



Productivity and wealth

ISEG has been educating leaders of thought and action since 1911. Today, at a time when society recognises the importance of good economic management more than ever, we are here to build solutions: ISEG - 111 years of a School of First

After the 2011 sovereign debt crisis, Portugal managed to recover from high unemployment, reduce interest on public debt, get off investors' warning radars, reduce the deficit, reduce debt, achieve an external balance surplus and grow slightly. In Brussels, **Portugal was even dubbed the "pretty boy"**. Part of these gains were the result of a very favourable environment with historically low interest rates and a European policy that helped to stabilise public debt in international markets, together with Portugal's growing popularity as a tourist destination. However, part of the recovery went to jobs in sectors with low productivity. At the same time, there is evident pressure on younger people due to the rising cost of living, which prevents them from gaining their independence.

In a recent article, together with Professors Luis Costa and Paulo Brito, we analysed the evolution of Portuguese productivity over the last 60 years, with special emphasis on the slowdown registered in the 21st Century. The convergence process that Portugal experienced in the 1990s has stalled since 2009 with productivity per worker stabilising at around 55% of the average of the most developed EU economies. The problem is transversal to almost all branches of activity, with rare exceptions (energy sector). On the other hand, the business fabric is very fragmented, made up of very small companies, whereas productivity increases almost linearly with company size. In other words, a business context made up of very small companies cannot achieve the necessary size to exploit economies of scale and the corresponding increase in productivity. To get an idea, if smaller companies (fewer than 50 workers) had the same productivity as larger companies (more than 200 workers) this would lead to an increase in productivity of more than 50%. Size matters!

Carlos Daniel Santos

ISEG Professor

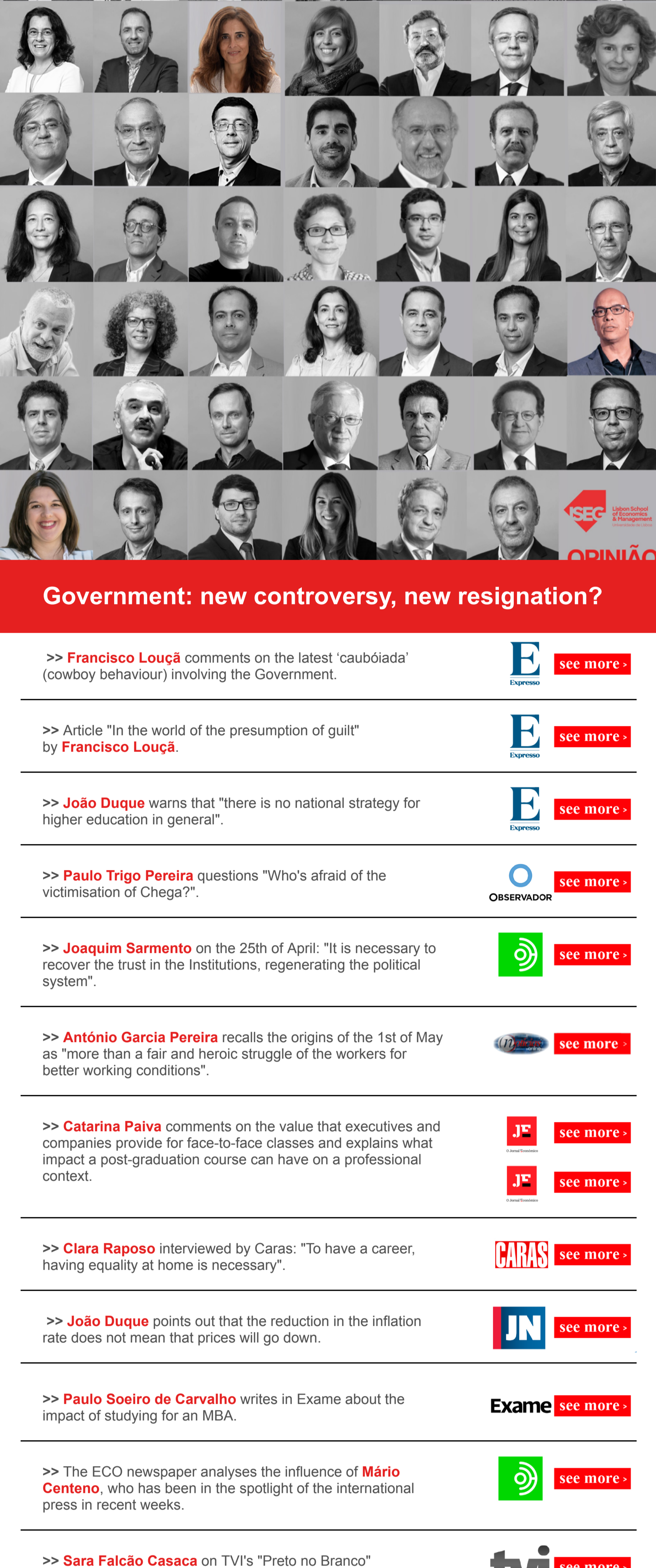


The Portuguese economy continues, therefore, to reveal some of the structural problems that existed in 2008, before the financial crisis. The existence of a very fragmented business context and the weak dynamism and competitiveness of national companies in the external market may explain part of the low productivity observed. It is important to stress the importance of the combination of the two factors: the size of companies and competitiveness. This conjugation is important, since large companies are normally associated with weak competitiveness. The combination of these two forces is also increasingly important in technological and digital markets where network economies allow a company to achieve substantial scale. But in increasingly technology-driven markets, where scale and competitiveness are important factors, we need to be able to attract both types of capital: financial and human.

A productive economy requires not only qualified human resources but also companies that know how to employ these human resources effectively. In other words, there is no point in having a Nobel Prize winner in medicine working in isolation without any interaction or use of their capacities. In addition to being unused, he/she will also be demotivated. These economies of scale can only be taken advantage of by companies that can compete "shoulder to shoulder" at a global level. Attracting digital nomads could even help increase productivity; but, if they cannot attract the companies that employ them (or the companies they build themselves), they generate little more than some tax revenue and an increase in housing costs. The future of productivity depends on attracting and retaining talent and qualified jobs that allow the creation of synergies and economies of scale. Universities in general, and ISEG in particular, play an important role in attracting and training these human resources. This is where the future may lie.

In this week's edition, we highlight the new podcast "Decomplicating sustainable finance", a partnership between ISEG, the Jornal Económico and the British Embassy in Lisbon, the "Flipped Learning" workshop, the inauguration of the "Mudar de Avença" exhibition, the second edition of the "Tagus Roundtable" on sustainable finance, the "Quality of school track assignment decisions by faculty" seminar, and the news from the research and student sections.

This issue features the following: António Garcia Pereira, Catarina Paiva, Clara Raposo, Francisco Louçã, João Duque, Joaquim Sarmento, Mário Centeno, Paulo Soeiro de Carvalho, Paulo Trigo Pereira and Sara Falcão Casaca.



Government: new controversy, new resignation?

>> **Francisco Louçã** comments on the latest 'caubóiada' (cowboy behaviour) involving the Government.

Expresso [see more](#)

>> Article "In the world of the presumption of guilt" by **Francisco Louçã**.

Expresso [see more](#)

>> **João Duque** warns that "there is no national strategy for higher education in general".

Expresso [see more](#)

>> **Paulo Trigo Pereira** questions "Who's afraid of the victimisation of Chega?".

OBSERVADOR [see more](#)

>> **Joaquim Sarmento** on the 25th of April: "It is necessary to recover the trust in the Institutions, regenerating the political system".

[see more](#)

>> **António Garcia Pereira** recalls the origins of the 1st of May as "more than a fair and heroic struggle of the workers for better working conditions".

[see more](#)

>> **Catarina Paiva** comments on the value that executives and companies provide for face-to-face classes and explains what impact a post-graduation course can have on a professional context.

JF [see more](#)

JF [see more](#)

>> **Clara Raposo** interviewed by Caras: "To have a career, having equality at home is necessary".

CARAS [see more](#)

>> **João Duque** points out that the reduction in the inflation rate does not mean that prices will go down.

JN [see more](#)

>> **Paulo Soeiro de Carvalho** writes in Exame about the impact of studying for an MBA.

Exame [see more](#)

>> The ECO newspaper analyses the influence of **Mário Centeno**, who has been in the spotlight of the international press in recent weeks.

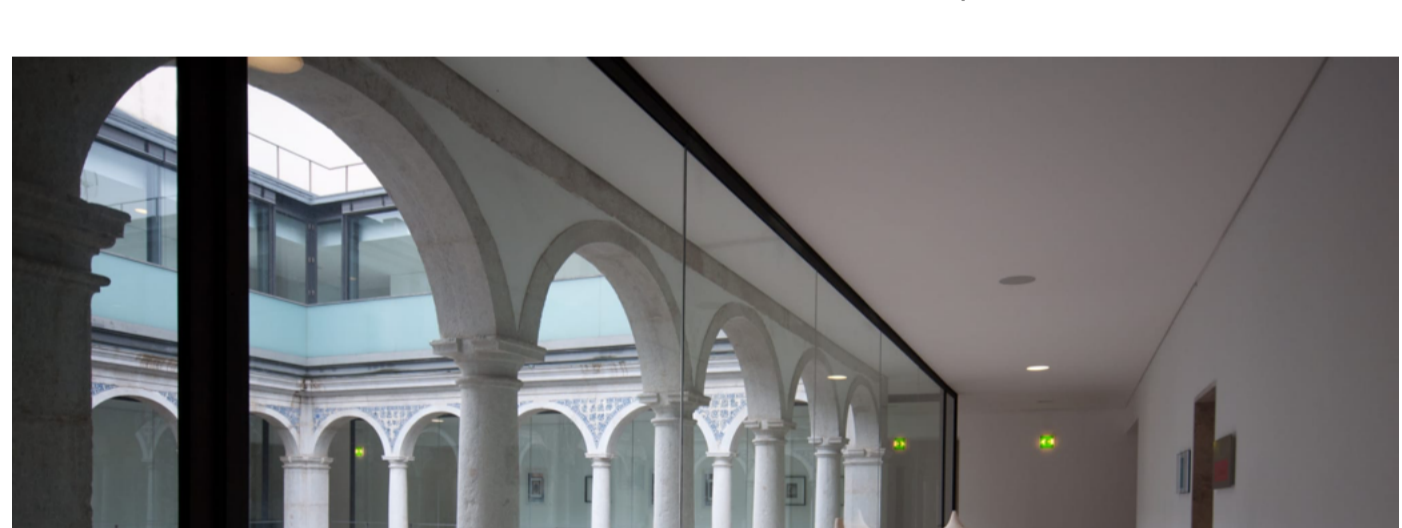
[see more](#)

>> **Sara Falcão Casaca** on TVI's "Preto no Branco" programme explained whether the difference between the salaries of men and women in Portugal is in fact higher than 13% as recently suggested by the *Bloco de Esquerda*.

tv [see more](#)

What's Up @ ISEG

Novo Podcast! | Descomplicar as finanças sustentáveis



On **5 May**, the "**Descomplicar as Finanças Sustentáveis**" podcast will be launched. It is the result of a partnership between ISEG, *Jornal Económico* and the UK Embassy in Lisbon.

Through conversations with British and Portuguese speakers with recognised work in the field of sustainable finance, the aim of this podcast is to highlight the role of the financial sector in the fight against climate change.

The podcasts will be broadcast on www.jornaleconomico.pt and Spotify; other platforms to be announced soon.

The first podcast, on 5 May, will feature **Isabel Ucha**, CEO of Euronext Lisbon, as a guest. In an interview by the Editor of *Jornal Económico*, Filipe Alves, the way sustainable finance has been incorporated into new investments in the capital market will be analysed. s investimentos no mercado de capitais.

Upcoming episode:

- **19 May** | **Alice Khouri** – What is ESG and what its role at Sustainable Finance?
- **2 June** | **James Hooton** – How to accelerate the transition to a more environmentally sustainable economy?
- **9 June** | **Sean Kidney** – Climate Bonds Initiative – Low carbon and climate resilient economy, how promote investment in projects and assets necessary for a rapid transition?
- **23 July** | **Nick Bridge** – COP negotiations and sustainable finance.
- **7 July** | **Sofia Santos** – What can be expected for the next years in terms of sustainable finance in a context of uncertainties?
- **21 July** | **Nina Segá** – How climate-related and environmental sources of risk are being integrated to financial institutions decisions?
- **28 July** | **Carlos Mourisca** – Sustainable Finance in Practice.

Workshop | Flipped Learning



This workshop, organised by the *Observatório Pedagógico* (Pedagogical Observatory) of ISEG, aims to present the "**Flipped Learning**" method, in which theoretical matters are learnt by students before the classes (nowadays, typically through the viewing of videos) so that afterwards the classes can be better used, for example to answer questions, individual exercises, group projects, formative and summative assessments, etc.

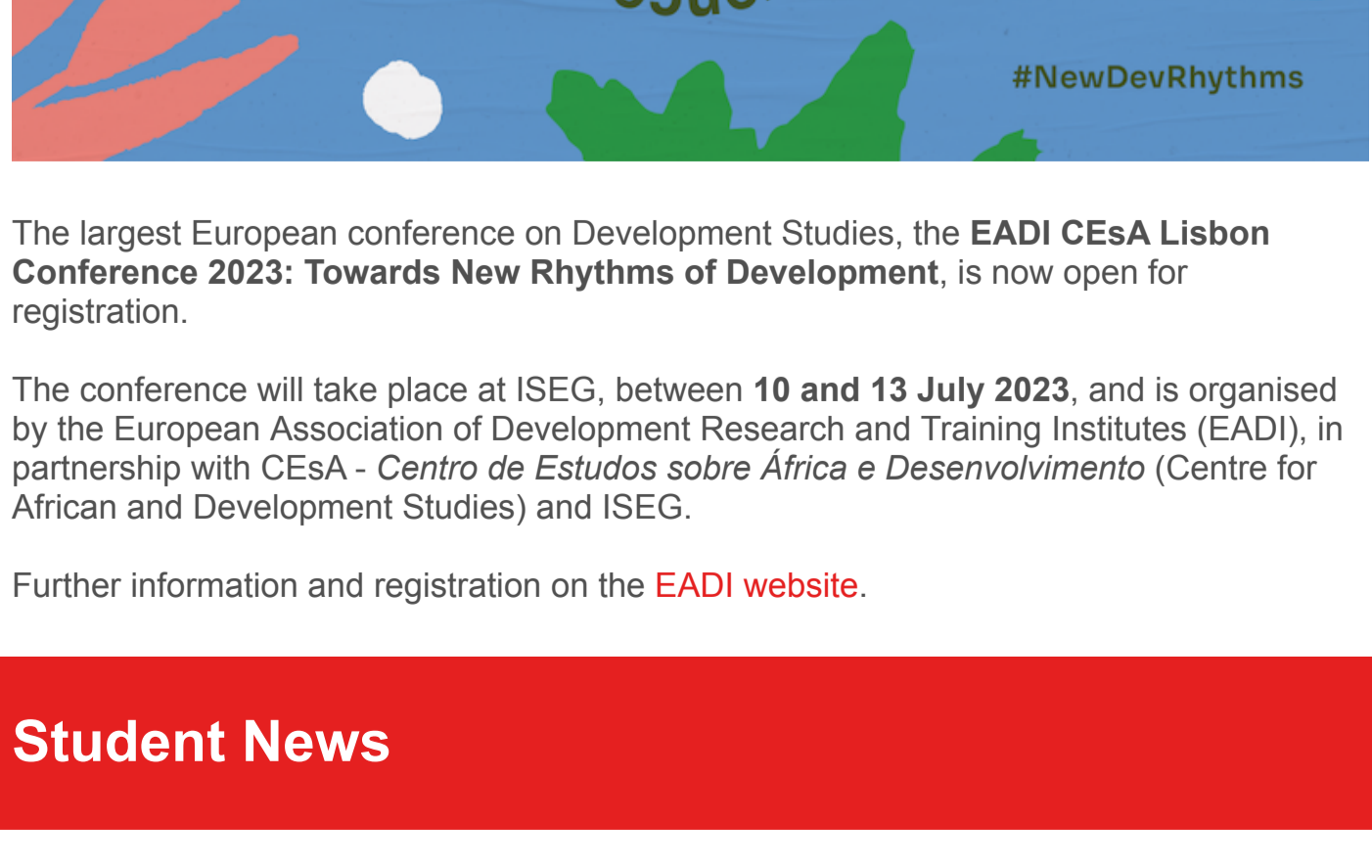
The speaker will be **Miguel Mira da Silva**, Full Professor of Information Systems at Instituto Superior Técnico, responsible for the research unit "Digital Transformation" at INOV INESC Inovação, coordinator of the (online) Masters in *Informação e Sistemas Empresariais* (Information and Business Systems), vice-chair of the *Departamento de Engenharia Informática* (Computer Engineering Department), and member of the executive committee of Técnico+ that coordinates all the advanced training at *Instituto Superior Técnico*. The event takes place on 11 May, 13.00-14.00, in Room 101 of Ed. Quelhas.

Limited places, subject to registration [HERE](#).

Exhibition "Mudar de Avença"

Inauguration: **May 11th | 6.30 p.m.**

Where: ISEG, Claustros do Convento das Inglesinhas, Rua do Quelhas, 6



The experience that the works of art will offer to those who visit them is simultaneously a pretext for a series of conversations about the place of art in contemporary society. The values of the work of art (aesthetic, anthropological, hermeneutic, economic, among others) will be the theme underlying the role of art in the dynamic configuration of individual and collective identity, based on the idea that what is seen in and through the aesthetic experience contributes to a more open, plural and inclusive worldview.

The exhibition will be supported by CIEBA – *Centro de Investigação e Estudos de Belas Artes* (Centre for Research and Studies in Fine Arts) and CSG – *Investigação em Ciências Sociais e Gestão* (Research in Social Sciences and Management) of ISEG.

Accompanied by a catalogue of the works, the exhibition will be open from **11 May to 29 June**.

Tagus Roundtable 2023

On **4 and 5 May**, ISEG will once again host the **Tagus Roundtable**, an event that brings together the creators of promising concepts in the area of sustainable finance with industry leaders (relevant financiers, investors and policymakers).

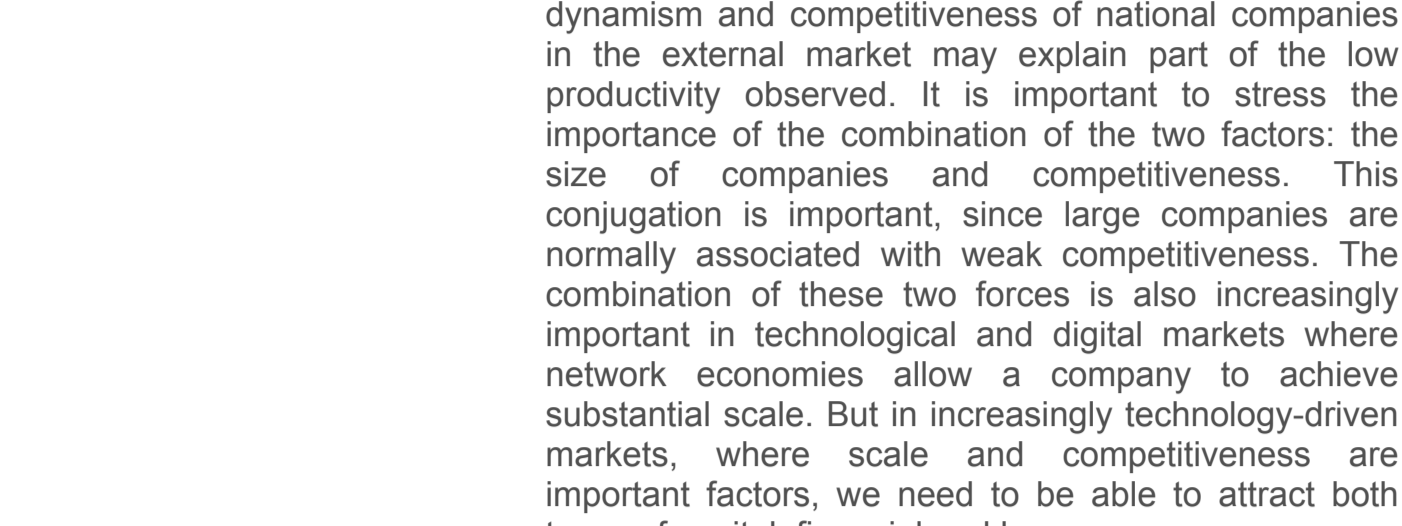
Ideals by climate finance expert **Ricardo Nogueira**, Barack Obama's former advisor on climate issues, the Tagus Roundtable will also be organised and attended by Professor Sofia Santos.

Besides international companies and funds linked to sustainable finance, the event will include distinguished speakers and participants, namely representatives of international organisations such as the **UNDP** (United Nations Development Program), **EIB** (European Investment Bank), **NDC Partnership**, **Water Aid**, **African Development Bank**, **Rockefeller Foundation** and **GIZ**.

The event agenda and all additional information can be consulted [HERE](#).

Research News

ISEG Research Seminar | The quality of school track assignment decisions by teachers

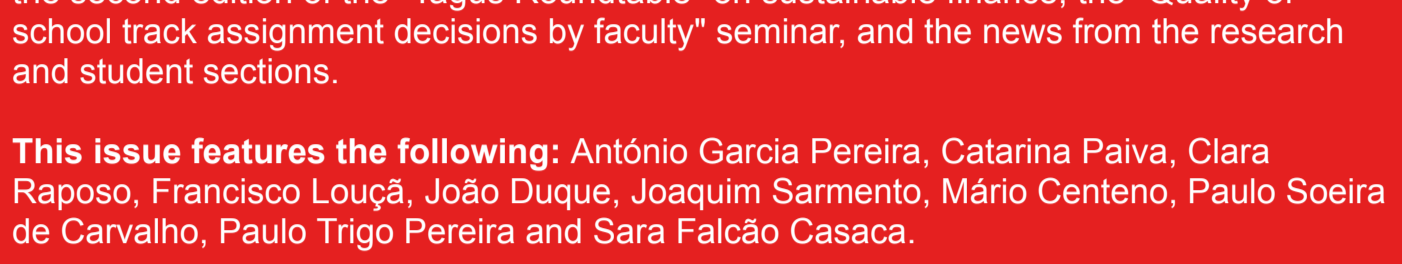


On **10 May**, **Matthijs Oosterveen** (ISEG) will present research on "The quality of school track assignment decisions by teachers".

Entrance free.

Further information [HERE](#).

Features | CEaA - Centre for African Studies and Development



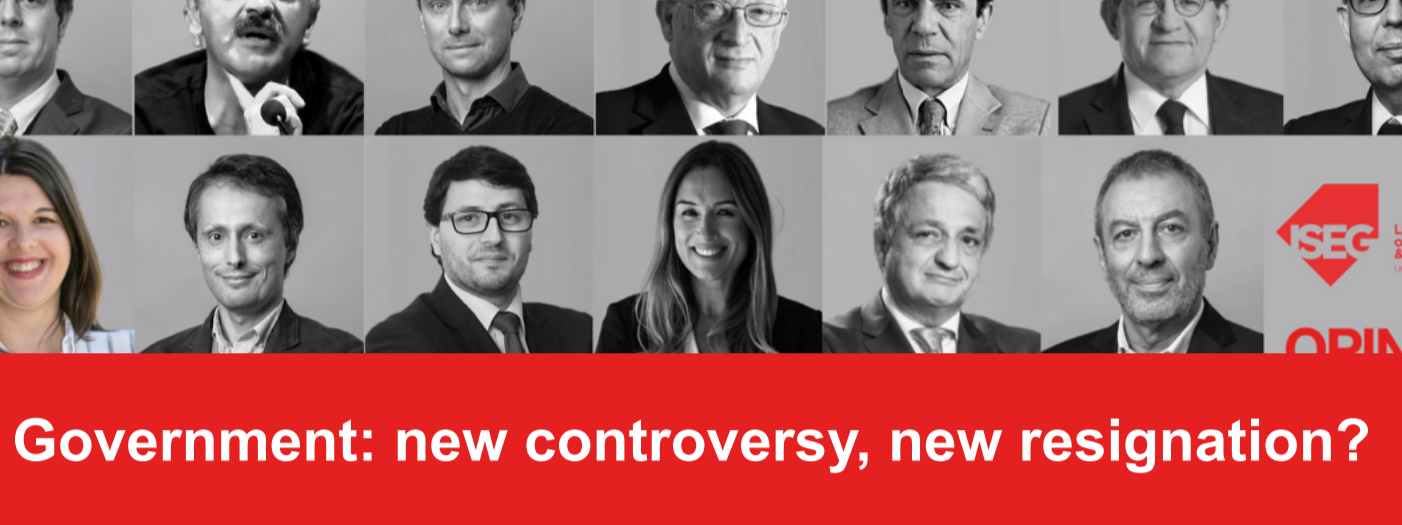
Seminar | Housing: A machine for accumulation of capital or redistribution of resources?

The next presentation of the "Topics in Development Studies 2023" seminar series will take place on 8 May, 18.00-20.00, in Room 1.2 of **IGOT**, with **Sonia Arbaci**, researcher from University College London.

The seminar is part of ISEG's **PhD in Development Studies** and will address the topic "Housing: A machine for accumulation of capital or redistribution of resources?"

Further information about the session at [CEaA website](#).

EADI CEaA Lisbon Conference 2023 | registration open for the largest European conference on Development Studies



The largest European conference on Development Studies, the **EADI CEaA Lisbon Conference 2023: Towards New Rhythms of Development**, is now open for registration.

The conference will take place at ISEG, between **10 and 13 July 2023**, and is organised by the European Association of Development Research and Training Institutes (EADI), in partnership with CEaA - *Centro de Estudos sobre África e Desenvolvimento* (Centre for African and Development Studies) and ISEG.

Further information and registration on the [EADI website](#).

Student News

SEG Young Economics Society | "A dose of Economics" podcast #8 - Jornal ECO

In the eighth episode of the podcast where ISEG students address current economic affairs, we analyse the progress of the Portuguese football teams in European competitions and the impact this has on their finances.

Available [HERE](#).

The podcast is the result of a partnership between **ECO** and the ISEG Young Economics Society.

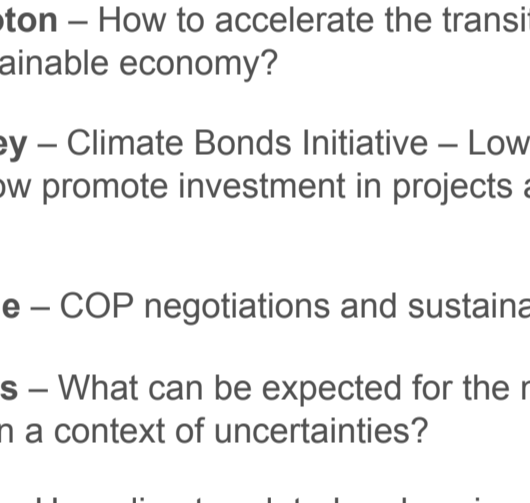


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