)		(34.655,76)
Financial results	(D-B) -(C-A)			111.328,79		35.420,76
Current results	(D)-(C)			0,00		765,00
Pre-tax results	(F)-(E)			4.750,00		665,00
Net result for the financial year	(F)-(G)			0,00		0,00

STATEMENT OF CASH FLOWS (DIRECT METHOD)

Financial year to 31 December 2010

	2010	2009
Operating activities (1)		
Receipts from clients	112.203,76	0,00
Payments to suppliers	(135.145,21)	(155.479,71)
Payments to staff	(296.919,99)	(162.723,24)
Taxes:	(192.383,14)	(94.795,39)
Retained income tax		
Personal income tax, cat.A	(110.798,00)	(74.470,00)
Personal income tax, cat.B	(27.095,70)	(2.355,00)
Corporate income tax, cat E	(296,22)	(677,52)
Social Security charges	(54.193,22)	(17.292,87)
Flows from operating activities (1)	(512.244,58)	(412.998,34)
Investment activities (2)		
Receipts from:		
Interest from financial applications	112.300,58	35.853,28
Payments relating to:		
Projects promoted	(1.572.813,52)	(225.204,24)
Flows from investment activities (2)	(1.460.512,94)	(189.350,96)
Financing activities (3)		
Donations	5.000.000,00	1.000.000,00
		2.000.000,00
Flows from financing activities (3)	5.000.000,00	3.000.000,00
Variations in cash and its equivalents (1+2+3)	3.024.242,48	2.397.650,70
Cash and its equivalents at the start of the period	2.397.650,71	0,00
Cash and its equivalents at the end of the period	5.424.893,18	2.397.650,71

Annex to the Statement of Cash Flows	2010	2009
Cash and cash equivalents	2.411,56	1.000,00
Bank deposits	152.481,62	146.650,71
Tradable securities	5.270.000,00	2.250.000,00
Cash and cash equivalent on the balance sheet	5.424.893,18	2.397.650,71

ANNEX TO THE BALANCE SHEET AND TO THE STATEMENT OF CHANGES IN ASSETS

Financial year to 31 December 2010
(in euros)

INTRODUCTORY NOTE

The Francisco Manuel dos Santos Foundation, hereinafter “the Foundation”, is a non-profit-making, Portuguese private law institution, established with unlimited duration by the company Francisco Manuel dos Santos, SGPS, S.A. (the Founder).

The Foundation was recognised by Official Dispatch 13591/2009, of 5th June 2009, and its public utility was declared by the Official Dispatch 5159/2010, of 12th March 2010, both issued by the Presidency of the Council of Ministers.

The main purpose of the Foundation is to foster and increase knowledge of Portugal today, in order to contribute to the development of the society, the reinforcement of civil rights and the improvement of public institutions.

To achieve this, a wide, multidisciplinary range of studies are carried out, with a special focus on demography and population, social and economic conditions, social and economic development, health, education, job training, social security, State and democratic institutions, among others.

The notes to the financial statements are numbered according to the Plano Oficial de Contabilidade (Official Plan of Accounts). Notes that are not applicable to the Foundation, or not relevant for the full understanding of the annexed financial statements, are omitted.

2. COMPARABILITY TO THE PREVIOUS FINANCIAL YEAR

Given the fact that the Foundation initiated its activity during 2009, the figures presented for this financial year (2010) are not entirely comparable to those presented in the preceding year's financial statements.

3. BASIS OF PRESENTATION AND MAIN VALUATION CRITERIA

The accompanying financial statements, comprising the balance sheet, the statement of changes in assets and the statement of cash flows, were prepared under the assumption of operative continuity, and based on the Foundation's accountancy books and records, kept in compliance with the accountancy regulations in force.

The main valuation criteria applied in the preparation of the financial statements were as follows.

a. Tradable Securities

Bonds and other fixed income securities are valued at cost, and accrued interests are recorded as attributable income or increase in income.

b. Projects promoted

The funding of the projects promoted by the Foundation, namely "Por-data", "Studies" and "Conferences on Education", is recorded as cost in the statement of changes in assets (in the heading "Services and supplies – Projects promoted"). These costs are attributable to the financial year in which the projects are carried out, and irrespective of when the disbursement occurs. In the case of projects which are attributable in a multi-year basis, the costs are recognised for the period when money is made available to the project, according to its progression (note 49). The "Essays" project is recorded in the heading "Goods" (nota 21).

c. Accrual basis

Revenue and expenses are recorded in compliance with the accrual accounting principle, according to which they are recognised with respect to the

moment when they are generated and irrespective of the date of payment. The differences between amounts received and paid and the corresponding income and costs generated are recorded in the accruals and deferrals headings.

d. Founder's endowments

The Founder's endowments are recognised in "Assets" with respect the date when the allocation is confirmed, irrespective of the actual date of payment (note 48).

e. Donations

The amounts received as allocations to projects and to the operating costs of the Foundation are recorded in "Donations" and recognised in income proportionally to expenses incurred in each year (nota 48).

6. TAXATION

The Foundation, being recognised as a public utility institution, is legally exempt from the payment of corporate income tax – in accordance with article 10, n.1-c) of the Decree-Law n° 159/2009, of 13 July (Corporate Income Tax Code). However, this exemption does not operate automatically, as an administrative confirmation is required for each individual case.

According to the law, tax returns are subject to review and correction by the tax authorities for a period of 4 years (5 years, in the case of the Social Security Administration). For this reason, the Foundation's tax return referring to 2010 may still be reviewed and altered. However, the Board of Directors is confident that any hypothetical alteration decided by the tax authorities will not have a significant impact on the present financial statements.

7. STAFF (AVERAGE FOR THE FINANCIAL YEAR)

The Foundation has 5 permanent collaborators. In addition to the Chairman, there are 4 members of staff: the Secretary of Administration, the Director of Marketing and Communications, and 2 trainees.

17. TRADABLE SECURITIES

As at 31 December 2010, the Foundation's portfolio recognised in "Tradable Securities" was as follows:

	Number of units	Acquisition value
BES FINANCE 07/2041	7.288.000	5.270.000,00

21. BREAKDOWN IN CIRCULATING ASSETS HEADINGS

The movements in stock during the financial year ending on 31 December 2010 were the following:

Movements in the financial year:

Headings	Opening balance	Increase	Reductions	Closing balance
Stock:				
Goods-Essays	0,00	462.814,33	287.232,74	175.581,59
Total	0,00	462.814,33	287.232,74	175.581,59

The "Essays" closing balance was made up as follows:

Headings	Closing balance
Foundation's stock	36.768,51
Consignment stock:	
Relógio d'Água	8.091,06
Sodilivros	130.653,02
Others	69,00
Total	175.581,59

35. PAYING-UP OF CAPITAL (CAPITAL ENDOWMENTS)

The Founder's endowment, in the amount of 1 000 000,00 euros, was fully paid-up in the financial year ended on 31 December 2009.

40. VARIATIONS IN ASSETS (CAPITAL FUND) HEADINGS

The variation in the capital fund account during the year ending on 31 December 2010 was as follows:

Movements for the year

Headings	Opening balance	Increases	Reductions	Closing balance
Founder's endowment	1.000.000,00			1.000.000,00
Variation in assets for the year				
Total	1.000.000,00	0,00	0,00	1.000.000,00

41. STATEMENT OF THE COST OF GOODS SOLD

The movement recorded under the cost of goods sold and materials consumed account, for the year ended on 31 December 2010, was as follows:

Movements for the year

Headings	Goods
Initial stocks	0,00
Purchases	462.814,33
Stock adjustments	0,00
Final stocks	(175.581,59)
Costs in the financial year	287.232,74

43. REMUNERATIONS ASSIGNED TO MEMBERS OF MANAGEMENT BODIES

The remunerations paid to members of the Foundation's management bodies during the year were the following:

	2010	2009
Scientific Council	3.500,00	0,00
Board of Trustees	22.500,00	46.000,00
Statutory Auditor	7.230,00	6.000,00
Total	33.230,00	52.000,00

45. STATEMENT OF FINANCIAL RESULTS

Financial results for the year ending on 31 December 2010 are made up as follows:

	2010	2009
Costs and losses		
Interest paid	22,21	2,37
Other costs and financial losses	949,58	430,15
Financial results (-)	111.328,79	35.420,76
Total	112.300,58	35.853,28
Income and gains		
Interest income	112.087,78	35.853,28
Other financial gains and income	212,80	0,00
Total	112.300,58	35.853,28

48. ACCRUALS AND DEFERRALS

	2010	2009
Income		
Interest to be settled	34.414,16	5.625,00
Total	34.414,16	5.625,00
Costs		
Remunerations to be settled	21.700,40	37.852,30
Project costs	18.528,49	12.313,50
Other accruals	51.447,83	4.560,00
Donations	4.567.814,12	1.268.110,68
Total	4.659.490,84	1.322.836,48

The “Interest to be settled” item corresponds to earned interests arising from tradable securities, recognised as stated in the above mentioned Note 17.

The amount of 21 700,00 euros, shown in the “Remunerations to be settled” item, corresponds to holiday pay and related subsidies, which were earned in 2010 and are due to be paid in 2011.

The amount recorded in the “Donations” item corresponds to contributions from the Founder which are yet to be spent in the Foundation’s activities (project funding and operating expenses). The recognition of these contributions in the income for the year will be made depending on the exact amounts of the said expenses that are not covered by financial income. For the present financial year, the amount of 1 706 920,00 euros was charged to the income statement (“Other Operating Income” heading).

49. PROJECTS PROMOTED

The following projects were approved, and the corresponding costs were charged to the financial year of 2010 as shown in detail:

	AWARDED FUNDING			SPENT FUNDING		
	2009	2010	TOTAL	2009	2010	TOTAL
PORDATA	528.500,00	544.302,00	1.072.802,00	249.263,00	382.381,00	631.644,00
ESSAYS	3.500,00	1.056.745,00	1.060.245,00	3.500,00	458.627,00	462.127,00
STUDIES	200.000,00	1.802.000,00	2.002.000,00	48.000,00	199.093,00	247.093,00
CONFERENCES		175.550,00	175.550,00		92.252,00	92.252,00
OTHER PROJECTS		33.845,00	33.845,00		11.200,00	11.200,00
Total	732.000,00	3.612.442,00	4.344.442,00	300.763,00	1.143.553,00	1.444.316,00
RETAINED AMMOUNT						2.900.126,00

The project funding awarded in 2009 reached a total 732 000,00 euros, of which, an amount of 300 763,00 euros was spent during that year. As for 2010, a total sum of 3 612 442,00 euros was awarded, of which, the amount of 1 143 553,00 was spent (plus VAT, to the amount of 190 074,00 euros).

In the Statement of Changes in Assets, all project costs, except those corresponding to the “Essays”, are recorded in the “Specialised Services” heading and include VAT, given the fact that the Foundation conducted mixed transactions with actual assignment. The “Essays” costs are recorded in the

“cost of goods sold” heading with VAT deduction, since this tax is charged to the final consumer.

The total amount of 5 270 000,00 euros, invested in bonds, is available for captivation and allocation to approved projects with CSP.

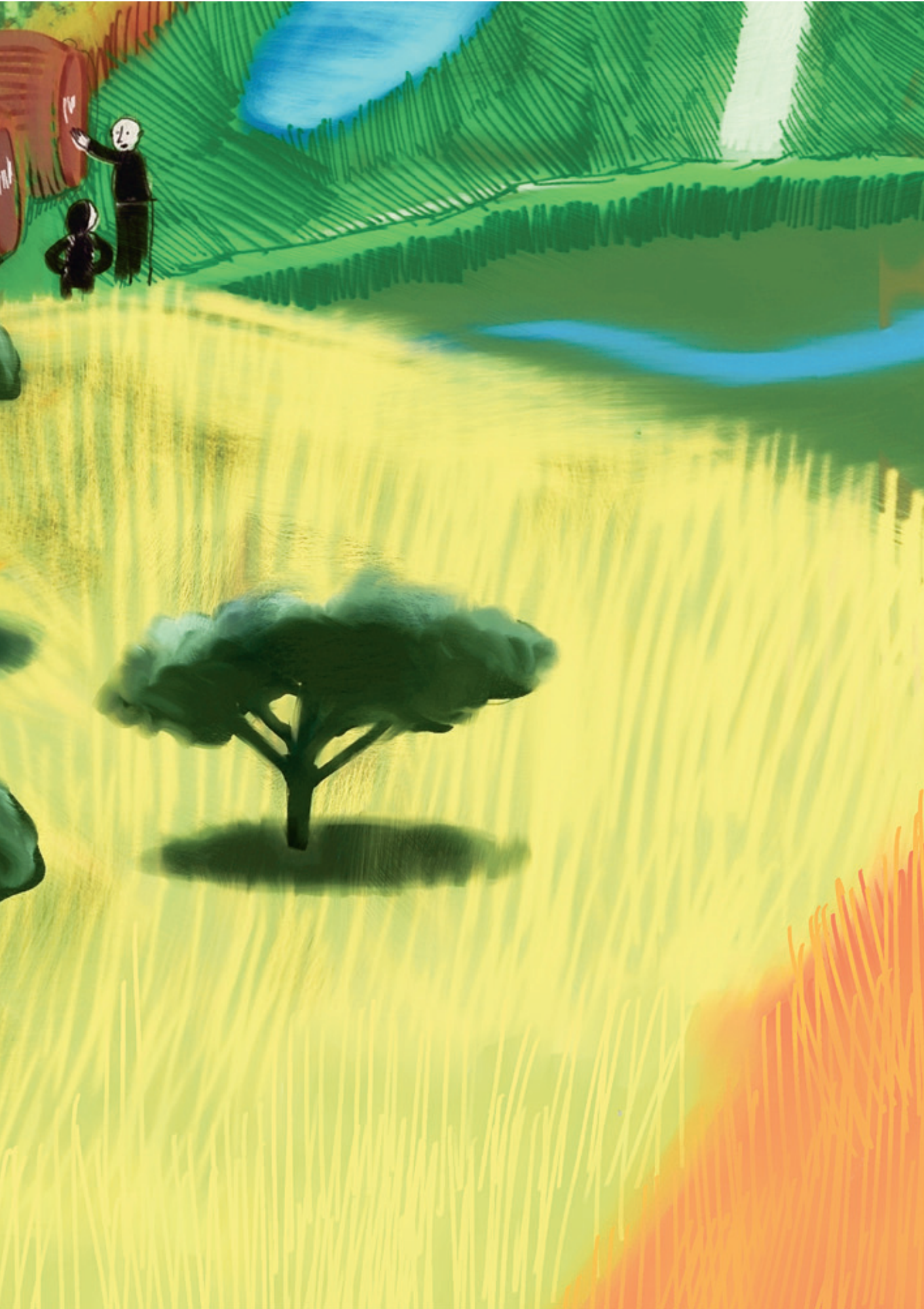
ACCUMULATED AMOUNTS 2009 and 2010	
Approved projects with CSP	4.344.442,00
Paid expenses	1.444.316,00
Sum available for captivation	2.900.126,00
Cash availabilities as at 31 December 2010	5.270.000,00

50. EXTERNAL SERVICES AND SUPPLIES

As at 31 December 2010, this heading was made up as follows:

Designation	Amount
Specialised Services	
Projects promoted:	
· Pordata	483.333,53
· Studies	291.274,52
· Education Programme	141.476,22
Legal services	18.127,77
Accounting services	7.392,00
Audit services	7.230,00
Leases and Rentals	45.033,36
Travelling expenses	6.418,65
Promotional expenses	1.824,00
Representation expenses	6.248,60
Management Bodies' remunerations	136.467,69
Services rendered – Staff /Others	79.638,72
Advertising	39.459,35
Office materials	9.436,76
Other items	4.951,54
Total	1.278.312,71





Statement by the Audit Board

To the Board of Trustees

In compliance with legal and statutory provisions, we hereby submit our Report over the supervision performed by us, and issue our Opinion on the account documents presented to us by the Board of Directors of the **Francisco Manuel dos Santos Foundation** (hereinafter the Foundation), with respect to the financial year ending on 31 December 2010.

We have followed the activity of the Foundation by examining all relevant accounting records and supporting documents. The Board of Directors also promptly provided us with all complementary information, explanations and documents requested.

We have verified that the financial statements included in the account documents were prepared in accordance with the accounting principles generally accepted in Portugal and in compliance with the law, thus accurately reflecting the Foundation's economic and financial situation.

We have also analysed the Report of the Board of Directors, which describes the most relevant aspects of the activities pursued and planned by the Foundation.

We stress the fact that the opinion issued by this Audit Board is based upon the opinion (in annex) on the above mentioned financial statements, which has been issued by the Board member AUREN Auditores & Associados, SROC, S.A. This firm was entrusted with the said task in view of the technical expertise they possess.

Considering the above, our opinion is that the Activity Report presented by the Board of Directors and the Accounts for the financial year ending on 31 December 2010 should be approved.

Lisbon, 10 March 2011

THE AUDIT BOARD



President

Dr. José Luís Nogueira de Brito



Member

Dr. Luís Maria Viana Palha da Silva



Member

AUREN Auditores & Associados, SROC, S.A.

Represented by Dr. Victor Manuel Leitão Ladeiro (R.O.C. nº 651)



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Auditor's Report – Legal Certification of the Accounts

Introduction

1. We have examined the financial statements of the **Francisco Manuel dos Santos Foundation** (hereinafter the Foundation), which include the Balance Sheet as at 31 December 2010 (showing total assets of Euros 5 753 498,03 and a total capital fund of Euros 1 000 000,00, with no changes in capital fund), the Statement of Changes in Assets and the corresponding Annex for the financial year ending on the same date.

Responsibilities

2. It is the responsibility of the Board of Directors to prepare financial statements which present, in a true and fair manner, the financial position of the Foundation, the balance of income and expenses, the changes in capital fund and the cash flows, as well as to adopt appropriate accounting policies and criteria, and to maintain an adequate and effective system of internal control.

3. It is our responsibility to express an independent and professional opinion on the above mentioned statements, based on our audit.

Scope

4. We carried out our audit in compliance with the Standards and Technical Recommendations of the Institute of Statutory Auditors, which require that the audit is planned and performed in order to obtain a reasonable degree of assurance about whether the financial statements are free of any materially relevant misstatements. To achieve this, our audit included: (i) verification, on a sample basis, of the evidence supporting the amounts and disclosures in the financial statements, and assessment of the soundness of the estimates, based on the judgements and criteria of the Board of Directors, used in the preparation of the said statements; (ii) assessment of the appropriateness of the accounting policies adopted and the manner of their disclosure, considering the circumstances; (iii) assessment of the applicability of the going concern basis of accounting; and (iv) assessment of the overall appropriateness of the presentation of the financial statements.

5. We believe that our audit provides a sound basis to form and express an opinion on the financial statements.


Opinion

6. In our opinion, the above mentioned financial statements present in a true and appropriate manner, in all materially relevant respects, the financial position of the **Francisco Manuel dos Santos Foundation** as at 31 December 2010, the balance of income and expenses of its operations, the changes in capital fund and the cash flows for the financial year ending on the same date, in accordance with generally accepted accounting principles in Portugal.

Lisbon, 10 March 2010

AUREN Auditores & Associados, SROC, S.A.

Represented by


Victor Manuel Leitão Ladeiro R.O.C. (nº 651)

