



Annual National Report 2010

Pensions, Health and Long-term Care

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1 Executive Summary

Portugal is no longer considered a high risk Member State regarding the sustainability of public finances on account of the 2006 pensions reform. After 2007, the improved sustainability of the pension system was generally acknowledged, and in 2009, the EC-EPC (AWG) projections revised the 2006 figures, acknowledging a slight aggravation of 2 percentage points of total pensions' expenditure in the time-interval 2007-2060.

In health care, the referral system and ineffective care coordination have been recognised as core issues concerning the sustainability of the Portuguese public health system. Due to high patient expectations and to specialists' traditional behaviour, the doubling of diagnostic procedures and the overuse of expensive hospital and emergency care services has been increasing, as long as primary care services remain ineffective as the main gateway to health care.

The Government's strategy to reform the health care system has been focused on the reform of primary care, to be achieved by reorganising health centres and implementing new family health care units. At the same time, the upgrading of the services delivered by all branches of the National Health Service has progressed due to both technological innovation and the rationalisation of managerial practices. The use of generics, reference prices, and a more rational use of medication, as well as electronic prescription and protocols within the industry are being implemented to lower pharmaceutical expenditure in hospitals and in primary care services.

Since 2006 the national network for integrated long-term care has been launched and expanded. Within this network, long term health and social care is to be provided by non-profit organisations, private health and residential care services, public hospitals and other health care units under state coordination. Partners of the network must act under common technical standards and their services are subsidised by the state.

The financial and economic crisis has a strong impact on social protection in Portugal. In the short and medium term the increasing figure of unemployment and the proportion of the population that's being put on the fringe of poverty are straightforward effects that place social protection under pressure, both through the take-up of benefits and the loss of revenues. In the long term, a rising systemic risk to social protection systems sustainability might result of these short and middle term developments. Before the financial crisis, fiscal consolidation had progressed. Public deficits and debt evolved in the right direction, even if economic growth lagged behind EU average. After the 2008 financial turmoil, Portugal faced the prospect of a sharp recession. In the context of the 2009 electoral cycle, the Government increased public spending quite beyond the automatic stabilizers: non contributory social benefits, wages in the public sector and public investment spending were largely increased.

In the medium and long term, further strains over social protection may arise. Savings rates are very low in all sectors of the economy. Households do not generate significant resources both to protect their members from future contingencies and to fuel investment and value creation. External over-indebtedness will shrink leverage for corporate investment and employment will grow too slowly. Budget imbalances will require heavier tax burden and expenditure cuts when the economy does not grow enough, as the Plan for Stabilisation and Growth 2010-2013 emphasises. The Portuguese welfare state is now facing a major challenge that will require further trade-offs between adequacy and sustainability in social protection benefits.

2 Pensions, Health Care and Long-Term Care: Current Status and Reforms

2.1 Pensions

Since 2005, public spending on social protection averages 25% of GDP. Old-age and survivors' benefits account for 50% of expenditure, whereas sickness and health care accounts for slightly less than one third of spending, as shown in Table 1.

Table 1: Social Protection Expenditure in Portugal: 2001-2007

Years	Public Social Protection Expenditure (% of GDP)	Old-age and Survivors Benefits Expenditure (% of Public Social Protection Expenditure)	Sickness and Health Care Expenditure (% of Public Social Protection Expenditure)
2007	24.8	50.1	28.3
2006	25.4	49.2	29.2
2005	25.4	48.0	30.1
2004	24.7	47.1	30.7
2003	24.1	46.2	28.8
2002	23.7	45.4	30.9
2001	22.7	45.8	31.3

Source: Eurostat, *The Social Situation in the European Union 2009, 2010*.

The largest provider of public pensions is the Social Security System (SS). SS will act as sole universal provider of pensions after other special mandatory regimes become extinct¹, and it comprises different branches and subsystems:

- The mandatory earnings-related contributory system covering the whole Portuguese population (and authorised foreign residents) regarding income substitution whenever they exit jobs or retire from the labour market;
- The family subsystem delivering cash allowances that are targeted on low-income families;
- The solidarity subsystem acting as a means-tested safety net delivering cash benefits to deal with extreme poverty and exclusion risks among individuals not covered by the contributory system, and within specific groups in society;
- Social assistance (“Acção Social”) providing welfare services mainly through partnerships with civil society institutions;
- The non-mandatory complementary system.

SS expenditure is financed on a pay-as-you-go basis by social contributions and a small fraction of “social” value added tax (IVA “social”) revenue, both being ear-marked revenues

¹ For historical reasons, public employees of the civil service, workers of the banking industry and other very small groups of the employed population have kept special schemes outside SS. Of these, CGA – the public employees' special mandatory pension scheme – is the largest and has a significant impact on public expenditure (4% of GDP). Since 2007, these are closed groups of beneficiaries, and SS will eventually be the sole provider of public pensions, after all residual schemes become extinct.

for the contributory system. Non-contributory branches and benefits are fully financed by state transfers.

For the last twenty five years, awareness about the threat to long-term financial sustainability of public pensions and its adequacy, due to fast demographic ageing and the overall structural vulnerabilities of the economy (e.g., the slow growth of productivity), has been growing. As a consequence, the reform of the pensions system has become a central issue in political and scientific debates since the mid 1990s.

Structural flaws in income adequacy and the sustainability crisis of public pensions in Portugal have been fully acknowledged since the late 1990s, although the necessary measures to reverse such a prospect remain highly controversial. Public debates on the issue became frequent, opinion-makers and politicians took sides regarding which model should be adopted for reform – whether the multi-pillar mixed system recommended by the World Bank or the adjusted pay-as-you-go universal system in place. Academic research also focused on these controversies for some time.

After 2000, successive governments addressed the pension reform issue and new policies were designed and implemented. Nevertheless, they were globally ineffective and the threats to sustainability increased. Both the ageing of the Portuguese population (compounded with the maturation of the SS contributory regime) and the mounting deficit of the special pension scheme for civil servants (CGA) increased the strain upon public finances.

The 2006 EC's Sustainability Report became a major political turning point, because it assessed Portugal as a high-risk Member State regarding the long-term sustainability of public finances, and highlighted pensions as the most powerful risk factor bearing down on budget imbalances. According to the EC-EPC (AWG) - Ageing Working Group of the Economic Policy Committee 2005, projections that supported the report, public expenditure on pensions would rise from 11.1% of GDP to 20.8% between 2004 and 2050.

Within the framework of the Open Method of Coordination, the Portuguese Government was obliged to act decisively and a process of effective reform was initiated. An official strategic guideline on sustainability issues of the SS system was produced in May 2006 by the Government² to support public discussion that clearly stated two important assumptions for the reform:

- The extent of the sustainability crisis of the pension system along the lines of the EC-EPC (AWG) prospect was fully recognised;
- The focus of policies should be on measures to control expenditures and not only revenues, while preserving the adequacy of income replacement.

New policies were discussed both with the social partners and in parliament. Subsequently, a revised Framework Law for Social Security was enacted by the parliament in 2007 (“Lei nº 4/2007”). Several parametric measures were taken thereafter, which dealt with the financial sustainability of the contributory pension schemes and the adequacy of income maintenance, namely in old age and dependency situations. At the same time, the fast convergence of the remaining special schemes with SS revised rules and mechanisms were set in motion.

The long-term effectiveness of such policies and measures has been recognised by the EU authorities leading to the decision to pull Portugal out of the group of high-risk countries concerning age-related public spending, in October 2007.

² “*Linhas Estratégicas de Reforma da Segurança Social*” (presented to the Permanent Committee for Social Dialogue on May 3rd, 2006, by the Government).

2.1.1 Overview of the pensions' systems and recent developments

Public pensions and old-age pension expenditures have increased steadily throughout the present decade to reach 12% of GDP in 2009 and are expected to stabilise at this level until 2020, according to EC-EPC (AWG) 2009 projections. Demographic ageing combined with the maturation of the SS mandatory contributory system account for most of the continuing trend of growth of old-age pension expenditure. Early retirement also contributed to worsen long-term prospects, even if measures taken since 2006 reduced the pace of increase of expenditure after 2007.

Pensioners of both CGA and SS systems amounted to 31% of the total population in 2009. Of those, 84% are SS pensioners, and old-age pensioners presently account for 65% of total SS pensioners, as shown in Table 2. Disability pensioners have been losing weight and survivor's pensioners have kept up with the overall growth of pensioners.

Table 2: SS pensioners by type of benefit, as % of total, 2006-2009

SS Pensioners	2006	2007	2008	2009
Disability pensioners	11.47	11.14	10.73	10.45
Old-age pensioners	63.97	64.3	64.79	65.19
Survivor's pensioners	24.48	24.48	24.41	24.29
Total pensioners (n°)	2,740,787	2,784,772	2,819,854	2,857,840

Source: Social Security Statistics

Pensions paid by the SS system alone account for most of the total pension spending, adding up to 8% of GDP as reported in Table 3.

Table 3: SS pensions' expenditure by type of benefit – 2006-2009

SS Pensions Expenditure (as % of GDP)	2006	2007	2008	2009
Disability	0.8	0.8	0.8	0.8
Old-age	5.4	5.4	5.7	6.1
Survivor's	1.0	1.0	1.1	1.2
Total	7.2	7.2	7.5	8.0

Source: Social Security Statistics; Eurostat

Pensions paid by the earnings-related contributory system account for the largest part of SS expenditure. Contributory pensioners amount to 88% of total SS pensioners and the annual average benefit paid to them added up to EUR 5,158 in 2008, i.e., a monthly allowance of EUR 368 (to be paid 14 times a year), whereas the non contributory pension amounted to EUR 187 per month. On the other hand, the CGA special scheme for state employees (providing pensions to slightly more than half a million retirees and survivors) paid the average old-age benefit of EUR 1,200 per month and the average survivor's pension of EUR 409 per month in 2008³.

The 2007 Framework Law for Social Security states the overall objective of providing adequate retirement incomes for all within one unified social security system, to be achieved by delivering pensions and other complementary benefits which allow people to maintain, to a

³ Where not specified otherwise, the sources of data are the SS and CGA official statistics.

reasonable degree, their living standard after retirement. The main features of a multi-pillar public system based on solidarity and fairness between and within generations are thus defined and comprise several pensions and other old-age benefits schemes:

- Mandatory earnings-related pensions and complementary benefits are the main element of the system, designed to replace labour income after retirement, while achieving deliberate and extensive inter- and intra-cohort redistributive effects;
- Tax-financed and means-tested benefits targeted to protect the elderly from the risk of poverty and exclusion;
- Non-mandatory saving schemes for complementary pensions.

Social contributions are the main source of financing, complemented by IVA “social”⁴, both ear-marked revenues to fund SS contributory benefits on a pay-as-you-go basis. Redistributive features of the contributory pension scheme, non-contributory pensions and other non-contributory benefits will be fully financed by state budget transfers, under the stated rule of “diversification and selective adequacy of financing sources” for different benefits. A temporary increase of the IVA by 2% was enacted in 2005 (reduced to 1% since 2008) to reinforce the funding of non-contributory social benefits, namely pensions.

Under the umbrella of the 2007 Framework Law, the mandatory schemes that still remain outside the SS contributory system –the CGA public employees’ retirement scheme, but also the banking sector employees’ funded pension scheme and other residual schemes - are now closed. Eligibility rules and calculating formulas for benefits under existing state schemes will converge with SS reformed pension scheme until 2012.

For those entering into the labour market now, mandatory pensions will be provided by the SS contributory system alone, with revised rules and new mechanisms to uphold its sustainability.

Old-age contributory pension

Following the 2007 Framework Law, the Decree-Law no. 187/2007 revised in depth some of the features of the existing contributory pension scheme.

The SS old-age pension is a monthly earnings related cash benefit designed to protect beneficiaries from the loss of work earnings after retirement, when they reach the legal age of entitlement. It is paid 14 times per year. In the event of death, reduced survivor’s pension (as a fraction of the beneficiary’s pension) is paid to eligible relatives.

As a general rule, the beneficiary is entitled to old-age pension if they have both fulfilled the required minimum 15-years recorded contributory qualifying period and completed the age of 65.

Old-age pensioners are also eligible to a dependency complementary allowance, whenever they have to rely daily support from a third person for mobility, hygiene, etc. (in 2008, 167 270 old-age pensioners received this benefit out of 220,000 entitlements).

⁴ After 1992, one percentage point was permanently added to the base rate of the value added tax (VAT), labelled “social” VAT (IVA “social”), and such measure was taken, in order to compensate for the reduction by 0.75% of the social contribution rate of 25.5% on payroll taxable base to be paid by the employer, as decided that very year, to foster employment (the deduction from the gross wage earned by employees remained at the previous level of 11%). The aggregate social contribution rate itself had recently been decided, in order to unify former different contributory rates levied separately on payroll earnings to finance social risks coverage by social security (such as old-age, sickness, unemployment, etc.).

Active ageing and early retirement

Special schemes and measures concerning the delay or the anticipation of retirement are in place, rendering the pensionable age flexible in an active ageing perspective.

An important role is expected to be played by policies developed to promote longer working lives that rely on *bonus-malus* retirement incentives. The bonus for delayed pension by staying in employment after 65 is now more favourable than in earlier legislation.

The old-age pension will be increased when claimed after 65 years of age and if the insured person has at least 15 calendar years with earnings registration. For pension increase purpose the working age limit is 70. The pension will be increased by applying a monthly rate that varies between 0.33 and 1.00 according to the number of years of insurance completed after the age of 65 and until the date of retirement. No data is available for the moment on the delaying of retirement which may result from this accrual, but the growth of unemployment casts a doubt on the actual impact of such measure for the time being.

Retirement can be anticipated by beneficiaries aged between 55 and 65 with at least a 30-year record of contributions to SS by the age of 55, within the so called flexible retirement regime set up in 1999. Pension will be reduced by a discount factor, for every year of retirement before the age of 65. The penalty for early retirement has risen from 4.5% (prior to 2007) to 6% per year (or 0.5% per month).

There is also a special pathway for older workers to retire from the labour market through long-term unemployment protection linked to early retirement, in place since the 1990's. It was reformed in 2006 and its provisions significantly changed in order to prevent any further increase of early retirement. Long-term unemployed workers are now eligible for early retirement at the age of 62, and only if unemployment occurs after the completion of 57 years. Only under these tight conditions will the anticipated pension be paid without penalty. For unemployed workers in the age bracket 52-57 years, early retirement can occur at the age of 57 if their contributory record totals at least 22 calendar years at the moment of losing their jobs. However, in this case a penalty of 0.5% per month of anticipation will be applied, taking into account the full period between the moment of retirement (at 57 or over) and the completion of the age of 65.

This aggravation of early retirement rules is already playing a considerable role, as shown in Table 4. Notwithstanding the economic crisis and the present level of unemployment (10% in 2009), the number of retirees under the different regimes of early retirement in place decreased sharply in 2009⁵. However, 2010 early figures point in a different direction: early retirement pensioners rose in the two first months of 2010, from 2009 level to 150,657 in January, and 151,368 in February.

Table 4: Early retirement (pensioners as per 31 December of each year)

Number of pensioners (due to:)	2006	2007	2008	2009
Early retirement linked to unemployment	152,370	163,334	219,000	125,019
Flexible retirement regime	47,226	44,926	33,258	25,003
Total	199,596	208,260	252,258	150,022

Source: Social Security statistics, different years.

⁵ During the public discussion of reforms and immediately after the enactment of legislation there was an upsurge of pension claims that explains part of the development in the period 2006-08 (see footnote 7). It should also be borne in mind that CGA early retirement figures for public servants are not accounted for in Table 4, and it is well known how the special conditions prevailing until now make early retirement more attractive for state employees than for those under the SS general regime. In 2008, 36.2% of CGA old-age pensioners were in the age bracket under 65 years and the average age at retirement in civil servants was still under 60 years.

Regarding the European objective of elderly employment, Portugal is, nevertheless, in a relatively comfortable situation: the effective age of retirement averages 63 years and the employment rate in the age bracket 55-64 averages 50%, and an upward trend is confirmed for recent years⁶. It is generally accepted that the inadequacy of retirement benefits, due to low wages and short contributory life spans, is the primary reason for this situation.

Benefit calculation

Since 2002, the old-age base statutory pension is calculated by a complex formula using a grid of differential annual accrual rates. The schedule for the accrual rate depends on individual earnings relative to the value of IAS⁷, each fraction of earnings accruing pension at a decreasing rate ranging between 2.3 and 2%.

The earnings measure will be gradually accrued from the best 10 of the final 15 years of earlier legislation to the 40 years average earnings in force after 2002. Nevertheless, a long transitional period was specified in 2002, so that only after 2017 the formula would be in effect for most beneficiaries. However, under the 2007 legislation, the formula applies immediately to contributory periods recorded after the enactment of the 2002 legislation.

For people with more than 20 years of recorded contributions retiring between 2007 and 2017 the value of pension will be based *pro-rata* on the best 10 of final 15, with a fixed accrual rate of 2% on average earnings, and lifetime-average earnings, with differential accrual rates on average earnings relative to IAS. For beneficiaries with less than 20 years the annual accrual rate will be 2%.

Valorisation of recorded earnings for pension calculation from the beginning of 2002 is to a mix of earnings and prices. The weights are 75% price inflation and 25% earnings growth, subject to a maximum increase over inflation of 0.5%.

The actual value of the statutory pension is obtained by multiplying the number of years with contributory records by the accrual rates and the average earnings, and it will not exceed the interval between 30 and 80% of the earnings measure.

To account for the increase of average life expectancy, the adjustment of the statutory pension by a “sustainability factor” was introduced in 2007. Such discount factor is calculated by dividing the average life expectancy at 65 in the year 2006 by the average life expectancy at 65 in the year of retirement of the beneficiary.

The initial application of the sustainability factor meant an immediate cut of 0.56% in the statutory value of the benefit for new retirees. In the long run, OECD estimates that such a drop will bring the theoretical gross replacement rate from the pre-reform level of 90% down to 54%⁸. In 2010 the sustainability factor is already set at 0.9835 and the EC-EPC (AWG)

⁶ A rush to early retirement schemes took place immediately after the enactment of the new rules for unemployment and early retirement, because the new law defined a short period of transition, where former eligibility rules still applied, for the unemployed dismissed from their jobs before the passing of legislation, and that accounts also for the growth of early retirement until 2008 as shown by Table 4.

⁷ “IAS” is the Social Support Index designed to keep lower pensions in pace with the cost of living index, (which will no longer be assured for average and higher benefits unless the economy grows at annual rates higher than 3%). After 2007, it substituted the national minimum wage as the reference for that purpose; for 2007, it was defined as the 2006 mandatory minimum wage updated by the consumer inflation of that year, and the rule for IAS updating in the future is to be identical with the rule for updating lower pensions, which is independent from the annual update set for the national minimum wage. In 2009 and 2010 (due to the deflationary context) the IAS is stabilised at EUR 419.22.

⁸ OECD, *Pensions at a Glance*, 2009.

2009 population projections indicate that it may further drop considerably from the initial neutral level (=1) to 0.774 in 2060.

Adequacy of pensions

The impact of these reforms upon the adequacy of income in old age will be strong. Pensions have a leading role in income maintenance for the elderly in most countries, and in Portugal public transfers (pensions and other social benefits) account for more than 60% of older people income, according to OECD.

Older people are more exposed to risk of poverty than younger people. At-risk-of-poverty rates for the elderly total 26% as against 18% for the whole population according to the 2007 Social Report.

In the long run, OECD estimates that the reforms of pensions will bring the theoretical gross replacement rate from pre-reform level of 90% down to 54%⁹. Such calculations are convergent with European theoretical pension replacement rates prospects. The theoretical rate of replacement for average earnings and maximum contributory record is expected to decrease considerably in the years to come: by 20 percentage points in the time-period 2006-2046, according to the Social Protection Committee (SPC) as shown in table 5.¹⁰

Table 5: Portugal - theoretical pension replacement rates (2006-2046)

	2008		2048														
	Base Case	Base Case	Ten years after retirement	Retirement at age 63	Retirement at age 67	2/3 of average earnings	Rising earnings from 100% to 200% of average wage	Rising earnings from 80% to 120% of average wage	Concave earning profile	Childcare breaks			Unemployment breaks			Women's retirement age (where applicable)	
										0 year	1 year	2 years	3 years	1 year	2 years		3 years
Statutory pensions	74,8	54,7	43,1	52,6	65,6	55,2	41,4	45,7	51,7	54,7	53,6	52,6	51,6	54,7	54,7	54,7	
Occupational and voluntary pensions	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	
Total gross replacement rate	74,8	54,7	43,1	52,6	65,6	55,2	41,4	45,7	51,7	54,7	53,6	52,6	51,6	54,7	54,7	54,7	
Total net replacement rate	90,7	70,6	55,6	67,9	84,4	66,3	59,3	60,6	67,3	70,6	69,3	67,9	66,6	70,6	70,6	70,6	
Of which means-tested benefits in percentage points of total net replacement rate																	

Source: SPC, *Updates Of Current And Prospective Theoretical Pension Replacement Rates 2006-2046 Annex – Country Fiches*, 2009.

The old-age pension is allowed to combine with other labour earnings (except in the case of the automatic conversion of total disability pension into old-age pension, when the pensioner reaches the age of 65). However, early retirement pension will not combine with labour earnings during three years following retirement, in the case of employment by the same company or group the beneficiary worked with before retiring.

Minimum values for contributory pensions are guaranteed by law. These are differentiated by length of contributory record and periodically adjusted with reference to IAS. In 2010, these vary between EUR 246.36 (for less than 15 years of contribution) and EUR 379.04 (for over 31 years) per month. To fill the gap between the statutory value and the legal minimum for pensions, the so-called social complement adds to the former.

⁹ OECD, *Pensions at a Glance*, 2009.

¹⁰ See Indicator Sub-Group of SPC, *Updates of current and prospective theoretical pension replacement rates 2006-2046*, July 1st 2009.

Indexation

Pensions in payment are progressively indexed to the inflation rate and the IAS, and the annual adjustment is higher if GDP growth is higher, exceeding the inflation for the majority of pensioners and with larger increases on lower pensions. This indexation method was designed to meet inflation and GDP growth with positive rates. However, real GDP declined in 2009 by 2.7% and deflation occurred. The 2010 adjustment of the IAS, as determined by the 2007 legislation, would result in a decrease of its value by the measure of deflation, and the straightforward application of the formula for annual adjustment of pensions would also result in a decrease of nominal values of minimum pensions

The issue became a topic of hot political controversy in the context of the 2009 elections. The opposition parties and the trade unions demanded positive adjustments of pensions, in spite of the present economic conditions, and the Government acknowledged the need to review the indexation mechanism.

Eventually, after January 2010, most pensions were positively adjusted by 1.25% (for monthly benefits lower than EUR 628.23) and by 1% (for monthly benefits between that amount and EUR 1,500). Higher pensions keep their 2009 nominal value.

Disability pensions

In 2008, the disability pension was redesigned and is now a two-fold benefit scheme differentiating between absolute and relative permanent disability, providing gradually higher income replacement for pensioners with total incapacity for work (the transition period will end in 2012, when the minimum value will equal the old-age minimum for a contribution record of 40 years).

The qualifying period for absolute disability pension will now be 3 years instead of 5, which will remain as the qualifying condition only for relative disability pensions. When the pensioner completes the age of 65, his pension will be converted into old-age pension but the sustainability factor will not apply in this case.

Disability benefits and wages are now almost fully compatible (previous legislation limited this possibility by placing a cap on complementary wages equal to the pension entitlements).

It should be stressed that this important change, which affects future retirees and will add to a population totalling 10% of pensioners and a stable 0.8% of GDP, did not arouse any debates and was not preceded by any public studies, neither official nor independent. This was not unexpected since the number of pensioners has been decreasing throughout the decade by more than 70,000, totalling less than 300,000 in 2009, so the impact of the reform will be financially irrelevant and small in terms of the number of pensioners concerned.

Survivor's pensions

Regarding beneficiaries who have fulfilled the required qualifying period of 36 months with earnings registration, in the event of death, relatives are entitled to survivor's pensions under strict rules of eligibility and for specified lengths of time:

- Spouse and eventually former spouses (for life in the case of marriage of over 35 years);
- Person who has been living with the beneficiary (if not married or legally separated) for more than 2 years in a relationship similar to that of spouses, after judicial decision on the entitlement of that person to alimony from the deceased's estate;

- Children, including unborn and fully adopted children: up to 18 years of age; from 18 up to 27 years of age, if they are attending university;
- Descendants or ascendants living at the expense of the deceased, if there are no spouse, former spouse and children entitled to the survivor's pension.

Survivor's pensions amount to established percentages of the beneficiary's entitlement, varying between 70% (spouse) and 30% (descendant or ascendant) of the old-age or disability pension of the deceased.

No legislation to reform this benefit has been passed until now, but the number of pensioners increased by almost 100,000 during the decade, stabilising at 23% of pensioners and 1% of GDP after 2006. In the context of the wide participation in the labour market of both members of couples, the fact that no means test is required, except for unmarried couples (even then only after judicial decision on entitlement) raises doubts about the equity and the sustainability of this universal benefit.

Non-contributory pensions

For beneficiaries with no coverage from the mandatory contributory scheme, non-contributory old-age and disability means-tested pensions ("pensões sociais") are provided.

The qualifying conditions are the following:

- To be aged 65 years or over
- To be aged 18 years or over and have permanent incapacity for all gainful occupation
- The gross monthly income does not exceed 30% of IAS (or 50% of this value for married beneficiaries).

These pensions are paid as a fixed amount, subject to annual adjustment relative to the IAS. In 2010, there is a special adjustment due to the stabilisation of the IAS, and the monthly value to be paid is EUR 189.52 (paid 14 times per year).

A residual closed scheme which is barely contributory¹¹ remains in place, that of the special regime for agricultural activities (RESSAA), paying a pension of EUR 227.43 per month.

The total of non-contributory pensioners (including RESSAA beneficiaries) reached 350,606 individuals and 12.2% of SS pensioners in 2009, which compares to almost 400,000 individuals and 14.5% of total pensioners in 2008.

Pensioners of the social pension are entitled to receive the solidarity extra supplement on top of their pension (the monthly amount of this benefit is EUR 17.54 for those under 70 years old and EUR 35.06 for those of 70+ years of age in 2010).

A special dependency complementary allowance will top up pensions subject to a medical confirmation. In 2010, these supplements were between EUR 94.77 and EUR 170.58, depending on the degree of dependency.

¹¹ The social contributions of beneficiaries and employers were symbolic, due to the prevailing economic circumstances affecting farmers and the Portuguese agriculture in the seventies and eighties (after 1985, RESSAA was closed and farmers and agricultural workers joined the general contributory scheme).

2.1.2 Other means-tested benefits

Apart from non-contributory pensions, which have been in place for many years, other means-tested benefits have been set up more recently, which will eventually couple with the former, in order to improve the adequacy of old-age income.

One of such benefits is the minimum guaranteed income (RSI). It is a means-tested benefit first established in 1996, whose entitlement comes with the obligation for the beneficiary to go through a programme of social integration (professional training, rehabilitation, etc.). Eligibility is very strict since 2003 and only individuals whose per capita family income is less than the non-contributory pension are beneficiaries of this programme. The actual allowance will top up the household income in order to reach the non contributory pension level. Nevertheless, the take up of benefits increased by 17% during 2007, and in December 2008 there were 352,288 RSI beneficiaries, a 13% increase as compared to December 2007. During 2009, beneficiaries further rose by 15% and the rising trend continues: in February 2010, they amounted to 399,364. Old-age pensioners are eligible for RSI benefit if they live in households with an average income complying with the means test requirements, even if they are not obliged to go through any professional training any more (only health programmes may be required if the condition of the beneficiary so requires). Old-age pensioners entitled to RSI reached 3% of the total number of beneficiaries in 2009.

Besides RSI, there is a new income provision for the elderly labelled “solidarity complement” (CSI), set up in 2007. CSI seeks to guarantee a pre-defined threshold of monthly income for old-age pensioners. In 2008, the take-up of this benefit was slightly above 100,000 pensioners, and expected to increase, despite very strict eligibility rules. In 2008, the threshold annual income was EUR 4,800. The means tested include the household aggregate income derived from all sources – labour earnings, social allowances and all kinds of assets resulting from family savings. It takes into consideration both the income of the beneficiary and of their cohabiting spouse (or civil partner), plus any descendants’ income under the legal provision of duty to support parents in need. The test is based upon detailed investigation through access to all legal records of propriety and bank accounts. The CSI benefit will only cover the difference between actual aggregate per capita income and the minimum threshold value.

Additional benefits in health care have been coupled with CSI allowance: 50% reimbursement of individuals’ co-payments for pharmaceuticals, and 75% reimbursement of expenses for optical lenses and dental prostheses up to a ceiling of EUR 100 or 250, respectively. CSI can now also be combined with RSI benefits for beneficiaries eligible to both schemes.

2.1.3 Funded retirement schemes

These account not only for complementary retirement benefits for employees provided by their companies (“second pillar” schemes), but also for the sole mandatory earnings related protection (“first pillar” scheme) for workers in the banking and telecommunications sectors, who, for historical reasons, have remained mostly outside the social security contributory regime and are now a closed group. Apart from these occupational schemes, there are other private pension plans subscribed to by individuals in order to save for retirement.

Occupational schemes cover only 3.7% of the labour force¹². The liabilities for future pensions are covered by independently run pension funds, whose assets amount to 14% of GDP in 2008.

A major vulnerability in these occupational schemes is the prevalence of defined-benefit pension plans, as adopted by major companies, namely banks. Losses in the value of pension fund portfolios, due to present turbulence in financial markets, have placed a serious strain upon these schemes and endangered the effective funding of liabilities. The assets of all funds amounted to EUR 21.4 billions in December 2009, meaning a gain of 7.9% since December 2008. The high rate is a direct consequence of the stock exchange recovery from the crisis where the assets registered a loss of 7.5% between March and December 2008. More than 95% of these assets concern the closed funds for the occupational plans of banks and companies whose workers remain outside the SS schemes. These decreased by 3% in 2008 and by a further 7% from January to March 2009, according to the National Association of Pension and Investment Funds. Recovery started afterwards and by December 2009 closed funds assets amounted to EUR 20,304.7 million, representing a growth of 7.7% compared to December 2008.¹³

In spite of such recovery, the recurrent discussion about the integration of these funds in SS goes on, and the CEO of Millennium BCP, the second largest bank, made a statement on this issue in April 2010, in which such integration was clearly supported¹⁴.

Regarding “third-pillar” individual account savings, tax incentives to direct savings towards privately run defined-contribution pension plans were re-enacted in 2008 (after one year of suspension). Thus, every fiscal year, new applications of savings by individuals up to a moderate ceiling will be tax deductible. However, the recently approved Plan for Stabilisation and Growth 2010-2013 points to the revision of such tax benefits that will put an end to the incentive. Also, a state run defined-contribution funded complementary pension scheme with similar (and compatible, which was severely criticised by the financial sector,) tax incentives was launched in 2008. Subscribers for this scheme total almost 6,000 in March 2009. However, the recently approved Plan for Stabilisation and Growth 2010-2013 points to the revision of such tax benefits that will put an end to the incentive.

Without substantial change in the mandatory contributory scheme, (for example by establishing a contribution ceiling which will increase available resources for companies to set up occupational complementary pension plans and enhance family net income and savings) a significant role of complementary funded schemes in income replacement for future retirees will be much in doubt.

2.1.4 Sustainability of pensions

The challenge of financial sustainability of public pensions, compounded by both population ageing and the maturation of the contributory regime, is being tackled in the long run through such measures as the new formula to determine the cash benefit for contributory statutory pensions, the sustainability factor to reduce the statutory pension, and the revised eligibility rules for early retirement.

¹² Source: The Social Protection Committee’s Report on Privately Managed Funded Pension Provision and their Contribution to Adequate and Sustainable Pensions, 2008.

¹³ The CEO of Caixa Geral de Depósitos, the major Portuguese bank, declared when addressing a conference in April 2009 that “it is fundamental to solve the problems of the pension funds in the Portuguese banking sector due to their over-exposure to the stock market” (quoted by the economic press).

¹⁴ Santos Ferreira, CEO of Millennium BCP, interview with *Diário Económico*, 9 April 2010 edition.

Official projections disclosed by the Portuguese “National Strategy Report on Social Protection and Social Inclusion 2008-2010” in 2008 immediately stated that the reduction of benefits as compared to earlier pre-reform benefits could amount to 18% by the year 2050. Independent research also indicated that the overall spending on pensions could amount to a moderate burden between 11.8% and 15.2% of GDP only by 2050, depending on whether retirees choose to receive a reduced pension at entitlement age without further contributions, or to stay in economic activity for as long as necessary to recover the statutory entitlement before the cut caused by the sustainability factor, and in any case a significant drop from the 2005 AWG’s projection of 20.8%.¹⁵

In 2009, the EC-EPC (AWG) projections revised its 2006 figures, pointing to a much reduced aggravation of 2 percentage points of total pension expenditure in the time-interval 2007-2060, as shown in Table 6.

Table 6: Pension expenditure projections 2007-2060

Projections of pension expenditure as % of GDP	2007	2020	2040	2060
Total pension expenditure	11.4	12.4	12.5	13.4
Old-age and early pensions	9.1	10.2	10.2	10.8
Earnings-related pensions	8.5	9.9	10.0	10.6

Source: EC-EPC (AWG) 2009 Ageing Report

In 2009, a working paper published by the Ministry of Finance detailed the effect of the sustainability factor in the 2006 projections as presented in Table 7¹⁶.

Table 7: Impact of the sustainability factor in pension expenditure projections

Projections of pension expenditures (SS+ CGA) as % of GDP	2007	2020	2040	2060
After reform	11.4	12.4	12.5	13.4
After reform and excluding the sustainability factor	11.4	12.7	13.8	15.9
Difference	0.0	-0.4	-1.3	-2.4

Pinheiro et al., 2007: 69.

New incentives to raise birth rates through compensation and other support in parenthood and new rules for unemployment benefits, encouraging active job-seeking, are also expected to contribute to overcoming the challenge of sustainability.

Financing SS benefits

On the revenue side of the sustainability equation, the Government stated the aim of increasing the amount of raised social contributions, while keeping the general base rate constant at its present level (34.75% where 23.75% on total payroll are to be paid by the employer and 11% are to be deducted from the gross wage earned by the employee).

¹⁵ Pinheiro et al., 2007: 69.

¹⁶ Vanda Cunha, Ariana Paulo, Nuno Sousa Pereira, Hélder Reis, “The reform of the Portuguese public employees’ pension system: reasons and results”, WP02/2009, GPEARI-Ministério das Finanças e da Administração Pública.

To increase total contributions, the minimum base of assessment¹⁷ for independent workers was first raised in 2007. In 2009, the Government decided to enlarge the taxable base for social contributions and to change the contribution rates for employers. Such measures are contained in the new law on social security contributions passed by the parliament in September 2009, right before the general election.

Under the new law, from January 2010, the taxable base of payroll must include:

- most social benefits in use by employers, such as complementary pension plans, life insurance policies and pension funds paid for by corporations on behalf of their employees;
- the pocket money allowances and other expenditures of employees when travelling for professional reasons;
- the implicit value of corporate vehicles made available for personal as well as professional use by corporate employees;
- Legal and voluntary compensations paid by employers to former employees when exiting their jobs;
- Corporate profit-sharing by employees.

Also, the 23.75% rate for employers will be aggravated for short-term labour contracts by an increase of 3 pp. Such additional cost for companies should be partially compensated by a reduction of 1 pp in long-term labour contracts. For independent workers, an additional contribution of 3.5% will be levied on 70% of their total earnings.

However, in the 2009 general elections, the Socialist Party lost its absolute majority. The present government is supported by the Socialist Party alone, which means it rules without absolute majority. As a consequence, the opposition parties acted together in parliament to suspend the effects of the law for at least one year, and for the moment it remains unclear whether the law or at least some of its measures will ever be effective.

Early this year, the SS sustainability report, presented in parliament within the proposals for the state budget for 2010, presents new projections of the imbalances of SS finances, where total expenditures of the contributory subsystem will exceed social contributions by 2040. Thus, for the coming 30 years there could be an annual shrinking of current surpluses in the reserve fund of social security (“FEFSS”), in place since 1990. In the aftermath of the 2008 financial crisis, the growth projected for this fund would result in assets stabilising at 5% of GDP (the same level achieved in 2008), after a peak of 12% in 2035, as a consequence of using parts of those assets to cover the deficit after 2040.

CGA pension scheme

The CGA special closed pension scheme will converge with the reformed SS system rules in the coming years. Active beneficiaries have been decreasing at an annual average rate of -1.2%, in the period 1999-2008, and amounted to 636,110 at the beginning of 2009. Pensioners are still increasing (at an annual rate of 3.6% in the same period) and amount to 550,059 now. However, the sustainability factor and the penalties for early retirement are of immediate effect in the CGA. Earlier research had found that “reform brings about a decline in [projected] pension-related expenditure [and the] resulting saving will reach its maximum

¹⁷ Independent workers’ contributions are levied with reference to a chosen multiple of the IAS, and the minimal base of assessment has been raised from 1 to 1.5 times the IAS. The contributory rate is 25.4% (34% if it includes sickness benefit, as the coverage of sickness contingencies is not mandatory).

between 2015 and 2030.”¹⁸ The full effect of CGA reforms are now projected to allow a decline in the pension expenditure of 0.6 percentage points of GDP by 2060, representing a reduction of almost 2 percentage points of GDP from 2007 expenditure¹⁹.

The full impact of the 2006-07 reforms will come into force gradually in the decades ahead. The improved situation of the pension system regarding sustainability is now widely acknowledged. However, in the absence of wider and more effective complementary schemes, the adequacy of income in old age will continue to rely almost exclusively upon mandatory contributory pension provision and/or non-contributory security-net benefits. As the transition to the new formula for contributory pension benefit is nearing completion, new pensioners with recorded earnings close to average wage²⁰ may face insufficient pension adequacy.

Public opinion and academic research are now fully grasping this impact, and that certainly accounts for the fact that debates and controversies have aroused throughout 2009 and 2010.

These were ignited by the global crisis, the growth of unemployment, the fall of SS and of tax revenues, besides the obvious impact of the 2009 elections. Moreover, the extra burden that the speeding-up of CGA convergence with SS rules is imposing on state employees has refuelled public dissent.

The Portuguese Programme for Growth and Stability 2010-2013 (PEC), presented to the European authorities in April 2010, announced new and more restrictive measures bearing on social protection to fight back the budget deficit that increased as a consequence of the 2008-09 financial and economic crisis.

Inevitably, further discussions and controversies are on their way, putting an end to the relative appeasement following the 2006 SS reform’s immediate effects.

2.2 Health care

The Portuguese health system consists of a nationwide network of public and private health care providers, where the public sector organised into the National Health Service (SNS - “Serviço Nacional de Saúde”) plays the central role. SNS provides health care through primary health care centres, specialised health units and hospitals.²¹

Outside SNS primary and specialised care units and hospitals, the private sector (profit and non-profit) offers services that include admission units, medical consultation rooms, diagnosis and therapeutic centres, a network of ambulances and a network of pharmacies which play a complementary role which should not be underestimated, as they have contracts with SNS and especially with other public and private health subsystems to provide care to specific groups of users, namely state employees.

¹⁸ Campos *et al.*, 2008: 38.

¹⁹ Pinheiro *et al.*, 2007: 69.

²⁰ Average annual wage declared by active wage earners amounted to EUR 9,394.30 in 2007 and the average labour income (wage and non-wage earners covered by SS) was EUR 9,444.50 per year. (Source: SS statistics).

²¹ Regarding health care, a large part of the population can choose or use both SNS and other public or private schemes – civil servants and other state employees’ health subsystems, health insurance and other private occupational subsystems, financed by employers and users contributions. Health services from the private sector (profit and non-profit) are mainly used by beneficiaries from these specific schemes.

SNS local health centres and hospitals have considerable autonomy and are structured within regional health administrations (“ARS”), through a network of contracts that detail the services to be provided and the corresponding payments through budget transfers.

SNS is mainly financed by state transfers and its services are freely delivered to users, except for the co-payments on pharmaceuticals and the user’s moderate fees paid for access to hospital and health centre services. The financial sustainability of SNS was addressed by an important “white paper” report published in 2007²². Most of its recommendations have not been followed, for the time being. Nevertheless, new policy measures and regulations to enhance access to health care have been implemented, with an impact on SNS financing and the quality of health services.

2.2.1 Overview

There is a wide coverage of the population by health establishments resulting from strong investment in the last decades²³.

In the admission services the public provision is predominant. In 2005, from a total of 204 hospital establishments, 111 were SNS facilities and 93 were private units; of the total number of 37,330 hospital beds provided, 28,133 belonged to the SNS and only 9,197 to the private sector. The supply of hospital beds averaged 3.5 beds/1,000 inhabitants, with the number of beds for acute treatments at 2.9/1,000 inhabitants.

There were 2,775 registered private pharmacies set up on the basis of an established ratio of 1 per 4,000 inhabitants.

The low degree of differentiation between SNS hospitals had traditionally limited access to specific types of care. Thus, after 1999, the “hospital referral networks” system was adopted, where general hospitals serve the local area and are also part of a network, in order for patients to be referred to alternative hospitals, according to existing specialities required.

Available statistics by OECD show that the total health expenditure in 2006 amounted to 10.2% of GDP (of which 7.0% are public spending), i.e. above the OECD average (8.9%). The purchase of pharmaceutical drugs accounted for 21.3% of total health spending in Portugal, well above OECD average of 17.6%²⁴.

The population is entitled to use both the SNS (for the most part) free health care and admission services and the privately run services. The latter are used through public or private special schemes (health mandatory public subsystems and/or voluntary private health insurance). Nearly a quarter of the population is covered by the existing mandatory health subsystems, the largest one being the civil service employees’ special subsystem (ADSE), covering almost 10% of the population. ADSE is co-financed by state transfers and civil servants, through compulsory deductions from wages of beneficiaries²⁵.

The Government’s strategy to develop and reform the health care system has been focused on:

²² Ministério da Saúde, *Relatório Final da Comissão para a Sustentabilidade do Financiamento do Serviço Nacional de Saúde*, 2007 (available at www.portaldasaude.pt).

²³ In 2005, there were 378 health centres in Portugal, each one covering on average around 28,000 inhabitants, complemented by 1,943 additional local health units, each one serving on average 5,400 inhabitants. Source for these and other data in this section: Directorate-General of Health - *Health in Portugal: 2007*, Lisbon, 2007.

²⁴ OECD’s Health Data for 2008 and 2009, on OECD’s official website.

²⁵ Barros *et al*, 2007.

- The reform of primary health care, to be achieved by reorganising the health centre network, implementing new family health care units (“USF”) within each health centre, and by upgrading services delivered by SNS;
- The implementation of the national network for long-term care (“RNCCI”), in cooperation with SS services and private health and residential units.

The health care reform claims to be focused on higher value services delivered by differentiated units of excellence, which imply the territorial concentration of resources and facilities to a certain extent. As the SNS does not yet cover all areas of health care (such as dental care and many complementary examinations for diagnosis), specific contracts with the private health sector to provide additional care to SNS beneficiaries are being expanded, aiming to provide wider access to health care. Prescribed medicines are mostly subsidised by the state, which brings urgency to avoid waste and fraud.

The financial sustainability of the SNS remains a central issue in public discussions and policies. After 2006, the Health Ministry has implemented measures to contain expenditure and increase efficiency, such as:

- Implementation of a National Health Plan to develop conducive strategies to control vascular diseases, cancer and emerging infectious diseases, and to furthermore promote health, especially in the elderly;
- Rationalisation of prescriptions and the use of medicines, spreading generic pharmaceuticals;
- New forms and rules for health units’ management.

Later data and statements by officials and independent experts seem to point to the general ineffectiveness of these measures

2.2.2 Access to health care

The desired fair access to adequate health care by all citizens goes beyond the mere physical distance to health care facilities, and it requires higher quality of care through the upgrading of available resources, as well as adequate information to citizens. All of these are the stated goals of policy measures taken since 2006.

A SNS contact centre, providing online information by 24 hours available telephone line, acts as a gateway to health facilities and services. It was set up in 2007 and is run by a public-private partnership. Resources in e-health have also been made available to provide further information and guidance to SNS users.

The reform of primary care is at the very heart of the desired improvement of access to health care. Following the enactment of the Decree-law nº 28/2008, health care centres are now being grouped in local organisations labelled “ACES” with a structure based on functional units that will provide family health care (USF), community health care (UCC), personalised health care (UCSP), and public health coverage (USP). ACES will enjoy considerable managerial autonomy, and local community participation is an essential aspect of their governance.

Implementing USF structures in primary health care is crucial to this effect. These units were first launched in 2006 and consist of small local autonomous multi-disciplinary teams to provide a basic portfolio of personalised health care services within each ACES area. They are selected after public calls for tender, and they operate under contract with each corresponding ARS, subject to incentives to increase productivity. By April 2010, 420 USFs

were in place providing coverage to 367,125 individuals to whom access to general practitioners had been denied until then, as shown in Table 8.

Table 8: USF in activity 2006-2010

USF features	2006	2007	2008	2010 (12 April)
N° of units	43	104	160	420
N° of professionals	808	2,019	3,152	4,811
General practitioners' services provided (by n° of potential users)	64,618	155,819	207,588	367,125

Source: Ministry of Health, "Unidade de Missão de Cuidados Primários" (official website)

The satisfaction of users towards USF services is indeed very high. In a survey of 146 USFs made by an independent entity of the Coimbra University, 94% of respondents expressed their appreciation of the corresponding USF health care by stating that they "would strongly recommend it to their friends".²⁶

UCC will be focused on long-term care at local level and a public call for tender among health professionals was launched in 2009, following the same procedure that had been in practice for USF set-up. By December 2009 the first 16 UCC were officially inaugurated and by April 2010 a total of 240 bids had been formally presented. USP and UCSP will follow in 2010.

Hospital and emergency care

Hospitals provide specialised consultations, clinics and treatments that are not available in primary care units, both to inpatients and outpatients.

Hospital emergency care has traditionally experienced excessive demand, as primary care remains insufficient and, in the end, many users have to resort to hospitals in situations that are not strictly relating to emergency care. It now operates through the Manchester protocol²⁷ and is currently under reorganisation, in order to increase available resources and upgrade facilities.

To further increase efficiency and to concentrate the available resources at a regional level, under-equipped and/or under-staffed emergency facilities are being closed both in smaller hospitals and in local primary care (SAP emergency care services in operation at some of the health centres). The transport of patients becomes critical to make this reorganisation effective, as it relies heavily on the availability of fully-equipped medical emergency vehicles, as well as the public's acceptance of online medical guidance.²⁸

²⁶ University of Coimbra/CEIS, *Monitoring satisfaction of USF users*, May 2009, (available at the Health Ministry website).

²⁷ This international standard rates the in-coming patients on arrival at the emergency wards according to the acuteness of their condition (from red code acute illness to blue code milder health disruption)

²⁸ Wide consensus on this reform has not yet been achieved, popular protests at local level where emergency facilities were about to be closed were especially strong in 2007, and the dismissal of Health Minister Correia de Campos in early 2008 was a collateral effect of these controversies (Campos, 2008). Early this year, a new controversy has arisen concerning the closing of yet another emergency unit at the local health centre of Valença do Minho (a small town in the northern part of the country, close to the Spanish border).

Surgeries have been also been affected by unsatisfied demand and a special initiative to reduce waiting lists for surgery was launched in 2005 - the Integrated Management System of Waiting Lists for Surgeries (“SIGIC”) with effective results. By 2009, an important decrease in the waiting lists had been achieved, as shown in table 9, with private hospitals playing a considerable role through out-contracting.

Table 9: SIGIC - Surgical waiting lists (2005-2009)

Indicators	2005	2006	2007	2008	2009
N° of patients waiting	248,404	221,208	197,150	174,179	164,751
Average waiting time (months)	8.6	6.9	4.4	3.7	3.4
Patients waiting over 12 months (in %)	36.2	27.0	10.5	11.7	10.4
Number of surgeries out-contracted by SNS	2,685	13,842	27,643	29,496	23,919

Source: Ministry of Health/ACSS official website.

The latest official available data points to a decrease in the number of patients waiting by 34% in 2009, compared to the 2005 initial level, and the average waiting time for surgical operations is now 3.4 months.²⁹ After December 2009, SIGIC is supported by a new e-service where each user can check their position on the waiting list online.

In the meantime, new hospitals are to be built by Public-Private Partnerships. One is already in operation (the new Hospital of Cascais) and 6 others are under contract or bid.

Quality of health care

Quality in health care, including adapting to the changing needs and preferences of society and individuals, is gradually improving by the incorporation of international quality standards in current practice, under the supervision of an official body within the Ministry of Health, and subject to external auditing, certification and accreditation of SNS units.

In a study produced in 2007 and later released by the European Observatory on Health Systems and Policies³⁰, the quality of care, as measured by indicators on hospital care in Portugal, developed positively in the period 2004–2006 in respect of the average length of stay and the readmission rate. The average length of stay decreased from 6.96 days in 2004 to 6.84 in 2006, while the readmission rate (within 30 days) in the same period decreased from 9.0% in 2004 to 8.5% in 2006.

Another common measure of quality of care in the Portuguese SNS relates to waiting lists, both waiting time and size of the list. The above mentioned SIGIC data confirms the downward trend after 2005, as shown in table 8. However, significant regional disparities persist for the time being.

Coordination of health services to ensure effective networking between primary care, hospitals and long-term care services has progressed at regional levels, with ARS acting as facilitators and steering coordination. For the time being there is no available quantitative

Popular protest is strong and a threat to resort to health care in the nearby Spanish town of Tui is being heralded.

²⁹ Statement to the Press by the Secretary of State for Health, December 2009.

³⁰ Barros P *et al.* 2007; 9 (5).

information on assessment and evaluation of all these programmes either in official sources of the Ministry of Health or in independent studies.

Users' copayments

Out-of-pocket payments and co-payments were 29% of total health expenditure in 2004 and are considered an important barrier to quality care. OECD Health Data 2008 confirms its persistence, estimating 30% in 2006. Targeted users, such as pregnant women, children under 12, elderly pensioners with low income and people suffering from specific chronic illnesses are exempt from paying user fees after 2007. However, co-payments on specific pharmaceuticals have increased, and so have ordinary fees for the access to hospital care (“taxas moderadoras”), so that the actual overall impact of all these changes remains unclear.

2.2.3 Medicines and pharmaceutical policy

The pricing of pharmaceuticals is subject to regulation based on a reference price system that includes all state subsidised medicines prescribed within the scope of the SNS for which there are available generics. The reference price equals the highest-priced available corresponding generic drug.

After March 2010, the state co-payment is a fixed amount determined as a percentage of the relevant reference price, irrespective of the price of each medicine.

The introduction of one specific medicine in the list of state subsidised medicines depends on the positive decision taken within the scope of its evaluation by INFARMED³¹, after notification that commercialisation had started by title-holders of the market introduction authority or its representatives.

To control the increasing growth of costs, the Government has been implementing the introduction of generics through negotiations with the pharmaceutical industry. Also, the marketing of uni-dose pharmaceutical products is being currently discussed, even if a recent statement by the Minister of Health raises doubts about the economic soundness of that option. The pharmaceuticals industry and distribution have claimed that waste is primarily a result of non-adherence to therapies by patients, and have enthusiastically supported the minister's statement³².

Measures were also taken for the liberalisation of pharmacy ownership (so far reserved to pharmacists) and the liberalisation of sale outside pharmacies for non-prescription drugs.

2.2.4 Sustainability of health care

The referral system and ineffective care coordination were placed at the core of sustainability issues in previous analyses of the Portuguese health system. Coupled with high patient expectations and specialists' traditional behaviour, the result is a doubling of diagnostic procedures and the overuse of expensive hospital and emergency care services.

The upgrading of primary care centres by ACES and USF organisational reengineering is expected to bring effective change in such overuse of hospital care. USF costs per user, as

³¹ INFARMED is the health authority for the evaluation, authorisation, inspection and production control, distribution, commercialisation and utilisation of medicines both for human and veterinary use.

³² See the daily newspaper *Jornal de Notícias*, 6 April 2010 edition.

estimated by a study published in 2007, indicate a reduction of EUR 104 compared to other local health centres. Doctors assigned to USF units spend EUR 2.30 less per consultation on pharmaceuticals, and EUR 1.30 less on complementary means for diagnosis, compared to doctors in other primary care centres. The overall impact on the budget, as measured by comparing the situation in 2005 with the hypothetical scenario of all USF units being in operation that same year, amounts to EUR 4.30 per user³³.

The influence of the pharmaceutical industry, and the fact that pharmacies act monopolistically, result in over-prescription and excessive costs. The use of generics, reference prices, and a more rational use of medication, as well as electronic prescription and protocols within the industry are being implemented to lower pharmaceutical expenditure in hospitals and in primary care services. The new Programme for Hospital Pharmaceuticals (“PMH”) has already produced an encouraging preliminary assessment, which confirms the implementation of integrated automatic processes in hospital pharmacies, the increase in the usage of uni-doses for inpatients and the permanent monitoring of pharmaceutical costs in hospitals through the activity of the so-called Committees for Pharmacy and Therapeutics (“CFT”).³⁴

The pharmaceutical market for ambulatory prescription has been under control: in 2009, it averaged EUR140,000,000 per month. However a strong upsurge occurred since January 2010 (+12% of expenditure), which may herald a reversal in trend³⁵

The Ministry of Health has released some suggestive aggregate data regarding the financial performance of the top 10 hospitals in 2007, which show the achieved progress:

- Higher control of operational costs (a modest increase of 1.4% compared to 2006) and a strong reduction of other costs (by 34.8%) led to an overall decrease of 0.1% in total costs;
- 28.6% increase in (less expensive) ambulatory surgeries;
- 10.5% increase in first consultations, well above follow-up consultations (meaning that follow-up of patients is increasingly referred back to primary care health centres).

A purchaser-provider split and the negotiation of annual contracts with all hospitals for the provision of care has been implemented, in order to promote complementarities between hospitals and avoid duplication in each region.

The financing issues of the SNS were the object of an official report prepared in 2006-2007. Published in 2007, the report contains a comprehensive survey of financial sustainability issues and produces important recommendations for policy.³⁶

Among such recommendations the following should be stressed:

- The adoption of measures to enhance higher efficiency in the provision of health care in order to reduce public spending on health;
- Wider use of clinical and economic evaluation mechanisms to set priorities and define the scope of protection by public insurance;

³³ Miguel Gouveia *et al.*, *Análise dos Custos dos Centros de Saúde e do Regime Remuneratório Experimental*, a study for the Portuguese Health Economists Association, 2007 (available at www.portaldasaude.pt).

³⁴ PMH, *Relatório do 1.º Questionário Nacional do Programa do Medicamento Hospitalar*, May 2008, www.portaldasaude.pt

³⁵ Source: INFARMED (the official agency for pharmaceuticals market regulation).

³⁶ Ministério da Saúde, *Relatório Final da Comissão para a Sustentabilidade do Financiamento do Serviço Nacional de Saúde*, 2007, www.portaldasaude.pt.

- Reform of user fee exemption regimes following criteria based on the individuals' capacity to pay and their need of long-term care;
- Revalorisation of user fees in order to moderate the use of health care and to value the actual services delivered;
- Reduction of tax benefits over health expenditures;
- In case of aggravated unsustainability, exceptional earmarked contributions should be imposed on tax-payers, in a progressive way and for a short time period.

The Government has not yet acted upon these recommendations, allegedly because the SNS budget is under control for the time being.

However, and notwithstanding the measures already taken and some of the achievements in management control, by September 2009, the SNS accounts state a growing operational overall deficit that amounts to EUR 71 million, compared to the EUR 27.1 million deficit in 2008, i.e. an increase of 162%. Such deficits have their main origin in the largest SNS hospitals. These have very high operational costs that amounted to EUR 3,604 million in September 2009, 55% of total SNS costs. By September 2009, the operational deficit of SNS hospitals reached EUR 223 million. As a consequence, a concern over the lack of budget control in the SNS has been growing.

In May 25th, the Minister for Health has made public the 10 immediate measures to reduce SNS expenditure. Among these some will have a considerable impact on expenditure: hospitals' management must prepare in 20 days a plan to control spending, namely extra payments for work after normal hours; the adoption of good practice guidelines is mandatory; the hiring of professionals by most of health units will be subject to the Minister's approval; hospitals' supplying will be centrally organised; prescriptions will have to mention the price of available generics whenever the latter is not prescribed by doctors.

2.3 Long-term care

Until very recently, long-term care has been provided only for a few people by formal private services delivered at home or within institutions. And for the majority of the population the sole available resource was informal care by families and neighbours. As a consequence, SNS hospitals have frequently been over-occupied by users that could be clinically discharged but were in need of long-term care and lacked the means to afford it.

In 2005-06, the dependent population potentially in need of long-term care amounted to 30% of the total population as shown in Table 10.

Table 10: Population with full disability and full incapacity for autonomous daily living activities (2005-06)

Population	No. of persons	% of total population
With full disability	279,595	12.45%
With full incapacity for autonomous daily living activities	1,797,666	18.05%

Source: National Health Survey, 2005-06

After 2006, long-term care has been enhanced through the setup of the national network for integrated long-term care (RNCCI), providing both health care and social assistance to the elderly and other dependent persons. This initiative is under the joint coordination of the Ministries of Health and of Social Solidarity.

RNCCI aims to offer a continuum of institutional formal care based on diversified coordinated interventions taking place in its different types of units, thus, providing several services of post-acute, rehabilitation, medium and long-term care, namely: convalescence care; post-acute rehabilitation services; medium and long-term care; home care; palliative care.

The network operates with purchaser-provider split and includes convalescence units integrated into acute hospitals and other institutions, medical medium-stay units, rehabilitation units, long-term care institutions, palliative care units and day care services.

The portfolio of institutional care services within RNCCI was projected to grow by 82% in the year 2009, and its typology is presented in Table 11.

Table 11: Portfolio of institutional continuous care services (2008-09)

Typology of institutional care services	Nº places 31 Dec 08	Nº of places 31 June 09	Nº of projected places 31 Dec 09
Convalescence	530	558	957
Medium-term care	922	1,094	1,349
Long-term care	1,325	1,742	2,766
Palliative care.	93	104	151
Total	2,870	3,498	5,222

Source: UMCCI

Within RNCCI, institutional care services are to be provided by non-profit organisations, private health and residential care facilities, public hospitals and other health care units that act with common technical standards and whose services are subsidised by the state.

In hospitals specialised teams prepare patient discharge by referral to other settings and mixed teams provide primary health care and social support in health centres (in the future, through UCC), social services facilities and at home. Mixed teams in hospitals and in the community also provide support and counselling for palliative care.

Referral routes are centrally defined, aiming to enable interdisciplinary teams to operate consistently at regional and local level to refer patients in accordance with local capacities of the network and with personal and therapeutic profiles. Patients seeking long-term care referred to the RNCCI are mostly over 65 and women and 66% of users come from hospital discharge.³⁷

Table 12 summarises the latest available data on users referred to RNCCI care services where the integrated care teams (ECCI) who deliver home services to users not requiring to stay in institutions account for only 15% of the users.

³⁷ The source for data on RNCCI is the UMCCI –“Unidade de Missão de Cuidados Continuados Integrados”, the official body overseeing the development of the network.

Table 12: Referred users by type of care services (2009)

Care services delivered within RNCCI	Referred users (1 st semester 2009)	%
Convalescence	3,377	26.9
Medium-term care	3,095	24.7
Long-term care	3,130	24.9
Palliative care.	1,052	8.4
ECCI (integrated care by teams at users' home)	1,901	15.1
Total	12,555	100.0

Source: UMCCI

RNCCI users assisted since the launch of the network, from 2006 to mid 2009, amount to 32,934; of these 13,543 were assisted during the first semester of 2009 alone.

Quality of long-term care

The RNCCI has the responsibility to monitor both health care and organisational quality provided by all units within the network. Standards and measures of quality have been defined, and will be audited on a regular basis, in addition to the assessment and review of user satisfaction and user claims.

All network units and teams are subject to periodic evaluation by regional coordination teams. A comprehensive training plan is to be implemented to coach more than 3,000 professionals.

Informal care providers (mainly carers within families) will also be supported by this policy through training and other measures, as part of the objective to enhance independent living of the elderly.

A common criticism to RNCCI is that home care is considerably underdeveloped, even if it is more adapted to users' needs in many situations.

Recent developments

At the beginning of 2009, the Ministries of Health and Social Security signed a EUR 66 million agreement for an additional 3,100 places to be set up in RNCCI institutions, during the next 2 years. The objective is to reach 8,200 beds, which will represent an investment of nearly EUR100 million.

During 2009 the first long-term care units specialised in infancy were created, one in Lisbon and one in Porto, thus relieving other services of long-term care and simultaneously offering dedicated assistance to toddlers.

The assessment of the experimental phase carried out in 2006-07 indicates that 76% of total expenditure is related to health care and 24% to social care; 35% to 45% of this expenditure is financed by co-payments from users in accordance with the level of own resources.

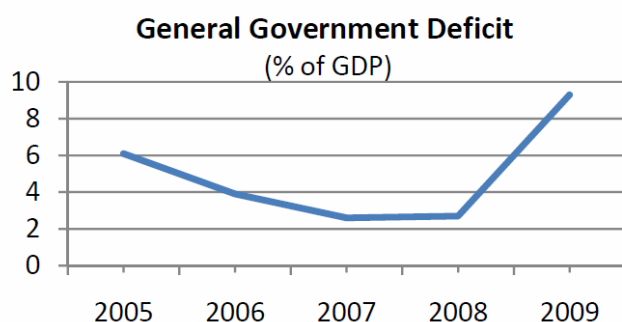
The implementation of the network will be fully accomplished by 2016 and its financial sustainability should be achieved by means of allocated public revenues from state lotteries, social security allowances to dependent users, state subsidising of RNCCI institutions' operational costs, and co-payments by the users themselves.

3 Impact of the Financial and Economic Crisis on Social Protection

In the aftermath of the 2009 general elections³⁸, the party in office saw its majority in the parliament severely cut back, thus having to meet the odds with other political organisations in order to pass delicate legislation, most importantly, the 2010 Budget and the Stability and Growth Programme for 2010-13.

Before the financial crisis, fiscal consolidation had progressed. Public deficits and debt developed in the right direction, even if economic growth lagged behind the EU average. After the 2008 financial turmoil, Portugal faced the prospect of a sharp recession. In the context of the 2009 electoral cycle, the Government increased public spending quite beyond the automatic stabilisers: wages in the public sector were raised by 2.9%, in spite of deflation, and public investments were increased. By the end of 2009, public deficit was well above official expectations, reaching 9.3% of GDP, as shown in Figure 1.

Figure 1: Public deficits (2005-2009)



Source: Ministry of Finance

The present situation results from a harsh conjuncture over a vulnerable structural standing point, in which one of the lowest productivity rates in the EU is coupled with a major deficit in commercial balance and huge state spending. It is a case study in large budget and trade deficits combined with a shortage of domestic savings, which leaves Portugal dependent on foreign investors, and showing insufficient political will to slash spending and/or raise taxes.

Portugal is being targeted as the second most risky industrialised EU economy, right behind Greece³⁹. Meanwhile, the importance of a widespread political and social compromise on

³⁸ Three general elections were held throughout 2009. The first was common to all EU-Members: the election for a new European Parliament. A second appointment was for the Portuguese Parliament. In the outcome of this election, the Socialist Party (PS) eventually lost its absolute majority of representatives, and this originated the vulnerability that the new PS Government faces considering the less popular measures to control the public debt and to work on the deficit placed on the political agenda. The third and last elected new local administrations. The Socialist Party in Government, traditionally a centre-left wing party, has favoured agreements with the opposition parties, the right-of-centre PSD (Partido Social Democrata – Social Democratic Party) and the right-wing CDS-PP (Democratic and Social Centre - People's Party) –, only linking to the left wing parties PCP (Communist Party) and BE (Left Block) to pass the bill on gay marriage.

³⁹ The Economist clearly states in its April 22nd edition the way international financial opinion views the country: “[...] Portugal is indeed different from Greece. But if the markets decided to put this to the test, chronic low growth, a drastic loss of competitiveness and high public and private indebtedness are all weaknesses which could swiftly undermine the protection that being different is meant to bring” (See http://www.economist.com/world/europe/displaystory.cfm?story_id=15959527).

future policies is acknowledged by most opinion-makers and, as put by the European Commission's President on March 15, the measures within the Stability and Growth Programme (PEC – “Programa de Estabilização e Crescimento”) 2010-2013 call for a national consensus as vast as possible⁴⁰.

By the end of March, the rating agency Fitch's sovereign debt team downgraded Portuguese credit rating, expressing concerns about the economic prospects, which put Portugal's already shaky public finances under pressure⁴¹ from the bond market, unable to borrow at acceptable costs⁴². Fitch warned that the Portuguese Government would need to implement "sizeable consolidation measures from next year, on top of the reversal of the fiscal stimulus this year, in order to meet the 3% of GDP deficit target by 2013. If this is achieved, public debt/GDP will peak at around 90% in 2013"⁴³.

3.1 Stability and Growth Programme 2010-13

The state budget for 2010 strives to pull off an immediate reduction of the deficit, from 9.3% to 8.3% of GDP. Meanwhile, and according to PEC 2010-13⁴⁴, in the following years, Portugal will have to trim its public deficit by 5.5 points, in order to achieve the goal of 2.8% of GDP in 2013⁴⁵.

The strategy of the Portuguese Government to complete this endeavour is based on the following steps:

- Reducing the share of expenditure in GDP;
- Decreasing tax expenditure;
- Improving tax, social contribution and other revenues (namely, privatisation revenues);
- The automatic stabilisers such as unemployment benefits and early retirement schemes that will decrease as the economy recovers and exits the crisis.

The 2010 budget and most importantly PEC 2010-13 are deemed as key action packages facing the difficulties ahead. To reduce the debt, a three-year wage freeze in the public sector and cuts in personal and company tax breaks to raise extra revenues should be implemented, accompanied by cuts in welfare benefits, limited government hiring, the speeding-up of CGA pensions convergence with SS benefits, drastic spending cuts and the privatisation of state-held remaining infrastructures.

At the beginning of March, the Ministry of Finance and Public Administration asked for the contribution and the responsible backing of the different political forces and social partners⁴⁶.

The main opposition party, right-of-centre Social Democratic Party (PSD), in view of the Fitch ratings downgrade, agreed to abstain in the parliament's vote on PEC, thus paving the

⁴⁰ See <http://www.independent.ie/business/european/portugalrsquos-stability-program-is-lsquotediblebarroso-2099885.html>.

⁴¹ Ibid.

⁴² Cf. <http://ca.news.finance.yahoo.com/s/25032010/2/biz-finance-european-try-find-solution-greek-crisis-euro-slides.html>.

⁴³ See footnote 42.

⁴⁴ In

http://www.portugal.gov.pt/pt/GC18/Documentos/MFAP/PEC_2010_2013_Linhas_Resumo_Preliminar.pdf.

⁴⁵ See footnote 46.

⁴⁶ In http://www.min-financas.pt/inf_economica/PEC2010-2013_memo_EN_08mar2010.pdf.

way for adoption of the programme. In exchange, the Government withdrew its demand for a green light for its entire programme, and sought instead the simple declaration of support⁴⁷.

Coincidentally, PSD had its own leadership elections in the meantime. The newly inaugurated leader has raised the stakes saying that he did not feel bound to earlier compromises and would not hesitate to block austerity measures, should he disagree on them⁴⁸. Nevertheless, new signs of availability to further PEC implementation have been made clear after the Standard&Poor's downgrading of credit rating in April 2010.

The right-wing People's Party (PP) accuses the Government of postponing to 2012 and 2013, instead of presenting right away the necessary slashes on expenditure that would allow further deficit control. They consider the projected shallow economic growth as another disappointment in the PEC, suggesting that it might even arouse doubts outside the country, especially because its economic pattern resides in enormous public works. CDS-PP insists that the correct path must focus on the small and medium-sized businesses, which they consider to be the backbone of the Portuguese corporate scene⁴⁹. Nevertheless, PP chose to abstain on the voting of PEC in parliament.

The Communist Party (PCP) classifies PEC as an agenda towards instability, and economic downfall. PCP points out that wage cuts and increase of retirement age in the public administration, caps on social expenditure and curbs on tax deductions, hosts new tolls, narrows public investment and privatises various corporations structural to the national economy. The Communist Party proposes instead an increase of wages and pensions, an active defence of national production, a wider justice on fiscal policy, more protection for unemployment and the assistance to those without jobs, and an effective empowerment of the state's corporate sector⁵⁰.

The Left Bloc (BE) also accused the Government of engaging in a wrong policy of cutting social spending and wages, rather than cutting back on unnecessary (unspecified) expenditure. The policies suggested by BE include a fantasised European-wide fund that would provide easier credit, the renegotiation of public-private partnerships, increasing wages indirectly by reducing the price of housing and public services, and cracking-down on tax evasion⁵¹.

The leader of the CES (Economic and Social Council), the social dialogue state institution where main social partners sit, President Silva Peneda, defended a compromise amongst the more representative parties in parliament and the involvement of social partners, delivering the predisposition of CES to promote a political pact towards policies to control public finances⁵².

Following the assessment on the PEC, Mr. Silva Peneda went on to state that the growth predictions are unsatisfactory and ineffective towards employment, which could facilitate the increase of social disruption⁵³.

The Portuguese Industry Confederation (CIP) epitomised PEC as a programme with a scheme of privatisations to collect revenue to reduce the government debt that brings an excessive taxation upon the middle-class taxpayer, and a wage freeze in the public administration as a

⁴⁷ See footnote 46.

⁴⁸ See footnote 46.

⁴⁹ In http://www.cds.parlamento.pt/gp/index.php?option=com_content&view=article&id=362:cds-acusa-governo-de-empurrar-com-a-barriga-cortes-na-despesa&catid=46:financas-e-administracao-publica&Itemid=64.

⁵⁰ In http://www.pcp.pt/index.php?option=com_content&task=view&id=35462&Itemid=821.

⁵¹ See footnote 42.

⁵² In http://tsf.sapo.pt/PaginaInicial/Economia/Interior.aspx?content_id=1504756.

⁵³ In <http://aeiou.expresso.pt/pec-presidente-do-ces-teme-aumento-de-conflitualidade=f574541>.

means to control the development of public expenditure. CIP does not question that Portugal will be able to reduce its deficit value to below 3% by 2013, but strongly advises that without a serious reform of public administration, the array of state spending will definitely create the same problems after 2013⁵⁴. CIP's president António Saraiva goes as far as to say that it is most probable that the Portuguese will face an upsurge in taxes, due to superfluous expenditure within the public administration⁵⁵.

The president of the Portuguese Entrepreneurial Association – Chamber of Commerce & Industry (AEP-CCI), José António Barros, considers the trade balance as the main instrument for the success of PEC. In his appraisal he states that, in order to decelerate imports and stabilise the trade balance, there is a need to increase revenue during a transitory period coinciding with the implementation of the PEC. This surplus in revenue stands for a raise in consumption tax, and only by doing this will it be possible to fulfil the predictions of strengthening exports and the reduction of imports⁵⁶.

However, the opposition of trade unions to PEC substantive measures is very strong. The PCP-led General Confederation of Portuguese Workers (CGTP) called for a strike in important sectors of the labour force: civil servants and transportation workers. Even the General Workers' Union (UGT), Portugal's second-largest confederation of unions, traditionally aligned with the Socialist Party, has supported the strike call for the same reasons⁵⁷.

CGTP leader Manuel Carvalho da Silva raises the prospect of a nationwide general strike, involving public and private sector workers, even if refusing to make such a call for the moment. UGT leader João Proença says that more strikes will follow if the Government attempts to extend this year's wage freeze in the public sector for a further two years, and sends out a warning claiming that, should the Government's plan be socially unacceptable, there will be a huge risk of political and social radicalisation.

3.2 Impact on social expenditure and state revenues

The implementation of PEC will be especially harsh over social expenditure and it will affect almost every beneficiary in the system to some extent, as the figures included in PEC state a half point reduction in social benefits from 21.9% of GDP in 2009 to 21.4% of GDP in 2013, as shown in Figure 2.

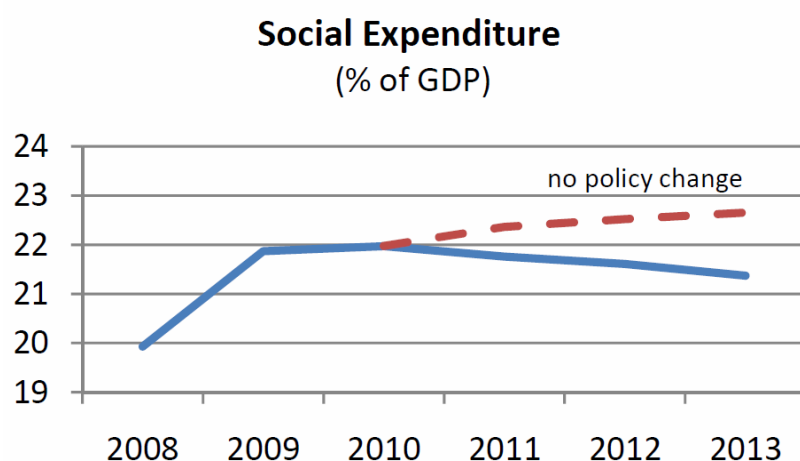
⁵⁴ In <http://www.cip.org.pt/irj/servlet/prt/portal/prtroot/com.sap.km.cm.docs/cip/conteudos/framedestaques/destaques/607a6639-61c7-2a10-32b3-b07d3b80a7b7.xml>.

⁵⁵ On http://dn.sapo.pt/inicio/economia/Interior.aspx?content_id=1522612.

⁵⁶ On <http://aeiou.expresso.pt/aep-defende-aumento-de-impostos-sobre-consumo=f574040>.

⁵⁷ See footnote 42.

Figure 2: Social Expenditure (2008-13)



Source: Ministry of Finance

To attain this goal the following measures are to be taken:

- The definition of an expenditure ceiling for social benefits without a contributory base, in particular by setting a ceiling for the transfers from the state budget to Social Security, in order to fund such benefits. The measures envisaged for such, among others, are:
 - To maintain the nominal value of all non-contributory benefits until 2013;
 - To redefine the allocation criteria incorporating the widespread application of stricter means-tested rules;
 - To remove the temporary anti-crisis social support measures – such as the extended concession period of unemployment benefit and the eligibility eased conditions enacted in 2009;
 - To reduce the unemployment benefit⁵⁸ and to suppress the causes for refusal of jobs by insured workers while receiving the benefit
 - To strengthen mechanisms for management, control, supervision and penalties in order to promote efficiency and fight abuse and fraud;
- The change of the unemployment benefits scheme with the aim of promoting a faster return to work;
- The improvement of the management and control of health expenditure and medicine policy;
- The speeding-up of the convergence of the CGA (Civil Servants Pension Scheme) with the Social Security general scheme, in line with the measures already adopted in the state budget for 2010.

⁵⁸ The Government has already made public that the unemployment benefit will be reduced to 75% of the last wage while keeping the general cap over its absolute value of 3 minimum wages already in place. Also the acceptance of job offers by beneficiaries of unemployment protection with a net income of only 10% over the subsidy will be mandatory (the current legislation says that the unemployed, after seven months of receiving the subsidy, has to accept work offers with a net income of at least 25% over the unemployment benefit).

The main changes on the revenue side to tackle the governmental deficit are:

- Capital gains on securities subject to a 20% personal income tax rate;
- Equitative limitation of personal income tax allowances and benefits, making them dependent on the taxpayers' level of income;
- Alignment of the specific personal income tax allowance for pensions exceeding EUR 22,500 per year, with the specific tax allowance for income of wage earners;
- Broadening and better controlling the Social Security contributory base by implementing the inclusion of fringe benefits and some of professional travel expenses in the taxable base for payroll rate (as set up in the code of social contributions approved in 2009, and later suspended for one year by Parliament);
- Setting up, until 2013, of a special personal income tax rate of 45% for taxable annual income exceeding EUR 150,000.

3.3 Systemic risk for social protection

By April 2010, the Minister for Labour has already addressed the social partners stressing that the unemployment protection should be deemed as a transitory subsidy and that it is of the utmost importance to create incentives to lead the unemployed back into active life. In the aftermath of the conversations with the social partners, while the employers' confederations and UGT expressed their willingness in devising new means to control social expenditure, CGTP delivered a more intransigent statement towards any cutback in social allowances, in particular the unemployment benefit⁵⁹.

The fact that measures featured in PEC must be endorsed for the next three budgets or else Portugal will fall short of the objectives, challenges the Government and its supporting party, since they do not have the number of representatives in parliament required to pass the budget without reaching deals with other parties.

Moreover, the predominant view stated by experts and authorised opinion-makers point to the inevitable adoption of further and harsher policy measures, such as the cutback of wages in the civil service, and the freezing of many investments in public works already launched. It is a possibility that stronger austerity measures will be matched by stronger popular discontent through marches and rallies, and even riots similar to what happened in Greece.

In a country with a stabilised political floating between the major centre-left and centre-right wing parties, PS and PSD, it becomes problematic to demand new sacrifices from the middle-class tax contributors while sparing apparently major corporations, in view of the fact that financial corporations and their CEOs are deemed by most as the main responsible agents for the present crisis.

The introduction of the special personal income tax rate of 45% over taxable annual income exceeding EUR 150,000, under the justification that those with highest earnings must lend a helping hand to pull Portugal out of this situation, can be disputed. The richest households are more apt to escape through tax controls by ingenious means or the use of offshore accounts and it will be the middle class who bears most of the burden, while the gap between the richest and the low-income families may increase dramatically with the rising exposure of fringes of the community to extreme poverty.

⁵⁹ In <http://economia.publico.pt/Noticia/novas-regras-do-subsidio-de-desemprego-sao-para-aplicar-ja-em-2010>.

In the medium and long term, further strains over social protection may arise. Savings rates are very low in all sectors of the economy. Households do not generate significant resources, both to protect their members from future contingencies and to fuel investment and value innovations. External over-indebtedness will shrink leverage for corporate investment and employment will grow too slowly. Budget imbalances will require heavier tax burden and expenditure cuts when the economy does not grow enough, as the Plan for Stabilisation and Growth 2010-2013 emphasises. The Portuguese welfare state is now facing a major challenge that will require further trade-offs between adequacy and sustainability of social protection benefits.

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4 Abstracts of Relevant Publications on Social Protection

[R] Pensions

- [R1] General trends: demographic and financial forecasts
- [R2] General organisation: pillars, financing, calculation methods or pension formula
- [R3] Retirement age: legal age, early retirement, etc.
- [R4] Older workers activity: active measures on labour market, unemployment benefit policies, etc.
- [R5] Income and income conditions for senior workers and retired people: level of pensions, accumulation of pensions with earnings from work, etc.

[H] Health

- [H1] Health expenditures: financing, macroeconomic impact, forecasting, etc.
- [H2] Public health policies, anti-addiction measures, prevention, etc.
- [H3] Health inequalities and access to health care: public insurance coverage, spatial inequalities, etc.
- [H4] Governance of the health system: institutional reforms, transfer to local authorities, etc.
- [H5] Management of the health system: HMO, payments system (capitation, reimbursement, etc.)
- [H6] Regulation of the pharmaceutical market
- [H7] Handicap

[L] Long-term care

[R1] ALBUQUERQUE, Paula C., LOPES, João C., “Economic impacts of ageing: an interindustry approach”, Working paper, SOCIUS/UECE/ISEG, 2010.

<http://www.repository.utl.pt/handle/10400.5/1744?mode=full>

“Economic impacts of ageing: an interindustry approach”

The purpose of this paper is to quantify the impact of the development of consumption patterns associated with ageing on the relative importance of industries in Portugal. Design/Methodology/Approach - This paper uses data from the Family Spending Survey to disaggregate the Household column of the Portuguese Input-Output Table in different age groups, projecting their consumption, using the latest demographic projections made by Statistics Portugal (INE). Findings - The study identifies the industries that are likely to be stimulated by the ageing of the Portuguese populations, as well as the industries that will most likely become disadvantaged by the process. Social implications - The task of identification of growing and declining industries due to ageing is important to help the design of employment, environmental, and social policies. Original/Value - The contemporary demographic trends in western societies have added to the importance of studying the economic and social consequences of ageing. Previously, the main issues have been the labour market effects, the sustainability of social security systems, and long-term care. In this paper, we address a different research topic, quantifying the sectoral impact of the evolution of consumption patterns associated with ageing.

[R1] ANTÓNIO, Stella, “Um Mundo Grisalho”, Cadernos de Economia, Ano XXII – Número 88 – Jul/Set 2009, p. 21-28.

“A Grey World”

The world is becoming increasingly grey. Never in all humanity, has the number of individuals over 65 and more been so high. It is now half a billion and it is estimated to reach a billion by 2030. By then, , one in every eight individuals in the world will be 65 or more.

Demographic ageing, its conditions and future trends in Portugal, should be seen as the background to the problem concerning necessary reforms to ensure the sustainability of social security and the pension scheme.

[R1] ALVES, Nuno, “Novos Factos Sobre a Pobreza em Portugal”, Article, Bank of Portugal, 2009. Retrieved from

http://www.bportugal.pt/pt-PT/BdP%20Publicaes%20de%20Investigao/AB200902_p.pdf

“New Facts on Poverty in Portugal”

This article strived to contribute to the characterisation of poverty in Portugal and to a deeper understanding to its primary explaining causes, using mainly the inquiry on family spending, carried out by INE in 2005/2006. The author explains that the article did not build on a systematic analysis of public policies to determine poverty in the Portuguese case. The collection of relevant public policies in determining the level and behavior of poverty is necessarily vast, spreading to almost every field of governmental intervention. Amongst those policies, the author identifies, on the one hand, those that seek to assure equal opportunities for all citizens and, on the other hand, those aimed to create an umbrella of social protection that guarantees each individual a full participation within society.

[R1] BARROS, Pedro, MACHADO, Sara, “Money for nothing? The net costs of medical training”, Working paper, Faculdade de Economia/Universidade Nova de Lisboa, 2010. Retrieved from <http://dspace.fct.unl.pt/handle/10362/2549>

“Money for nothing? The net costs of medical training”

*One of the stages of medical training is the residency programme. Hosting institutions often claim compensation for the training provided. How much should this compensation be? According to our results, given the benefits arising from having residents among the house stats, no transfer (either tuition fee or subsidy) should be set to compensate the hosting institution for providing medical training. This paper quantifies the net costs of medical training, defined as the training costs over and above the wage paid. We jointly consider two effects. On the one hand, residents take extra time and resources from both the hosting institution and the supervisor. On the other hand, residents can be regarded as a less expensive substitute to nurses and/or graduate physicians, in the provision of health care, both in primary care centres and hospitals. The net effect can be either positive or negative. We use the fact that residents, in Portugal, are centrally allocated to National Health Service hospitals to treat them as a *xed* exogenous production factor. The data used comes from Portuguese hospitals and primary care centres. Cost function estimates point to a small negative marginal impact of residents on hospitals' (-0.02%) and primary care centres' (-0.9%) costs. Nonetheless, there is a positive relation between size and cost to the very large hospitals and primary care centres. Our approach to estimation of residents' costs includes other teaching activities hospitals might have (namely undergraduate Medical Schools). Overall, the net costs of medical training appear to be quite small.*

[R1] CAMPOS, Maria Manuel Campos, PEREIRA, Manuel Coutinho, “Salários e Incentivos na Administração Pública em Portugal”, Research publication, Bank of Portugal, 2009. Retrieved from

http://www.bportugal.pt/pt-PT/BdP%20Publicaes%20de%20Investigao/AB200906_p.pdf

“Salaries and Incentives in Portuguese Public Administration”

Through this study the authors analysed the crossroads between incentives and salaries in the public sector in Portugal, using as means to comparison the private sector, arriving at several interesting results.

[R1] CARNEIRO, Anabela, GUIMARÃES, Paulo, PORTUGAL, Pedro, “Real Wages and the Business Cycle: Accounting for Worker and Firm Heterogeneity”, Working paper, Bank of Portugal, 2009. Retrieved from <http://ideas.repec.org/p/iza/izadps/dp4174.html>

“Real Wages and the Business Cycle: Accounting for Worker and Firm Heterogeneity”

Using a longitudinal matched employer-employee data set for Portugal over the 1986-2005 period, this study analyses the heterogeneity in wage responses to aggregate labour market conditions for newly-hired workers and existing workers. Accounting for both worker and firm heterogeneity, the data support the hypothesis that entry wages are much more procyclical than current wages. A one-point increase in the unemployment rate decreases wages of newly-hired male workers by around 2.8% and by just 1.4% for workers in continuing jobs. Since we estimated the fixed effects, we were able to show that unobserved heterogeneity plays a non-trivial role in the cyclicity of wages. In particular, worker-fixed effects of new hires and separating workers behave countercyclically, whereas firm-fixed effects exhibit a procyclical pattern. Finally, the results reveal, for all workers, a wage-productivity elasticity of 1.2, slightly above the one-for-one response predicted by the Mortensen-Pissarides model.

[R1] MENDES, Raquel Bernadette, “Gender wage inequality in the portuguese labour market”, doctoralThesis, RepositóriUM - Universidade do Minho, 2009. <http://repositorium.sdum.uminho.pt/handle/1822/10279>

“Gender wage inequality in the portuguese labour market”

Why do women earn lower wages than men? The purpose of this thesis was to explore the determinants of gender wage inequality in Portugal. This thesis is organised into five chapters.

The empirical analysis conducted in the last chapter was motivated by the potential limitations of the standard wage equation framework in accurately measuring the role of wage discrimination as a determinant of gender wage disparities. Although the residual gap may be attributable to wage discrimination, unobserved or unmeasured gender differences in productivity may be at play. The central objective of this chapter was to provide new empirical evidence on the sources of gender wage inequality in the Portuguese labour market, applying an alternative empirical approach. The innovative aspect of this approach is the direct estimation of labour productivity based on a production function framework. Relying on firm-level wage equations and production functions, gender wage and productivity differentials were estimated and then directly compared in order to test for wage discrimination. The findings indicate that female employees are less productive than male employees and that gender differences in wages are fully explained by gender differences in productivity. The results, therefore, indicate that women earn less than men because they are relatively less productive. The thesis closes with suggestions for future empirical research.

[R1] NOGUEIRA, Helena, “Poor people, poor places, poor health. Territories of risk amplification in the Lisbon Metropolitan Area - 2009”, Study, Instituto Nacional de Estatística, 2009. Retrieved from

http://www.ine.pt/ngt_server/attachfileu.jsp?look_parentBoui=72955946&att_display=n&att_download=y

“Poor people, poor places, poor health. Territories of risk amplification in the Lisbon Metropolitan Area - 2009”

This study promotes a dynamic, inclusive approach of health determinants in the Lisbon Metropolitan Area, integrating distinct levels of determinants (individual and contextual ones), which act through different mechanisms (direct and indirect ones). Besides identifying the main health risk factors, previously revealed in a former number of this

journal, we now show the main risk areas. The results show that it is possible to identify inequities in daily living conditions, which have a negative impact on health and often represent underlying socioeconomic deprivation. However, they also show that daily spaces can emerge as territories of health risk, amplifying the degrading effect of some individual attributes. We conclude that it is possible to identify the social determinants of health and the way in which they cluster together, forming territories of health vulnerability and risk. We also conclude that health improvement is possible through integrative, intersectorial and strategic policies, addressing not only the individuals but also their daily spaces: decreasing individual poverty, decreasing area deprivation; decreasing inequities in resources access and utilisation, promoting social and territorial cohesion; changing risk territories into territories of health promotion.

[R1] SILVA, Carlos Pereira da, “Previdência e Poupança na Europa Social”, Cadernos de Economia, Ano XXII – Número 88 – Jul/Set 2009, p. 60-62.

“Welfare and Savings in Social Europe”

According to OECD, the models of public pensions around Europe are under immense demographic pressure, despite the abundant reforms that have occurred in the last decades.

Not only has the dependency ratio of the elderly tended to increase the growing rates, doubling by 2050 in the majority of the countries, but also the ratio between the elderly and the young, leans to break-down, foreseeing that the relative weight of the elderly on the population will soon surpass the equivalent younger ratio. But, if the problem was merely demographic, it could be resolved with immigration, with policies of birth encouragement, and with social investments into family support, such as networks of social facilities in the proximity, which would diminish the time lost in trips from home-kindergarten-work.

[R2] CUNHA, Vanda, PAULO, Ariana, PEREIRA, Nuno Sousa, REIS, Hélder; “The Reform of The Portuguese Public Employees’ Pension System”, Working Papers, Office of Planning, Strategy, Evaluation and International Relations (GPEAR/Ministry of Finance), 2009.

<http://www.gpeari.min-financas.pt/investigacao/working-papers/wp-002-the-reform-of-the-portuguese-public>

“The Reform of The Portuguese Public Employees’ Pension System”

In the context of an ageing population and with the Portuguese public social security system reaching maturity, pension expenditures recorded a marked upward trend in the last decade, jeopardising the system’s long-term viability.

This paper illustrates how the recent reforms in the social security system, in particular in the case of the public employees pension system, are expected to contribute to its financial sustainability and, hence, to the country’s overall public finance sustainability.

In addition, the potential distributive impact of the new rule on pensions indexation is analysed.

[R2] KADHIM, Lara Vilela, “Assessing personal retirement savings plans: the Portuguese case”, Master thesis, ISEG, 2009. <http://www.repository.utl.pt/handle/10400.5/1173>

“Assessing personal retirement savings plans: the Portuguese case”

This thesis highlights the insights and shortcomings of personal retirement savings plans (PRSP) structure, operations and performance. These schemes were, at first, established in 1989, with the purpose of encouraging personal savings and, at the same time, complementing the traditional system of pension provision. Because of their voluntary nature, the state offered a special fiscal regime to PRSP, in order to promote individuals’ reliance on private pension savings. PRSP are administered by pension

plan sponsors. Together with investment managers, they find that their privileged access to information and to sophisticated techniques of performance evaluation allows them to achieve superior performances (for a portfolio security) than the ones reached by a financially myopic individual. To investigate this point, an analysis was conducted on return, risk, security selection and market timing performance of a sample of 20 representative personal retirement savings funds (PRSF), held in the form of pension funds. This thesis begins with a brief debate on the impact of demographic evolution in the Portuguese pension system, with a special reference to the third pillar of pension protection. Then, it portrayed PRSP status quo and growth trends, and pointed out some criticisms and an alternative to these schemes. The final section examines PRSF performance. It starts with a brief description on the data, methodology and data limitations, followed by a literature review on portfolio performance measures and market timing. Using a time series regression on PRSF gross returns, some illustrative results are presented and the potential distortionary outcome of portfolio performance measures identified.

[R2] MARQUES, Pedro, “A Caminho da Sustentabilidade”, Cadernos de Economia, Ano XXII – Número 88 – Jul/Set 2009, p. 47-52.

“On The Road to Sustainability”

The sustainability of social security has become a recurring subject in the political agenda in the last decade pretty much all around the world. The over-attention paid to the question of sustainability of public finances and the consequences of population ageing have come to drive politicians and the society in general towards the need to reform this sector. The evaluation of the reform of the Portuguese social security system in 2006, calls for an assessment of the progress of social security in recent years and the development of the causes that condition the balance of social security.

[R2] MARTINHO, Rui Leão, “A Sustentabilidade da Segurança Social e a Coesão Social”, Cadernos de Economia, Ano XXII – Número 88 – Jul/Set 2009, p. 38-40.

“The Sustainability of Social Security and Social Cohesion”

The profound changes in the social structure that occurred in the past decades have aged Portugal, with an active population that compromises the state’s capacity to insure the entitlement of future pensions.

However, the active population will receive less when they reach retirement age, implying that they will need to work even beyond that age.

[R2] MENDES, Fernando Ribeiro, “A Reforma da Protecção Social no entreacto”, Cadernos de Economia, Ano XXII – Número 88 – Jul/Set 2009, p. 15-20.

“The Reform of Social Protection in the between acts”

In the last 30 years, the Portuguese democracy approached levels of social protection close to those of more developed countries, but which are now faced with an increasing problem of sustainability, in consequence of the accelerated demographic ageing in the last 20 years.

The definition of public policies of social protection results from a mix of collective choice from the electorate, which grows the value of the allowances attributed, particularly pensions, and the amount of people entitled, as well as the eagerness to health care and long-term care, in line with the ageing of the electorate.

[R2] REBELO, Glória, “A Reforma da Segurança Social em Portugal”, Cadernos de Economia, Ano XXII – Número 88 – Jul/Set 2009, p. 8-14.

“The Reform of Social Security in Portugal”

It has been recognised that almost every European country is under threat in their financial sustainability of the public system over numerous factors.

This article follows, in particular, two grave reasons to the financial imbalance of these systems. One is related to the demographic evolution of the European societies, the other is the orientation of employment policies adopted in the last decade of the 20th century and maintained in some countries.

[R2] RODRIGUES, Carlos Farinha, “Efficacy of anti-poverty and welfare programmes in Portugal: the joint impact of the CSI and RSI”, Working papers, ISEG, 2009. <http://www.repository.utl.pt/handle/10400.5/1734>

“Efficacy of anti-poverty and welfare programmes in Portugal: the joint impact of the CSI and RSI”

The aim of this paper is to estimate the joint impact on the distribution of household income and poverty of the implementation of two major anti-poverty measures in Portugal: the “Solidarity Supplement for the Elderly” (CSI) and the “Social Integration Income” (RSI). These two means-tested measures were designed as the main components of the anti-poverty social policy in Portugal, but they are directed at different groups of the population and have different objectives in terms of poverty reduction. Implemented since 1997, the aim of the RSI is to reduce extreme poverty through the reduction of poverty intensity of the most vulnerable sectors of the population. The CSI, gradually introduced since 2006, has the explicit objective of reducing the incidence of poverty in older people, its threshold defined at the level of the poverty line. Using a prototype of the Portuguese micro-simulation model MicroSimPT, based on household micro-data from the European Union Statistics on Income and Living Conditions (EU/SILC), we simulate the impact of each measure and their joint effect on the income distribution and on different dimensions of monetary poverty. The size of government expenditure required to finance these programmes will also be estimated.

[R2] VELUDO, José Manuel Monteiro, “Como financiar a segurança social no século XXI: uma proposta de sustentabilidade social”, masterThesis, Faculdade de Economia/Universidade de Coimbra, 2010. <https://estudogeral.sib.uc.pt/jspui/handle/10316/12308>

“How to finance social security in the 21st century: a proposal towards social sustainability”

The author approaches a few current key issues on social security, particularly the difficulties, announced from time to time, in relation to future financing and consequent sustainability.

As a conclusion to this dissertation, the author addresses a proposal for a shift in the existing scheme of financing, which settles in the principle, that Portugal should sponsor social security through a slice of revenue from VAT.

[R3] ALBUQUERQUE, Paula, ARCANJO, Manuela, ESCÁRIA, Vítor, “Early retirement in Portugal”, Working papers, SOCIUS/ISEG, 2009. <http://econpapers.repec.org/paper/iseisegwp/wp392009.htm>

“Early retirement in Portugal”

This paper analyses the early retirement decisions made by Portuguese workers aged 50 to 64. It investigates the main characteristics of early retirees, and the main determinants of their decision, based on the eight waves of the European Community

Household Panel for Portugal, from 1994 to 2001. Several definitions of early retirement are considered, in order to take into account the different pathways to retirement that workers may follow. Some results are robust to different methodologies: an older age, health problems, a spouse that is not working and small family sizes generally increase the chances of early retirement.

[R5] ROSA, Eugénio, “A Situação dos Pensionistas em Portugal”, *Cadernos de Economia*, Ano XXII – Número 88 – Jul/Set 2009, p. 67-70.

“The Situation of Pensioners in Portugal”

It is common to say that pensions in Portugal are extremely low. Nonetheless official statistics convey a clearer portrait about this situation.

In accordance with Eurostat, in 2007 (last available records), in Portugal the aged population with an income below the poverty limit represents 26%; the average in EU27 was 19%.

The latest pension reform was a reform simply concerned with reducing expenditures at the cost of the pensioners, without finding alternative means of financing. The overwhelming majority of the Portuguese pensioners earn pensions below the poverty limit, which is an important reason for poverty in our country.

[H] Health

[H1] GOMES, Manuel António de Oliveira, “The Liberalisation of the Retail Market of Non-Prescription Medicines”, *Faculdade de Economia da Universidade do Porto*, masterThesis, 2009. <http://repositorio-aberto.up.pt/handle/10216/7417>

“The Liberalisation of the Retail Market of Non-Prescription Medicines”

This dissertation develops a framework that evaluates the recent changes in the regulation of the Portuguese retail pharmacy market and analyses the subsequent impact on market structure, price and company’s profitability. The theoretical methodology on geographical competition is extended by including (1) asymmetric retailers and (2) demand substitution between markets in which the retailers operate. Based on the simple mechanisms of the Hotelling classical model of horizontal competition, the circles approach describes competition in the pharmacy retail market quite satisfactorily, since it confers a relevant role to the impact of transport costs on market behaviour, associating companies’ ability to attract consumers to their location and the price they set. As a result, a retailer’s profit is crucially determined by its influence area (which depends on the company’s price strategy and its relative location with respect to other competitors) and by demand characteristics, such as geographical consumer distribution and the per capita consumption of non-prescription medicines.

[H2] SILVESTRE, Hugo Marco Consciência; ARAÚJO, Joaquim Filipe Ferraz Esteves, “A gestão por resultados no sector público: o caso dos Hospitais EPE”, *Conference Presentation, INA*, 2009. <http://www.repository.utl.pt/handle/10400.5/515>

“Management by Results in the public sector: the case of EPE Hospitals”

Controlling results by overall measurements and indicators is one of the visible influences of the New Public Management. To assess the performance of public institutions became a widespread concern in several countries, since it is thought that efficient management is only possible if there are controlling instruments which can deliver information to the politicians, the administrators and the citizens on the activity of such public organisations. The transformation of 31 hospitals from the public administrative sector into corporations is a response to the application of the range of ideas by the New Public Management.

[H3] ALCÂNTARA, Pedro; CABRAL, Manuel Villaverde, “O Estado da Saúde em Portugal”, Imprensa de Ciências Sociais, 2009. <http://www.wook.pt/ficha/o-estado-da-saude-em-portugal/a/id/1995647>

“The State of Health in Portugal”

Access, evaluation and outlook of the Portuguese population evolution from 2001 to 2008 and regional assessment.

Within the celebrations of 30 years of National Health Service (SNS), the Ministry of Health decided to promote this study on the development of the access of the Portuguese population to public and private health care from 2001 to 2008, as well as to evaluate the opinions of the users of this services, on the quality of care and the equity of the system. In addition, the study presents a systemic regional assessment on the admission, evaluation and attitude from the population using the health care system.

[H3] MOREIRA, Sara; BARROS, Pedro Pita, “Double Coverage and Health Care Utilisation: Evidence from Quantile Regression”, Working paper, Bank of Portugal, 2009. <http://www.bportugal.pt/en-US/BdP%20Publications%20Research/WP200911.pdf>

“Double Coverage and Health Care Utilisation: Evidence from Quantile Regression”

An individual experiences double coverage when he benefits from more than one health insurance plan at the same time. This paper examines the impact of such supplementary insurance on the utilisation of health care. Its novelty is that within the context of count data modelling and without imposing restrictive parametric assumptions, the analysis is carried out for different points of the conditional distribution, not only for its mean location.

We use data for Portugal on the consumption of doctor visits, taking advantage of particular features of the public and private protection schemes on top of the statutory National Health Service. Results indicate that double coverage generates additional utilisation of health care and, even though it is present in the whole outcome distribution, by looking at different points we unveil that the effects are relatively smaller for more frequent users. Another interesting finding regards the source of supplementary insurance, since, although both public and private second layers of health care protection increase the utilisation of doctor visits, it adds more to the consumption when provided by private organisations.

[H3] PINHO, Micaela Moreira, “O racionamento dos recursos da saúde através do estabelecimento de prioridades: uma perspectiva social”, doctoralThesis, RepositóriUM - Universidade do Minho, 2009. <http://repositorium.sdum.uminho.pt/handle/1822/9890>

“Rationing health resources through the establishment of priorities: a social perspective”

There are three objectives of this study, namely to (1) critically review the literature concerning the rationing/priority setting of health care; (2) elicit people’s preferences concerning the distribution of health gains, and (3) uncover the preferences of individuals in respect of the participation of different social actors in setting priorities in health care.

The results from this study can be summarised as follows: (1) The stated preferences indicate that respondents are willing to sacrifice efficiency for more equality in lifetime health, when the sub-groups are identified in terms of socio-professional status, a finding that is not observed when the sub-groups are not identifiable; (2) Regardless of (1) the responses seem to be in accordance with “anonymity”, which implies that both socio-professional subgroups are equally deserving of any given health gain; (3) The results suggests that although citizens wish to be consulted, they do not want to make rationing decisions directly. Respondents believe that doctors should make these decisions on behalf of society.

[H4] RIBEIRO, José Mendes, “Saúde – A Liberdade de Escolher”, Gradiva Publicações, 2009. <http://www.wook.pt/ficha/saude-a-liberdade-de-escolher/a/id/2430921>

“Health – Freedom of Choice”

Portugal is in the condition to initiate a new cycle of public policies in the health sector, focused on the citizen, stressing the results obtained by the National Health System (SNS) in the last 30 years.

Universal coverage and freedom of choice are the fundamental values which will make the health care system work for the citizen.

The individual choice will determine to who and in which way the state should assign the provision of health care services to satisfy the needs of the population. The freedom of choice will motivate the competition for quality and efficiency.

The unification of public financing and the stimulation of a competitive movement amongst public, private and social institutions, which integrate the health care system, will result in obvious advantages for citizens, aiding to extinguish the waiting lists for surgery and consultations, and making the public investment in the health sector more efficient.

[H5] BARROS, Pedro Pita, “Economia da Saúde – Conceitos e Comportamentos”, Olhares Sobre a Saúde, Almedina (Publisher), 2nd Edition, 2009.

http://www.almedina.net/catalog/product_info.php?products_id=2568

“Health Economics – Concepts and Behaviours”

In a simple way, health economics is the application of economic analysis to the sector of health. Such implies to know the main concepts, different the intervening and respective motivations, to explain and to foresee its behaviours, the form as if they cross and they interact. In health economics frequent mathematical models to organise and systemise the analysis are used. The majority of the basic aspects are easily comprehended at an intuitive level. The subjects and examples used reflect the preferences and inquiries from the author.

[H5] CRUZ, António Henrique, “Gestão do Risco de Longevidade”, Vida Económica, 2009.

<http://www.wook.pt/ficha/saude-a-liberdade-de-escolher/a/id/2430921>

“Risk Management of Longevity”

Risk Management of Longevity – Instruments of risk management of longevity and assessment of competitiveness of everlasting pensions.

It is fundamental to every pensioner to secure an income for all existence.

The uncertainty management over longevity is an increasing problem to the Portuguese citizens, who are used to see it resolved by the public system with a generous level of benefits.

This book works on the challenges of programming the level of income throughout the pension life, and presents the current mechanisms available to manage the uncertainty associated with longevity.

[H6] PEREIRINHA, José, CAROLO, Daniel, “A construção do Estado-Providência em Portugal: evolução da despesa social de 1935 a 2003”, Working paper, GHES/ISEG, 2009.

<http://www.repository.utl.pt/handle/10400.5/916>

“The development of the welfare state in Portugal: evolution of social expenditure from 1935 to 2003”

It was in the second republic, a period known as New State, greatly inspired by conservative and fascist ideologies, developed by António de Oliveira Salazar, head of state of Portugal from 1932 to 1968, that the system branded social provision was created, which was the institutional basis of the present welfare state in Portugal.

This paper presents a long-term evolution of social expenditure, assessing the deviations of the social spending over GDP that occurred throughout the period of the New State, the variation of personal coverage of social risks and the average pension, helping to interpret the various phases of the construction of this draft of welfare state.

[L] Long-term care

[L] ANDRADE, Fernanda Maria Mendes de, “O cuidado informal à pessoa idosa dependente em contexto domiciliário: necessidades educativas do cuidador principal”, masterThesis, RepositóriUM - Universidade do Minho, 2009. Retrieved from

<http://repositorium.sdum.uminho.pt/handle/1822/10460>

“Informal care for the elderly at their home: educational needs of the main caregiver”

In a society which is getting older every day and where the need in supporting the dependent elderly as a priority increases, the author questions the need in giving more attention to informal care given to the elderly at their home.

Therefore, this study aims to identify the principal caregiver’s educational needs in their informal caregiving to the dependent elderly at their home. For the studies’ achievement the author carried out a case study, selecting fourteen dependent elderly and their caregivers registered in a health centre belonging to the sub-region of Vila Real (SRSVR). As gathering data tools the author used a semi-structured interview carried out with the main caregivers. In parallel and as a complement, the author applied a three scale questionnaire of “indirect administration”, to evaluate the functional capacity of the dependent elderly person (Barthel’s Scale, Lawton and Brody’s Index and Pfeiffer’s Scale, being the first two applied to the care giver and the third to the dependent elderly person). Furthermore, the caregivers learn through informal education (with neighbours and family) and non-formal education (with health and/or social professionals) without being subjected to a formal educational process. The caregivers predict necessities in learning and knowing (when they invoke information/training necessities); in learning and doing (when difficulties arise while giving care) and in learning how to live together and learning how to behave (when emotional difficulties arise in respect of the care provided). Regarding the nurse’s contribution in their preparation to caring for the dependent elderly, the caregivers extend their relational and technical scope of the care provided, making clear that there is no pedagogical relation.

[L] BICUDO, Maria José Garoupa Albergaria, “Do envelhecimento saudável à longevidade com qualidade: contributos de enfermagem”, Master thesis, Universidade de Lisboa, 2009. Retrieved from

http://digitool01.sibul.ul.pt:80/R/P7X2P9MYMTXVE4DHV1QDEDEGCKNB63UL9JKXG6SN22YYVENE3RD-00266?func=results-jump-full&set_entry=000002&set_number=000301&base=GEN01

“From healthy ageing to quality longevity: Contributions from nursing care”

The main concern of the author, in order to develop this research, was to find out in what way nursing care, at the level of Primary Health Care, contributes to the promotion of healthy ageing and quality longevity, among the population. For that purpose, our goal was focused on the area of the health centres providing nursing care to people in the age group of fifty and above. The treatment was verified to be based on factors inherent to: the involved environment (the predominant concept of the elderly as a “sick person”, as well as the national, regional and institutional policies focused on illness/treatment), the nursing staff (the prevailing traditional model of providing care and training, does not motivate staff to know more about this target group), the

population in general (mainly derived from beliefs about health which make them go to a health centre only when sick; considering themselves sick due to high blood pressure, diabetes and depression; unhealthy eating habits or bad quality of sleep resulting from poor economic levels; some need help from their children either for their personal hygiene or house chores and sometimes suffer falls as a consequence of lack of balance; unlike men, women rarely leave the house, enjoy themselves watching television and never do physical activity; often think of death and are afraid of dying alone. Illiteracy makes it hard to change habits). The strategies to promote healthy ageing and longevity with quality, are similar to the international, national, regional and institutional policies. In respect of training and nursing care, the following behaviour is necessary: be focused on the promotion of health and prevention of diseases, throughout the life cycle of the target group; assume the priority of this population, go into the community and make it responsible for this process together with the multi-professional team and the society in general.

5 List of Important Institutions

CIP – Confederação da Indústria Portuguesa – Portuguese Industry Confederation

Contact person: António Saraiva
Address: Pç. Mouzinho Albuquerque 764º - D, 4100-358 Porto
Webpage: <http://www.cip.org.pt>

The Confederation of the Portuguese Industry (CIP) is a defender of a development model established on the market economy and free initiative. It is recognised as an economic and social partner for their influence and coherence of standpoint. The strategic mission of the CIP is to contribute to the growth of the economy, the competitiveness of the companies, innovations, the improvement of productivity, the efficiency of the justice and fiscal system, the quality of education and professional formation, the containment of public charges.
Main recurring publications: e-NEWS, Revista Indústria

UGT – União Geral de Trabalhadores – General Union of Workers

Contact person: João Proença
Address: Av. Almirante Gago Coutinho, n.º 132, 1700-033 Lisboa
Webpage: <http://www.ugt.pt/>

The General Union of Workers (UGT) is a national trade union centre in Portugal. It was formed in 1978 and has a membership of 400,000. It is traditionally influenced by the Portuguese Socialist Party. The UGT is affiliated with the International Trade Union Confederation, and the European Trade Union Confederation. UGT is responsible for publishing frequent resolutions and other proposals on subjects related with employment, wages, work policy and environment, education, and social protection.
Main recurring publications: Newsletters.

CCP – Confederação do Comércio e Serviços de Portugal – Commerce and Services Confederation of Portugal

Contact person: João Vieira Lopes
Address: Av. Dom Vasco da Gama, 29, 1449-032 Lisboa
Webpage: <http://www.ccp.pt/>

The mission of CCP is to contribute to the development of the country, through 3 strategic vectors: In its role of catalyst of the association and the entrepreneurship in commerce and services; In its contributions in giving economic and social advice in social concertation, taking into consideration the development of a mobilising and modern social contract; In its role of mediator between the enterprise world and the political, social and financial system, the Public Administration, Associative Cupolas, schools and universities, and financial and enterprise communities.
Main recurring publications: Newsletters.

CGTP – Confederação Geral dos Trabalhadores Portugueses – General Confederation of the Portuguese Workers

Contact person: Manuel Carvalho da Silva
Address: R. Victor Cordon, N° 1, 1249-102 Lisboa
Webpage: <http://www.cgtp.pt/>

The General Confederation of the Portuguese Workers (CGTP) is the largest trade union federation in Portugal. It was founded in 1971. It is traditionally influenced by the Portuguese

Communist Party, and its present coordinator, Manuel Carvalho da Silva, is a member of the Party. CGTP is ground-breaking in many fields, it host 3 projects (Equal, Match and Euridice) and has recently developed 3 education centres (IBJC, EPBJC, Inovinter). CGTP has focused on the problems regarding unemployment and the impact of the financial and social crisis in Portugal.

Main recurring publications: Boletim CGTP, Boletim Agir, Newsletter CGTP-IN, CGTP Cultura.

CES – Conselho Económico e Social – The Economic and Social Council

Contact person: José Silva Peneda
Address: R. João Bastos, nº 8 – 1449-016 Lisboa
Webpage: <http://www.ces.pt/>

The Economic and Social Council is a constitutional organ for consultation, concertation and participation, in the field of economic and social policies, in which the following are represented: the Government, the workers' and employers' representative organisations, the autonomous regions and the local authorities, as well as the representatives of the interests of the so-called «organised civil society», these being the cooperative sector, the professionals, the Higher Council for Science, Technology and Innovation, the consumer protection agencies, the national environmental protection organisations, universities, private social solidarity institutions, family associations, young entrepreneurs' associations, amongst others.

Main recurring publications: Bulletin "Informação CDI", "Studies and Documents" (resulting from the debates, round tables, conferences and seminars promoted by the ESC, as well as the agreements of social dialogue signed) and "Opinions and Reports" (in which the opinions issued by the ESC are disclosed, be they compulsory, optional or as a result of its right to initiative, as well as the activities reports and others).

PS – Partido Socialista – Socialist Party

Contact person: José Sócrates
Address: Largo do Rato, 2, 1269-143 Lisboa
Webpage: <http://www.ps.pt/>

The Socialist Party is a centre-left political party, founded on 19 April 1973 in the German city of Bad Münstereifel, by militants of the Portuguese Socialist Action (Acção Socialista Portuguesa), clandestine at the time. José Sócrates, Prime Minister of Portugal, is the leader of the party. The Socialist Party has 12 members in the European Parliament, and it is a member of the Socialist International, the worldwide organisation of social democratic, socialist and labour parties, currently bringing together 159 political parties and organisations from all continents. One aspect of which the Socialist Party is proud is the fact that about one-third of its members in parliament are women.

Main recurring publications: Acção Socialista, newsletters.

PSD – Partido Social Democrata – Social Democratic Party

Contact person: Pedro Passos Coelho
Address: R. de São Caetano, 9, 1249-087 Lisboa
Webpage: <http://www.psd.pt/>

The Social Democratic Party is a centre-right political party, and the party's name can be misleading: although its first official political position, after its foundation as the People's Democratic Party, was centre-left and adhered to social democracy and populism, it is

nowadays a party of the centre-right and does not advocate social democracy in any usual sense of the term. However the party still adheres to populism and this is still its main unifying ideology. The party left the Liberal International in 1996 and their delegates to the European Parliament have, since the late 1990s, sat with the European People's Party (EPP).
Main recurring publications: Povo Livre, newsletters.

PCP – Partido Comunista Português – Portuguese Communist Party

Contact person: Jerónimo de Sousa
Address: R. Soeiro Pereira Gomes, nº 3, 1600 – 196 Lisboa
Webpage: <http://www.pcp.pt/>

The Portuguese Communist Party is a major left-wing political party in Portugal. It is a Marxist-Leninist party, and its organisation is based upon democratic centralism. The party was founded in 1921 as the Portuguese section of the Communist International. Made illegal after a coup in the late 1920s, the PCP played a major role in the opposition to the dictatorial regime of Oliveira Salazar. After the end of the dictatorship, the party became a major political force in the newly democratic state, mainly among the working class. Despite being less influential since the fall of the Socialist bloc in Eastern Europe, the party still enjoys popularity in large sectors of Portuguese society, particularly in the rural areas, and in the heavily industrialised areas around Lisbon.

Main recurring publications: Avante!, Magazine O Militante, dossiers.

CDS/PP – Centro Democrático e Social / Partido Popular – Democratic and Social Centre / People's Party

Contact person: Paulo Portas
Address: Largo Adelino Amaro da Costa, 5, 1149-063 Lisboa
Webpage: <http://www.cds.pt/>

The Democratic and Social Centre – People's Party is a Portuguese right-wing political party, with an ideological foundation on Christian democracy, Conservatism and Classical liberalism, founded on 19 July 1974. It has been in various governments, always in coalition, from 1978 to 1980, and again with the PSD after the legislative election of 2002.

In the Portuguese abortion referendum, 2007 the party officially positioned itself against the legalisation of abortion up to ten weeks of pregnancy. The party's two members in the European Parliament used to sit in the ED section of the EPP-ED Group, but in 2006 they switched to the EPP section in a rapprochement effort with the European People's Party.

Main recurring publications: none identifiable.

BE – Bloco de Esquerda – Left Bloc

Contact person: Francisco Louçã
Address: Av. Almirante Reis, 131, 2º, 1150-015 Lisboa
Webpage: <http://www.bloco.org/>

Left Bloc sometimes translated as leftist bloc or left-wing bloc, is a Portuguese left-wing political party founded in 1999, and are currently Portugal's 5th biggest party. This party has had a full party status from the beginning, yet the constituent groups have maintained their existence and some levels of autonomy, leading to a loose structure. This structure may also provide an umbrella for other interested socialist organisations. As a radical left party the majority of its support comes from colleges and labour unions. At this point the Bloc is by some seen as an alternative left-wing political party to the older and more established Portuguese Communist Party and the centre left Partido Socialista. The Bloc proposed

Portugal's first law on domestic violence, which was passed in parliament through the support of the Portuguese Communist Party and the Socialist Party. Remarkably, half of the Left Bloc's militants are women.

Main recurring publications: Esquerda, Revista Virus 5.

SEDES – Associação para o Desenvolvimento Económico e Social – Association for Economic and Social Development

Contact person: Luís Campos e Cunha
Address: Duque de Palmela, 2 - 4º D, 1250 Lisboa
Webpage: <http://www.sedes.pt/default.aspx>

A common denominator animated the founders of SEDES: humanism, socio-cultural development and democracy. SEDES held meetings, organised themselves into working groups, facilitated debates in various locations of Portugal, was the first Portuguese organisation to proclaim the advantages of a rapprochement with the European Community and was a pluralistic school of civics. Since the advent of democracy in 1974, many of its associates have contributed to the social and political life in various political parties. Perhaps there has not been a single government since 25 April 1974, which does not count among its members figures associated with SEDES.

Main recurring publications: Revista Nova Cidadania, newsletters

APSS – Associação Portuguesa de Segurança Social – Portuguese Association of Social Security

Contact person: António Branco Malveiro
Address: Praça de Londres, 9 – 2º Esq, 1000-192 Lisboa
Webpage: <http://www.apss.pt>

The Portuguese Association of Social Security started in February of 1985, in a joint initiative between people interested in the debate and in the reflection over problems related with social security, from an external as well as internal perspective, along with the surrounding structures. With around 600 associates, most of which are specialists and social security professionals, it counts amongst its members college professors in the field of social security, as well as former ministers and state secretaries in this sector of government in the past years.

Main recurring publications: Revista APSS

APES – Associação Portuguesa de Economia da Saúde – Portuguese Health Economics Association

Contact person: Pedro Pita Barros
Address: Escola Nacional de Saúde Pública – UNL, Av. Padre Cruz,
1600-560 Lisboa
Webpage: <http://www.apes.pt>

The Portuguese Health Economics Association has the purpose of promoting the study, discussion and endorsement of the health economics. APES is open to all professionals with an interest in this field and the methodology applied in health economics. In that sense, APES has 6 objectives: the promotion of health economics through technical and scientific dissemination; the publication of an information bulletin and other regular publications; the development of international cooperation in this field; the creation and running of a documentation centre; the development and organisation of meetings, seminars and classes; the cooperation in studies and essays on economic analysis applied to health.

Main recurring publications: Bulletin APES, working papers

CIEF – Centro de Investigação sobre Economia Financeira – Centre for Research on Financial Economics

Contact person: Carlos Pereira da Silva
Address: R. Miguel Lupi, 20, Gabinete 201, 1249 - 078 Lisboa
Webpage: <http://pascal.iseg.utl.pt/~cief/index.html>

CIEF is a private, non-profit association, established in 1989, recognised as a research centre of the School of Economics and Management (ISEG/UTL). CIEF promotes research into financial economics and concentrates its activities in line with the following aims: the production and dissemination of advanced studies in financial economics; the provision of upgrading courses to the academic staff of ISEG in the form of both individual research work and in groups; the expansion of contacts with other Portuguese and foreign institutions with similar interests in common areas of research; the systematic gathering of documentation in the scientific domain in which CIEF is specialised; the provision of research project support to young research assistants and post-graduate students; the creation of an international network of links with universities and counter-part research centres, covering all aspects of the financial world.

Main recurring publications: Papers, books, bulletins

CES – Centro de Estudos Sociais – Centre for Social Studies

Contact person: Paulo Peixoto
Address: Colégio de S. Jerónimo, Apartado 3087, 3001-401 Coimbra
Webpage: <http://www.ces.uc.pt>

CES, founded in 1978 at the School of Economics, University of Coimbra, is a scientific institution devoted to research in the area of the social sciences and humanities. Headed since then by Professor Sousa Santos, CES now numbers 95 researchers, 19 associate researchers and 28 junior researchers. Many of these researchers work on a full-time basis at the centre. The remaining members combine research with lecturing or with other professional activities. Researchers at CES include sociologists, economists, jurists, anthropologists, historians, specialists in the areas of education, literature, culture and international relations, geographers, architects, engineers, biologists and medical doctors.

Main recurring publications: Revista Crítica de Ciências Sociais, e-cadernos ces

IUS GENTIUM CONIMBRIGAE – Instituto de Direito Internacional e da Cooperação com os Estados e Comunidades Lusófonas – Institute of International Law and Cooperation with Portuguese-speaking States and Communities

Contact person: Jónatas Machado
Address: Faculdade de Direito da Universidade de Coimbra, Pátio da Universidade, 3004 - 545 Coimbra
Webpage: <http://www.fd.uc.pt/hrc/index.html>

Description: Founded in 1995, under the Faculty of Law at the University of Coimbra (FDUC), IGC focuses on the study of current international issues, in general, and that of the Portuguese-speaking community, in particular, from a multidisciplinary perspective, yet based on a legal scope. The Human Rights Centre of IGC, founded in 2000, is the first academic human rights education and research centre in Portugal. This is a research, education, training and international exchange centre, focused on human rights issues. Therefore, partnership work is favoured and foreign lecturers, researchers and experts are often invited to the Centre. In parallel, its lecturers and researchers take part in several international events.

Main recurring publications: Corpus Iuris Gentium, papers, EU Network of Experts on Fundamental Rights

CEMPRE – Centro de Estudos Macroeconómicos e Previsão – Centre for Macroeconomic and Forecasting Studies

Contact person: Manuel Freitas Martins
Address: Faculdade de Economia, Universidade do Porto, R. Roberto Frias, 4200-464 Porto
Webpage: <http://www.fep.up.pt/investigacao/cempre/>

Description: CEMPRE is institutionally hosted by the Faculty of Economics of Porto University. Funding has been provided by the Foundation for Science and Technology. Its main aims, since establishment in 1993, are the following: To foster theoretical and applied research in economic growth and business cycles, market modelling, and time series analysis applied to economics; To apply forecasting methods to the Portuguese economy and to an international context; To create and maintain data bases for economic analysis and forecasting; To promote work contributing to the academic progress of researchers involved, particularly younger ones; To support the organisation of scientific meetings and the publication of academic research; To support the organisation of post-graduation activities; To support consultancy services of researchers; To collaborate with other researchers and research units, both nationally and internationally.

Main recurring publications: Papers in refereed journals, reports, working papers

UNICEE – Unidade de Investigação da Faculdade de Ciências Económicas e Empresariais – Research Unit of FCEE

Contact person: Isabel Horta Correia
Address: Palma de Cima, 1649-023 Lisboa
Webpage: <http://www.fcee.lisboa.ucp.pt>

Description: UNICEE, the Research Unit of FCEE, was created in 1997 to pool the efforts of tenured and tenure-track faculties engaged in scholarly research. Its members are well trained in academic research and active in publishing in the top refereed journals in business and economics, often with co-authors from institutions of higher learning from other parts of the world. The objective of the research unit is to increase the quantity and the quality of the academic research produced at the school, in the pursuit of excellence in research as measured by international standards. The unit also promotes joint research projects among its members and an active research seminar series.

Main recurring publications: Working papers, articles in scientific journals

OEFP – Observatório do Emprego e Formação Profissional – Observatory of Employment and Vocational Training

Contact person: Mário Caldeira Dias
Address: R. Castilho, 24 - 8º, 1250-069 Lisboa
Webpage: <http://oefp.iefp.pt>

Description: The Observatory of Employment and Vocational Training is a consultative body, of three-party composition, with the objective to contribute to the diagnosis, prevention and solution of problems related to employment and vocational training, namely unbalance between the search and offer of employment, socio-professional insertion and relocation, quality and stability of employment, development of the professional qualifications, necessities of vocational training, introduction of innovations and restructures, track and follow situations of declared or predictable crisis, monitor and assess the execution of measures and action programmes.

Main recurring publications: Studies, analysis on employment market

INOVA – Unidade de Investigação da FCUNL – Research Unit of FCUNL

Contact person: Mário Páscoa
Address: Campus de Campolide, 1099-032 Lisboa
Webpage: <http://inova.fe.unl.pt>

Description: INOVA is the research unit of the School of Economics and Management of Universidade Nova de Lisboa. Most of INOVA's researchers are also faculty members of the School. INOVA's group of affiliated researchers also includes holders of post-doc grants and members of institutions involved in joint projects. Their research interests cover the following fields: accounting, econometrics, economic history, finance, human resource management, macroeconomics, marketing, microeconomics, operations research and strategy, among others. INOVA's aim is to offer its members means to produce research, publishable in top-ranked international journals in the aforementioned areas.

Main recurring publications: International and National Papers, Seminars

CESNOVA – Centro de Estudos de Sociologia – Centre for Sociologic Studies

Contact person: David Justino
Address: Av. de Berna, 26 C, 1069-061 Lisboa
Webpage: <http://www.cesnova.fcsh.unl.pt/>

Description: cesNova was created in 2007 out of five pre-existing research units within the School of Social and Human Sciences of Universidade Nova de Lisboa. They carry out basic and applied research on the Portuguese society along four interconnected axes, structured as collaborative workgroups: historical and comparative approach to Portuguese modernity; social dynamics, identities and action; the production and reproduction of social worlds; and the social construction, management and performative effects of public policies. While grounded in sociology, the outlook is organised by problems rather than disciplinary, and is therefore open to interdisciplinary input, namely across history, political science, education, economics, geography, anthropology, cultural and gender studies. Substantive issues are addressed by one or several of the problematic guidelines, taking advantage of synergies and research experience consolidated over the years.

Main recurring publications: Papers, book reviews, books, working papers

CESIS – Centro de Estudos para a Intervenção Social – Centre of Studies for Social Intervention

Contact person: Heloísa Perista
Address: R. Rodrigues Sampaio, 31, S/L Dta., 1150-278 Lisboa
Webpage: <http://www.cesis.org/>

Description: CESIS is a non profit independent organisation of researchers, founded in 1992, but with working experience dating back to 1986 when its first publications on poverty played a major role in launching this line of research in the scientific community. Since then CESIS' activities have tried to deepen and enlarge this scope of research through the dissemination of results aiming at its wider and better use; a direct action in promoting an evidence-based definition of efficient policies for eradicating processes of social marginalisation/exclusion; an increased visibility of the needs and expectations of marginalised and excluded people. CESIS has defined the following main objectives: To contribute, through research, to the understanding of social reality, namely with regard to situations of impoverishment and social exclusion; To contribute towards the establishment and implementation of policies of human development and social promotion; To stimulate the participation of citizens in the processes of their development and social promotion; To promote training programmes with

the goal of improving the capability for social intervention at various levels; To promote the dissemination of studies and/or innovative experiences in the area of social promotion.

Main recurring publications: Research reports, papers, articles, books, pedagogical tools

CIESP/ENSP – Centro de Investigação e Estudos em Saúde Pública da Escola Nacional de Saúde Pública – Centre of Research and Studies on Public Health of the National School of Public Health

Contact person: Carla Nunes
Address: Av. Padre Cruz, 1600-560 Lisboa
Webpage: <http://www.ensp.unl.pt>

Description: CIESP was recently created and is directly dependent on the Scientific Council of the National School of Public Health. With an interdisciplinary nature, in the scope of ENSP, it aims to the promotion and coordination of scientific research in public health and all peripheral areas. Thus, CIESP has the purpose of promoting and developing research in areas within the curricula of the ENSP, along with all fields of scientific knowledge identified as relevant to the investigation and scientific know-how on public health and adjacent fields. One of its most noticeable research, from 2005, is on the assessment of the overall performance of public hospitals in Portugal.

Main recurring publications: INFOciesp, papers and articles

ACSS – Administração Central do Sistema de Saúde – Central Administration of the Health System

Contact person: Manuel Teixeira
Address: Av. João Crisóstomo, 11, 1000-177 Lisboa
Webpage: <http://www.acss.pt/>

Description: ACSS is a public institute integrated in the indirect administration of the state, endowed with administrative, financial autonomy and self-patrimony. The main objectives of the ACSS are: a) To coordinate the activities of the Ministry of Health in the planning of human resources of the National Service of Health (SNS), supported by an adjusted integrated system of information; b) To follow, to evaluate and to control the economic-financial performance of the services and establishments of the SNS; c) To coordinate the activities of the Ministry of Health in the definition of the network of facilities and equipment of the SNS, established priorities and proposing public investments to effect its development, modernisation and renewal; d) To coordinate the activities of the Ministry of Health on the definition of policies on systems and technologies of information and communication; e) To define and to coordinate the activities and programmes for the development and the continuous improvement of the systems of management on the quality of the units of health.

Main recurring publications: Reports, studies, statistics, research publications.

INSA – Instituto Nacional de Saúde Dr. Ricardo Jorge – National Institute of Health Dr. Ricardo Jorge

Contact person: José Pereira Miguel
Address: Av. Padre Cruz, 1649-016 Lisboa
Webpage: <http://www.ensp.unl.pt>

Description: The National Institute of Health Dr. Ricardo Jorge (INSA) is a central department of the Portuguese Ministry of Health, with scientific, technical, administrative and financial autonomy, depending directly on the Minister of Health. Founded in 1899 by the physician and humanist Ricardo Jorge, as the main laboratory of the Portuguese health system, INSA is a state laboratory, incorporating the functions of national observatory and national reference laboratory in the Portuguese health sector. Presently, INSA is organised in

six departments: Food and Nutrition Department; Infectious Diseases Department; Epidemiology Department; Genetics Department; Health Promotion and Chronic Diseases Department; Environmental Health Department. All operative units composing the departments develop multidisciplinary programmes in problem areas of public health, namely performing R&D, health monitoring, training, external laboratory quality assessment and general health services.

Main recurring publications: Scientific essays and articles, books

DINÂMIA – Centro de Estudos sobre a Mudança Socioeconómica – Research Centre on Socioeconomic Change

Contact person: Isabel Salavisa Lança
Address: Av. Forças Armadas, Edifício ISCTE, 1649-026 Lisboa
Webpage: <http://dinamia.iscte.pt/index.php?lang=en>

Description: DINÂMIA was founded in 1989 as a multidisciplinary research centre in the social sciences, based at ISCTE – Lisbon University Institute. Presently, it includes 55 researchers from economics, sociology, social psychology, law and applied mathematics. The centre promotes research, consultancy and debate; disseminates knowledge and information through various means; and contributes to policy design and assessment. The two overarching themes providing the context for DINÂMIA'S research are: (i) regulation, governance and public policy; and (ii) socioeconomic dynamics and sustainable development. Within this context, five major research groups exist: Labour and Organisational Change; Innovation and Knowledge; Territorial Development and Planning; Institutions and Behaviour; Regulation, Globalisation and Europe.

Main recurring publications: Scientific essays and articles, research seminars, working papers

IDEFF – Instituto de Direito Económico, Financeiro e Fiscal – Institute on Economic, Financial and Tax Law

Contact person: Eduardo Paz Ferreira
Address: Faculdade de Direito da Universidade de Lisboa, Alameda da Universidade, 1649-014 Lisboa Lisboa
Webpage: <http://www.ideff.pt>

Description: Heir of the rich tradition in the teaching of legal-economic sciences from the Faculdade de Direito de Lisboa, the IDEFF has gradually widened its activity in an area in deep mutation and where the international dimension is increasingly present. Adding to the technical groundwork, IDEFF teams up with the reflection on the great socioeconomic questions of our time, as it certifies the international conference on the economic relations Portugal/UE - United States organised by IDEFF. Their Magazine of Public Finances and Financial Law (Revista de Finanças Públicas e Direito Financeiro), is assumed as a privileged forum of debate in these areas. The quality and amount of prestigious names that accepted to join it, constitutes a proof of the responsibility that surrounds this publication. In a time where the relations between the university and the civil society are narrowing, IDEFF intends to continue to have a central and pioneering role.

Main recurring publications: Revista Finanças Públicas e Direito Financeiro (Magazine), Revista Direito da Concorrência (Magazine), Cadernos (Bulletins), seminars.

UMCCI – Unidade de Missão para os Cuidados Continuados Integrados – Mission Unit for Integrated Continuous Care

Contact person: Inês Guerreiro
Address: R. Gomes Freire, 5, 2º Dto, 1169-086 Lisboa

Webpage: <http://www.rncci.min-saude.pt/>

Description: UMCCI is the structure developed to undertake the mission of leading and operationally coordinating the effective implementation of an intermediate level of health care services and social support, both based within the community and within hospitals, through a model of integrated and/or articulated intervention of health and social security, of preventive nature, recuperating and palliative, involving the participation and contribution of diverse social partners, the civil society and the state as main sponsor.

Main recurring publications: Studies, proposals

CRC/ISS – Centros de Recursos em Conhecimento do Instituto da Segurança Social –
Centre of Resources in Knowledge of the Social Security Institute

Contact person: Maria João Quedas

Address: R. Castilho, ° 5 R/C, 1250-066 Lisboa

Webpage: <http://www.crcvirtual.org/index.php/rcrc.html>

Description: The Network of Centres of Resources in Knowledge (NCRK) is constituted by 58 entities, public and private, representative of the main economic and social sectors. It aims to support organisations and professionals in training in the development of necessary abilities to reinforce the competitiveness of people and the resident organisations in the area of influence of the CRC. The mission is to facilitate the access to strategic information, in distinct forms, enabling the approach and creation of interfaces between producers and users of knowledge and to divulge practices with success; to develop and to spread methods, methodologies and products that promote and facilitate, namely, the strategic qualification of the unemployed, assets and lectures in the context of training throughout life.

Main recurring publications: Database FORMEI, BDigital, newsletters

Blogue Abrupto – Blog Abrupto

Contact person: José Pacheco Pereira

Webpage: <http://abrupto.blogspot.com/>

Description: This blog was created 6 years ago (2003) by José Pacheco Pereira. JPP is mostly known as a representative of the right centre party PSD in parliament, although he is a historian and a college professor. He still manages to coordinate 3 blogs. We will focus attention on the blog baptised “Abrupto”, a space dedicated to the debate of issues raised by JPP in an open forum for the exchange of ideas. His straightforward thinking and written comments often bring unwished attention to his blog from hackers.

Blogue The Portuguese Economy – Blog The Portuguese Economy

Contact person: Numerous Contributors

Webpage: <http://theportugueseconomy.blogspot.com/>

Description: Several university professors and important specialists in fields of significance to an appropriate understanding of the present situation and the general behaviour of the Portuguese economy under these restrictions maintain this blog. It reveals an acute selection of articles in the best economical publications worldwide, and the posts especially concern the comprehension of particular issues.

PASC – Plataforma Activa da Sociedade Civil – Active Platform from Civil Society

Contact person: João Salgueiro

Address: Non-existing (in development)

Webpage: Non-existing (in development)

Description: An important group of associations from the civil society decided to organise themselves in the APSC and stir up in network, to assume itself, independent of political parties and established politics, as a partner to shift the country and offer effective contributions to the Portuguese society.

With its activity, the platform wishes to mobilise the civil society, be it national, regional or local. The APCS has the intention that the mobilisation surrounds the real questions and issues and that the civil society may contribute with quality solutions and find opportunities, which might stimulate the home country.

Main recurring publications: Non-existing (in development)

This publication is financed by the European Community Programme for Employment and Social Solidarity (2007-2013). This programme was established to support the implementation of the objectives of the European Union in the employment and social affairs area, as set out in the Social Agenda, and thereby contribute to the achievement of the Lisbon Strategy goals in these fields. The seven-year Programme targets all stakeholders who can help shape the development of appropriate and effective employment and social legislation and policies, across the EU-27, EFTA and EU candidate and pre-candidate countries. The Programme has six general objectives. These are:

- (1) to improve the knowledge and understanding of the situation prevailing in the Member States (and in other participating countries) through analysis, evaluation and close monitoring of policies;
- (2) to support the development of statistical tools and methods and common indicators, where appropriate broken down by gender and age group, in the areas covered by the programme;
- (3) to support and monitor the implementation of Community law, where applicable, and policy objectives in the Member States, and assess their effectiveness and impact;
- (4) to promote networking, mutual learning, identification and dissemination of good practice and innovative approaches at EU level;
- (5) to enhance the awareness of the stakeholders and the general public about the EU policies and objectives pursued under each of the policy sections;
- (6) to boost the capacity of key EU networks to promote, support and further develop EU policies and objectives, where applicable.

For more information see:

<http://ec.europa.eu/social/main.jsp?catId=327&langId=en>