



## **Annual National Report 2009**

### **Pensions, Health and Long-term Care**

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## 1 Executive Summary

Social protection in Portugal is based upon the public provision of most social benefits and services, namely pensions, health care and long term care. In recent years, public social protection spending averaged 25% of GDP. The take-up of old age benefits has been increasing and accounts for more than 40% of expenditure, whereas health care accounts for almost one third of spending.

The 2006 EC's Sustainability Report assessed Portugal as a high-risk Member State regarding the sustainability of public finances, and highlighted pensions as its most powerful risk factor. The Government was obliged to act decisively and a process of reform of pension schemes was initiated. The challenge of financial sustainability of public pensions, compounded by both population ageing and the maturation of the contributory regime, has been tackled through such measures as a new formula for old age and disability pensions, the sustainability factor to reduce pensions' values, and the revised eligibility rules for early retirement.

The improved situation of the pension system regarding sustainability is generally acknowledged, and Portugal is no longer considered a high risk Member State regarding the sustainability of public finances on account of this reform.

Regarding health care, the Government's strategy to develop and 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, and also upgrading the services delivered by all branches of the National Health Service.

The referral system and ineffective care coordination are placed at the core of sustainability issues 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 is expected to bring effective change in such overuse of hospital care. 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.

In 2006 a national network for integrated long-term care has been launched. 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 that act with common technical standards and whose services are subsidised by the state.

The present 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.

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

### 2.1 Pensions

In recent years, public social protection spending averaged 25% of GDP. The take-up of old age benefits has been increasing and accounts for more than 40% of expenditure now, whereas health care accounts for almost one third of spending, as shown in table 1. If survival's pensions were to be added to old age pensions (and a large part of those go to the elderly) the percentage would reach almost 50%, according to the Eurostat.

Table 1: Social Protection Expenditure in Portugal 2001-2006

Years	Public Social Protection Expenditure (% GDP)	Old Age Expenditure (% Public Social Protection Expenditure)	Health Expenditure (% Public Social Protection Expenditure)
2006	25.4	42.4	29.2
2005	25.4	41.2	30.1
2004	24.7	40.1	30.7
2003	24.1	39.3	28.8
2002	23.7	38.5	30.9
2001	22.7	38.6	31.3

Source: Eurostat.

Public pensions are mainly provided by Social Security (“SS”)<sup>1</sup>, which is a national unified system that comprises different branches and systems:

- The mandatory earnings-related contributory system covers the whole Portuguese population (and authorised foreign residents) regarding income substitution when they exit jobs or retire from the labour market;
- The family subsystem delivers cash allowances that are targeted on low-income families;
- The solidarity subsystem acts 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”) provides welfare services mainly through partnerships with civil society institutions;
- The non-mandatory complementary system.

SS expenditure is primarily financed on a pay-as-you-go basis by social contributions and a small fraction of value added tax revenue (“IVA social”). Both revenues are ear-marked for the contributory system. Important state transfers finance non-contributory branches and benefits.

For the last twenty five years, long term financial sustainability of SS and the adequacy of its benefits and services have been under threat due to the fast demographic ageing and the overall structural vulnerabilities of the economy (*e.g.*, the slow growth of productivity). As a consequence, the reform of the SS pensions system became a central issue in political and scientific debates since the middle nineties.

<sup>1</sup> Public employees and other small groups of the employed population still remain outside the Social Security schemes for historical reasons. After 2007 they are closed groups of beneficiaries.

In 1998, an official White Paper on Social Security<sup>2</sup> was published where the structural flaws in income adequacy and the sustainability crisis of public pensions in Portugal were fully acknowledged, although the necessary measures to reverse such a prospect remained 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 pay-as-you-go universal system in place. Academic research also focused on these controversies for some time. Successive governments addressed the issue and new policies were designed and implemented even if globally ineffective.

The 2006 EC's Sustainability Report was a major political turning point because it assessed Portugal as a high-risk Member State regarding the sustainability of public finances, and highlighted pensions as the most powerful risk factor. According to the AWG's 2005 projections, public expenditure on pensions would rise from 11.1% of GDP to 20.8% between 2004 and 2050. The Government was obliged to act decisively and a process of reform was initiated. New policies and measures were discussed, both with the Social Partners and in Parliament, and finally taken.

An important official reform guideline on sustainability issues of the SS system was produced in May 2006 by the Government<sup>3</sup> to support public discussion, based on two important assumptions:

- The extent of the sustainability crisis of the pension system along the lines of the 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.

After public discussions with the Social Partners and in Parliament, a revised Framework Law for Social Security was enacted at the beginning of 2007 (“Lei n° 4/2007”). Since then, several parametric measures have been taken by the Government, which deal with the financial sustainability of the SS contributory pensions’ scheme and the adequacy of income maintenance, namely in old age and dependency situations.

The long-term effectiveness of policies and measures regarding sustainability and undertaken after 2006 has been recognised by the Economic Policy Committee of the EU Council and led to its decision pulling Portugal out of the group of high-risk countries concerning age-related public spending, in October 2007.

### **2.1.1 Overview of the SS pensions’ systems and recent developments**

Pensions, especially old age pensions expenditure increased slightly in 2008. The demographic factor combined with the maturation of the contributory system account for the continuing trend of growth, even if measures taken in 2006 concerning early retirement stabilised the overall evolution of expenditure in 2007.

Pensions paid by the SS system account for most of total pension spending, adding up to almost 8% of GDP as reported in Table 2.

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<sup>2</sup> Comissão do Livro Branco da Segurança Social, *Livro Branco da Segurança Social*, INA, 1998.

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

Table 2: SS pensions' expenditure by type of benefit – 2006-2008

<b>SS Pensions Expenditure (as % of GDP)</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
Disability	0.8	0.8	0.8
Old age	5.4	5.4	5.7
Survival	1.0	1.0	1.1
<b>Total</b>	<b>7.2</b>	<b>7.2</b>	<b>7.5</b>

Source: Social Security Statistics; Eurostat

Pensions paid by the earnings-related contributory system account for the largest part of expenditure. Contributory pensioners amount to 85.5% of total pensioners and the average benefit paid to them is obviously much higher than in non-contributory schemes. In 2008, old age average annual pension added up to EUR 5,158, i.e., a monthly allowance of EUR 368 paid 14 times a year whereas the non contributory pension amounted to EUR 187 per month<sup>4</sup>.

Table 3 shows that old age pensioners account for over 60% of total pensioners since 2006, and are a growing fraction of the whole. Old age pensioners under 65 account for 5% of total old age beneficiaries and still growing.

Table 3: SS Pensioners by type of benefit (as % of total) – 2006-2008

<b>SS Pensioners</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
Disability pensioners	10.9	10.5	10.1
Old age pensioners	60.7	60.8	61.1
Old age pensioners <65	5.1	5.5	5.7
Survival pensioners	23.2	23.1	23.0
<b>Total pensioners (n°)</b>	<b>2,105,931</b>	<b>2,106,932</b>	<b>2,107,933</b>

Source: Social Security Statistics

A set of important measures to implement a parametric reform of the SS contributory pensions' schemes has been taken since 2006. At the time, a partial consensus about reform was reached between the newly appointed Government and the Social Partners. With the exception of CGTP-IN, the largest and more radical Trade Union Confederation who did not subscribe to the agreement on Social Security Reform, all other Partners agreed to support governmental measures to control the growth of spending on pensions. These measures were generally endorsed by public opinion, although certain sectors remained sceptical over the impact and effectiveness of the parametric reform to be implemented.

In Parliament, after the presentation of the Government's intended new Framework Law for Social Security, far-left parties fully criticised the effects of the new policies on average retirement benefit. The largest opposition party (right-of-the-centre PSD) supported the measures to control spending but challenged their ultimate effects, claiming for a structural reform of the SS pensions' scheme that would convert it into a partially funded system. In civil society, an influential movement of top corporate managers ("Compromisso Portugal") argued in favour of an immediate transition to a fully funded pension's scheme with transition costs to be financed by public debt.

<sup>4</sup> Where not specified otherwise, the source of data is the SS official statistics department.

Under the umbrella of the 2007 Framework Law, the mandatory schemes that still remain outside the SS contributory system - the public employees' retirement scheme, the banking sector employees' contractual 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's scheme until 2012.

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

The 2007 Framework Law states the overall objective of providing adequate retirement incomes for all to be achieved by delivering pensions and other complementary benefits which allow people to maintain, to a 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 state benefits, which is 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 means-tested benefits to protect from the risk of poverty and exclusion;
- Non-mandatory saving schemes for complementary benefits.

Social contributions are the main source of financing, complemented by IVA "social"<sup>5</sup>, both ear-marked revenue to fund 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 financed by state budget transfers, under the rule of "diversification and selective adequacy of financing sources" for different benefits. A temporary aggravation in 2 pp of IVA was enacted in 2005 (reduced in 1 pp since 2007) to reinforce the funding of non-contributory social benefits, namely pensions.

### **Old age contributory pension**

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 (12 months plus the holidays and Christmas allowances). In the event of death, reduced pensions as a fraction of the beneficiary's pension are paid to his/her eligible relatives, under no means test condition.

Following the 2007 Framework Law, the Decree-Law n° 187/2007 revised in depth some of the features of the existing contributory pension scheme.

As a general rule, the beneficiary is entitled to old age pension if he/she has both fulfilled the required 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 on third person daily support for locomotion, hygiene, etc. (in 2008, 167 270 old age pensioners received this benefit out of 220 000 entitlements).

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

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<sup>5</sup> After 1992 one percentage point was added to the base rate of the value added tax, labelled "social vat", and such measure was taken in order to compensate for the reduction of the social contribution rate to be paid by the employer by 0.75 pp as decided that very year to foster employment.

### **Active ageing**

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 to stay 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.

### **Early retirement**

Retirement can be anticipated by beneficiaries aged between 55 and 65 with at least a 30 years record of contributions to SS by the age of 55. 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 6.0% per year (or 0.5 % per month).

For older workers, there is a protected pathway to retire from the labour market through long term unemployment protection linked to early retirement at 55 (with a penalty) or at 60, in place since the 90's. It was reformed in 2006 and its provisions significantly changed in order to prevent further increase of early retirement.

Long term unemployed workers are now eligible for early retirement at the age of 62, whereas it had been set at 58 since 2003, and only if unemployment occurs after the completion of 57 years, instead of 55. Only under these tighter 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 (previously 60 years).

Early retirement can also occur with less (or no) penalty when the beneficiary is engaged in specially hard or damaging occupational activities or if protective measures towards specific occupational activities or companies have been taken for economic reasons.

However, it should be stressed that Portugal is in a comfortable situation regarding the European objective of elderly employment: the effective age of retirement averages 63 years and the employment rate in the age bracket 55-64 averages 50%, and has shown an upward trend in recent years, even if pensioners under 65 are growing<sup>6</sup>. 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 differential annual accrual rates. The schedule for the accrual rate depends on individual

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<sup>6</sup> 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 for the unemployed dismissed from their jobs before the passing of legislation where former eligibility rules still applied.



earnings relative to the value of IAS<sup>7</sup>, 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 expectation, the adjustment of statutory pension by a “sustainability factor” was introduced in 2007. Such discount factor is calculated by dividing the average life expectation at 65 in the year 2006 by the average life expectation at 65 in the year of retirement of the beneficiary.

The application of the sustainability factor in 2008 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 pre-reform level of 90% down to 54%<sup>8</sup>.

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 whenever the pensioner reaches the age of 65).

However, early retirement pension will not combine during three years following retirement with labour earnings from employment by the same company or group the beneficiary worked with before retiring.

### **Minimum pensions**

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 2009, these vary between EUR 243.32 (less than 15 years of contribution) and EUR 374.36 (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.

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<sup>7</sup> “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%). It substituted after 2007 the national minimum wage as the reference for that purpose. In 2009, the IAS totals 419.22 euros.

<sup>8</sup> OECD, *Pensions at a Glance*, 2007.

## **Indexation**

Pensions in payment are progressively indexed to the inflation rate and the IAS, and the annual adjustment is higher if GDP growth is also higher exceeding the inflation for the majority of pensioners and with larger increases on lower pensions.

The indexation method was designed to meet inflation and GDP growth by positive rates. However, according to the April projections from the Bank of Portugal, GDP will decline in 2009 by 3.5% and deflation is to be expected. The 2010 adjustment of the IAS, as determined by the 2007 legislation, will result in the decrease of its value by the measure of deflation and the straightforward application of the formula for annual adjustment of pensions will also result in a decrease of nominal values of pensions, the more important as pensions are average or higher.

The issue has become a topic of hot political controversy in the context of the coming elections, to take place this very year. The opposition parties and the Trade-Unions are claiming for positive adjustments of pensions in spite of the present economic conditions and Government has already acknowledged the need to review the indexation mechanism, even if no specific measures have been proposed by any of the parties.

## **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 to 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 that affects future retirees adding 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, either official or independent. This was not unexpected since the number of pensioners has been decreasing throughout the decade by more than 70 000, totalling slightly over 300 000 in 2008, so the impact of the reform will be financially irrelevant and small in terms of the number of pensioners concerned.

## **Survival 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 survival pensions under strict rules of eligibility and for specified lengths of time (for life concerning spouses over 35 years):

- Spouse and eventually former spouses;
- 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;
- Ascendants living at the expense of the deceased, if there are no spouse, former spouse and children entitled to the survival pension.

Survival pensions amount to established percentages to 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 ones (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 2009, the monthly value to be paid is EUR 187.18 (paid 14 times per year).

A residual closed scheme which is barely contributory<sup>9</sup> remains in place, that of the special regime for agricultural activities ("RESSAA") paying a pension of EUR 224.62 per month.

The total of non-contributory pensioners (including RESSAA beneficiaries) reached almost 400 000 individuals (14.5% of total pensioners) in 2008.

#### **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 recently that eventually will couple with the former, in order to improve the adequacy of income at old age.

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, rehab, etc.). Eligibility is very strict after 2003 and only individuals whose per capita family income is less than the non contributory pension are beneficiaries of this programme. 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. From that date on, and until the

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<sup>9</sup> 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).

end of April 2009, beneficiaries rose by 6% and amount to 353 345 now. Old age pensioners are also eligible 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 11 248 in April 2009, 3% of the total number of beneficiaries.

Besides RSI, there is a new income provision for older people labelled solidarity complement for the elderly (“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 is 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 EUR 250 respectively. CSI can also combine now 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 force<sup>10</sup>. 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 19 billions Euros in March 2009, meaning a loss of 7.5% since March 2008. More than 95% of the 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 the year of 2008 and by a further 7% from January to March 2009, according to the National Association of Pension and Investment Funds.<sup>11</sup>

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<sup>10</sup> Source: The Social Protection Committee’s Report on Privately Managed Funded Pension Provision and their Contribution to Adequate and Sustainable Pensions, 2008.

<sup>11</sup> The CEO of the major Portuguese bank (Caixa Geral de Depósitos) recently declared when addressing a conference last April that “it is fundamental to solve the problems of the pension funds in the Portuguese banking sector due to their over-exposure in the share market” (quoted by the economic press).

Regarding “third-pillar” individual accounts savings, tax incentives to direct savings toward 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 and up to a moderate ceiling will be tax deductible. By March 2009, the total assets of the schemes totalled 370 millions Euros, 2% of the total assets of pension funds. 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 6000 in March 2009.

However, 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**

After 2006, the challenge of financial sustainability of public pensions, compounded by both population ageing and the maturation of the contributory regime, is being tackled through such measures as a new formula of old age and disability pensions, the sustainability factor, and revised eligibility rules for early retirement. Also, new incentives to raise birth rates through compensation and other support in parenthood and new rules for unemployment benefits, encouraging active job-seeking are expected to contribute to overcome such challenge.

Regarding social contributions, the minimum base of assessment<sup>12</sup> for independent workers has been raised in 2007 and further increases are projected. For wage earners, the base of assessment is also expected to be enlarged and contribution rates for employers will change: for long term labour contracts there will a reduction of 1 percentage point and for short term contracts an increase of 3 pp. All these measures are contained in the project of law on social security contributions under public discussion in April 2009<sup>13</sup>.

Official projections disclosed by the Portuguese “National Strategy Report on Social Protection and Social Inclusion 2008-2010” (October 2008), indicate that the reduction of benefits as compared to earlier pre-reform benefits could amount to 18% by the year 2050.

Independent research also indicates that the overall spending on pensions could amount to 11.8% or 15.2% of GDP 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 induced by the sustainability factor), in any case a significant drop from the 2005 AWG’s projection of 20.8%.<sup>14</sup>

The sustainability report presented in Parliament within the Government proposal of state budget for 2009 presents new projections of the imbalances of SS finances where total expenditures would exceed ear-marked revenues of the contributory system from 2039 onwards. Thus, for the coming 30 years there would be annual current surpluses to apply in the reserve fund of social security (“FEFSS”), in place since 1990, and the growth projected

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<sup>12</sup> Independent workers contributions are levied with reference to a chosen multiple of the IAS, and the minimal base of assessment was raised from 1 to 1.5 times IAS.

<sup>13</sup> In view of the current economic crisis, the Government announced that such changes will not take place before 2011 - see further in this section.

<sup>14</sup> Pinheiro *et al.*, 2007: 69.

for this fund would result in assets reaching 14% of GDP compared to 5% in 2008. The financial imbalance of the SS system would be delayed until 2050, under the optimistic macroeconomic assumptions of these projections, made before the present financial and economic crisis.

The main special pension scheme for state employees (“CGA”) is now a closed regime separate from the social security regimes, and will be swiftly converging to the reformed private sector schemes in the coming years. Active beneficiaries have been slowly decreasing (at an annual average rate of -0.1%, in the period 1997-2007) and amounted to 675 560 in the beginning of 2008. Pensioners are still increasing (at an annual rate of 3.6% in the same period) and amount to 534 268 now, a considerable financial burden for the future. However, the sustainability factor and the penalties for early retirement are of immediate effect in the CGA. Recent research found that “reform brings about a decline in [projected] pension-related expenditure [and the] resulting saving will reach its maximum between 2015 and 2030.”<sup>15</sup>

The full impact of the 2006-07 reforms will come gradually into force in the decades ahead. The improved situation of the pension system regarding sustainability is now widely acknowledged.

The 2009 Ageing joint report by the EC and the EPC (AWG) projects an increase of pensions’ expenditure in the period 2007-2050 by a mere 2 percentage points (pp), an impressive drop from 2006 projections which estimated a dramatic increase of 9.3 pp for that same period. Under such assumptions, pensions will reach 14% GDP by 2050, a slight increase to be compared to 12% in 2007.

However, in the absence of wider and more effective complementary schemes, the adequacy of income in old age will go on relying 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 that are close to average wage<sup>16</sup> may face insufficient pension adequacy.

Public opinion and academic research have not yet fully grasped this impact and that certainly accounts for the fact that debates and controversies subsided as compared to 2006-2007. Only in the first months of 2009 new discussions and political controversies have aroused, of which the most urgent one concerns pensions’ indexation. These are ignited by the global crisis, the growth of unemployment, the fall of SS and of tax revenues, besides the obvious impact of the 2009 electoral deadlines.

The legislative initiative on social security contributions, presented to Social Partners in April 2009 and presently under public discussion, will enlarge the base of assessment for social contribution rates. The contractors of independent labour will be levied in the future, adding their contribution to that of the beneficiary, among other changes that will challenge some of the traditional pillars of social security financing.

At this point it should be noted that the Government’s initiative on social contributions has been considered rather hasty and lacking sufficient technical support, by all Social Partners. At the initial stage of consultation no technical fact-sheets were available for the Social and Economic Council to start discussions with the Government.

The Trade Unions Confederations welcomed the initiative in principle, as an effort to rationalise the contributory rules for employers, but were sensitive regarding the idea of

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<sup>15</sup> Campos *et al.*, 2008: 38.

<sup>16</sup> Average annual wage declared by active wage earners amounted to EUR 9,394.3 in 2007 and the average labour income (wage and non-wage earners) was EUR 9,444.5 per year (source: SS statistics).

creating an allowance for employers in “unemployment” as vaguely suggested by the Government towards small entrepreneurs. Also the postponement of the enactment of the new rates for the employers’ contributions was criticised.

On the other hand, after acknowledging the initiative as a sequence to former agreements with the Government, employers expressed the view that the enactment of the main measures in the legislative Project, if not all, should be postponed, due to the present economic condition of the economy.

Further discussions and controversies are on their way, putting an end to the relative appeasement following the 2006 agreement on SS reform. Academic research will probably focus once more on these issues and on the evaluation of social policies in the near future. Discussions and research will be increasingly concerned with adequacy issues, as long as sustainability seems to hold, following the 2007 social security reform.

## **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 a National Health Service (“SNS”) plays a central role.

SNS provides health care through a network of primary care health centres, specialised health units and hospitals.<sup>17</sup>

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 that should not be underestimated, as they contract with SNS and especially with other public and private health subsystems to provide care to specific groups of users, namely state employees.

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.

SNS is 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 2007<sup>18</sup>. Most of its recommendations have been ignored 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 decades. In 2005, there were 378 health centres in Portugal, each one

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<sup>17</sup> 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 demanded by beneficiaries from these specific schemes.

<sup>18</sup> Ministério da Saúde, *Relatório Final da Comissão para a Sustentabilidade do Financiamento do Serviço Nacional de Saúde*, 2007 (available at [www.portaldasaude.pt](http://www.portaldasaude.pt)).

covering on average around 28,000 inhabitants, complemented by 1,943 additional local health units each one serving on average 5,400 inhabitants<sup>19</sup>.

The low degree of differentiation between hospitals limits 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 for patients to be referred to alternative hospitals according to existing specialities.

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. However, of a 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.

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), hence 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%<sup>20</sup>.

The population is entitled to use both, the SNS (almost free) health care and admission services and the privately run services. The latter are demanded through public or private special schemes (health mandatory subsystems and/or voluntary private health insurance). Nearly a quarter of the population is covered by the existing mandatory health subsystems (the larger being the civil service employees’ special subsystem, “ADSE”, covering almost 10% of the population), where financing is compulsory for beneficiaries as it is occupation-based health protection<sup>21</sup>.

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

- The reform of primary health care, to be achieved by reorganising health centres and implementing new family health care units (“USF”), and by upgrading services delivered by the 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 increasing efficiency, such as:

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<sup>19</sup> Source for data in this section: Directorate-General of Health - *Health in Portugal: 2007*, Lisbon, 2007.

<sup>20</sup> OECD Health Data 2007 and 2008, on OECD’s official website.

<sup>21</sup> Barros *et al*, 2007.



- Implementation of a National Health Plan to develop conducive strategies to control vascular diseases, cancer and emerging infectious diseases and 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.

### 2.2.2 Access to health care

The desired access to adequate health care for all, free from inequities in access to care and in its results, goes beyond the mere physical distance of citizens 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 been also made available to provide further information and guidance to SNS users. But it is the reform of primary care that is at the very heart of the desired improvement of access to health care.

#### Primary care

Following the enactment of the Decree-law nº 28/2008, health 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 have considerable managerial autonomy and local community participation is an essential aspect of their governance.

Implementing USF units in primary health care is crucial to this effect. These units were first launched in 2006 and consist of small autonomous multi-disciplinary teams to provide a basic portfolio of personalised health care services, under contract with ARS and subject to incentives to increase productivity. By December 2008, 160 USF's were in place providing coverage to more than 200,000 individuals to whom access to general practitioners had been denied until then, as shown in table 4.

Table 4: USF in activity 2006-2008

USF features	2006	2007	2008
Nº of units	43	104	160
Nº of professionals	808	2019	3152
General practitioners' services provided (by nº of potential users)	64,618	155,819	207,588

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

UCC will be focused on long term care at local level and public call for tender among health professionals is now starting, following the same procedure that has been in practice for USF set-up. UCSP and USP will follow later in 2009.

## Hospital care

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

Hospital emergency has traditionally known excessive demand, as primary care remains insufficient and in the end many users must resort to hospitals in situations that are not strictly of emergency care.

Emergency care is currently being reorganised to increase available resources and upgrade facilities. In order to 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 services (“SAP”), 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.

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 an obvious collateral effect of these controversies (Campos, 2008).

Waiting lists for first consultations in hospitals have increased: patients for the 20 most demanded specialities added 474,065 by the end of 2007, a 27% increase since March 2006.<sup>22</sup>

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 List for Surgeries (“SIGIC”) with effective results.

In the meantime, the building of 7 new hospitals is under way, based on Public-Private Partnerships.

### 2.2.3 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 Policies<sup>23</sup>, 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 study reports that the number of patients on waiting lists decreased from 241,425 in 2005 to 225,409 in 2006. SIGIC has published detailed analysis of its development<sup>24</sup> confirming this downward trend after 2005,

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<sup>22</sup> According to the report produced by the official body of the Ministry of Health for health activities inspection, “Inspeção-Geral das Actividades de Saúde – Relatório IGAS nº 19/2008”, available at [www.portaldasaude.pt](http://www.portaldasaude.pt).

<sup>23</sup> Barros P *et al.* 2007; 9(5).

<sup>24</sup> Available at [www.portaldasaude.pt](http://www.portaldasaude.pt).

with 181,099 surgical episodes on the waiting list in September 2008. Another official report on ambulatory surgery<sup>25</sup> states that the average waiting period for surgery has been reduced from a median of 8.6 months in 2005 to 4.3 months in 2008. 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 information on assessment and evaluation of all these programmes in official sources of the Ministry of Health.

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.

#### **2.2.4 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 with available generics. This system is based on the definition of a reference price to which the state subsidy applies. Whenever the price of pharmaceuticals exceeds the reference price for medicines with identical active substance, dosage, pharmaceutical form and administration, the state subsidy will apply strictly to the highest priced generics.

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 INFARMED<sup>26</sup>, 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.

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.

#### **2.2.5 Sustainability of health care system**

The referral system and ineffective care coordination were placed at the core of sustainability issues in previous analysis of the Portuguese health system (namely, the 2007 EU joint report). 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

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<sup>25</sup> Comissão Nacional para o Desenvolvimento da Cirurgia de Ambulatório, *Cirurgia de ambulatório: um modelo de qualidade centrado no utente* (preliminary report), May 2008 (available at official website).

<sup>26</sup> 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.

estimated by a recent study, indicate a reduction of EUR 104 compared to other local health centres. Doctors assigned to USF units spend EUR 2.3 less per consultation on pharmaceuticals, and EUR 1.3 less on complementary means for diagnosis, compared to doctors in other primary care centres. The overall impact on 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 4.3 per user<sup>27</sup>.

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 that confirms the implementation of integrated automatic processes in hospital pharmacies, the increase in the usage of unit 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”).<sup>28</sup>

The pharmaceutical market for ambulatory prescription seems to be under control: in 2006 the total expenditure was 2.17% of GDP, which compares favourably to 2.18% in 2004.<sup>29</sup>

The Ministry of Health has very recently released some suggestive aggregate data regarding the financial performance of the top 10 hospitals in 2007, which shows 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.

Financing of SNS was 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.<sup>30</sup>

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;

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<sup>27</sup> Miguel Gouveia *et al.*, *A-nálise 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](http://www.portaldasaude.pt)).

<sup>28</sup> PMH, *Relatório do 1.º Questionário Nacional do Programa do Medicamento Hospitalar*, May 2008, [www.portaldasaude.pt](http://www.portaldasaude.pt).

<sup>29</sup> Source: INFARMED (the official agency for pharmaceuticals market regulation).

<sup>30</sup> Ministério da Saúde, *Relatório Final da Comissão para a Sustentabilidade do Financiamento do Serviço Nacional de Saúde*, 2007, [www.portaldasaude.pt](http://www.portaldasaude.pt).

- Reform of user fees exemption regimes following criteria based on the individuals' capacity to pay and his/her need of long term care;
- Revalorisation of users' 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 ear-marked 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.

### 2.3 Long-term care

Until very recently long term care has been provided by private services only. Informal care was provided by families when possible and SNS hospitals have been frequently over-occupied by users that could be clinically discharged but were in need of long term care and lacked the means to pay for it.

After 2006, long term care was further developed through the formal organisation of a national network for integrated long term care ("RNCCI") providing both health care and social assistance to the elderly and to dependent persons and it has been launched jointly by the Ministries of Health and Social Solidarity.

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

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.

Hospital teams prepare patient discharge to other settings, 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 strict and centrally defined, enabling 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 therapeutical profiles. Patients seeking long term care referred to the RNCCI are mostly over 65 and women and 66% of users come from hospital discharge.<sup>31</sup>

The total number of beds available within the RNCCI had reached 2,539 by the end of June 2008, an increase of 33.5% since 2007. 8,133 users were referred to the RNCCI network during the first semester of 2008; more than 50% of those were admitted. Users amounted to 8133 (an increase of 103% as compared to 2007) of which 5353 were in-patients.

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<sup>31</sup> The source for data on RNCCI is the Unidade de Missão de Cuidados Continuados Integrados, the official body overseeing the development of the network.

### **2.3.1 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 from within the family) 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.

### **2.3.2 Recent developments**

In the beginning of 2009 the ministries of health and social security signed a 66 million Euro agreement for an additional 3100 places to be set up in RNCCI, during the next 2 years. The objective is to reach 8200 beds, which will represent an investment of nearly 100 million Euro.

During 2009 the first long-term care units specialised in infancy will be 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 is a firm commitment of the present Government, through allocated public revenue from the state lottery.

### **3 Impact of the Financial and Economic Crisis on Social Protection**

The present financial and economic crisis has a strong impact on social protection in Portugal. The Portuguese economy has been diverging from other EU countries since 2000. GDP and productivity annual growth stayed well under 2% after 2000, and the crisis occurs after the economy showed clear evidence of lasting structural vulnerability and of a mediocre behaviour, pointing to its inability to catch up with the European economic dynamics of the present decade, before the crisis<sup>32</sup>.

Unemployment reached 8% in 2008, with a stronger impact on women (9%) and youth (16%). Long term unemployment amounts to 47% of the total since 2007, and it rose from 65 to 67% after 2007 in the age bracket over 50.

At-risk-of-poverty rate was 18% in 2007, above EU average (16%), and still higher when it comes to children (21%) and the elderly (26%). Also, the calculation of Gini Coefficients throughout EU-27, by Eurostat, demonstrates the clash of inequality of income in Portugal, in 2007. The higher the Gini Coefficient rises the higher is the social concentration of income, and Portugal leads regarding this indicator across the Union. This is even more troublesome since it doesn't report the impact of the present crisis yet.

In this context, the credit crisis will have a lasting effect on consumption since Portugal has one of the highest rates of indebted consumers in Europe, and it will increase the risk of poverty for low-income households. Banks are widely inflexible on claiming their credits and the increase of spreads on loans has been swallowing the successive cuts in the Euribor rates. Low and middle-income households do not have easy access to loans to acquire houses and will be facing dire prospects in the short run. Moreover, SMEs short term outlook suffers deeply from the credit crunch, with lasting and deep consequences on employment.

In the short and the 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 SS under an enormous pressure, both through the take-up of benefits and the loss of revenues.

Health care and long term care will be under increasing pressure. Pathologies that are often associated with social and economic crisis will spread. Impoverished users will be diverted from private schemes onto SNS services.

In the long term, a rising systemic risk to the sustainability of social protection might result from such short and middle term developments.

#### **3.1 Impact on social expenditure**

Latest available figures for SS current expenditure show an increase by 8% in 2009 (January-March compared to the same period in 2008).

Unemployment insurance and unemployment social allowance ("subsídio social de desemprego")<sup>33</sup> expenditure are growing steadily. Sickness allowances' expenditure rises also

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<sup>32</sup> See EC, *Statistical Annex of European Economy*, SPRING 2008.

<sup>33</sup> Social unemployment benefit is a non-contributory means-tested allowance to complement or substitute regular unemployment insurance, after the completion of the duration of the latter or if the qualifying

as a consequence of the crisis because in the time of crisis, health services tend to issue sickness certificates to support the entitlement of beneficiaries to that benefit with less restraint.

Under-65 individuals are presently taking-up retirement at a decreasing pace due to stricter rules of eligibility and benefit calculation, as shown in table 5. Such decreasing trend might nevertheless be reverted should recession go on for some time.

Table 5: Early retirement in 2005-2008

<b>Pensioners</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
Number of beneficiaries	112,043	123,411	135,140	142,758
Annual growth (%)	24.0	10.1	9.5	5.6

Source: social security statistics.

The pace of retirement at the standard age of 65 at the latest will probably accelerate as incentives to stay in the labour market will not match the pressure of unemployment.

Late in March the Government announced that the elderly with pensions below minimum wage will benefit of an increase on co-payments when using generic pharmaceuticals, reaching up to 100% for the labelled “more needed” and in cases of life improving drugs (chronic deceases, heart failure or hypertension). These will further increase social expenditure in the short run, and will remain in place in the long run, in view of persistent poverty in the Portuguese society.

Regarding policies for the housing sector, one recent feature is the development of a moratorium on the mortgage loans up to two years (in joint venture with the financial institutions). During this moratorium families with unemployed members can benefit of a 50% cut on their monthly payment.

To deal with the escalating difficulty to relocate the unemployed, the Government extended the duration of payment for the unemployment social allowance. The beneficiary will be entitled to an allowance of 60% of the social unemployment benefit plus 10% for each descendant during that extra period of protection. These complementary means of support take into consideration the record of contributions simply in terms of months in accordance to the age of the beneficiary. The expectation of the Labour and Social Solidarity Ministry is that this measure intended to help families with lower income will reach 53 million Euro, already forecasted in the supplementary state budget (passed in Parliament early this year in face of new macroeconomic conditions).

When the unemployed wishes to start a new business these allowances can be paid in a single payment, in order to promote self employment and entrepreneurship.

Social Partners have been stating the urgency of more measures to be taken by the Government. One of the Trade-union Confederations (UGT) even presented 18 measures to fight the economic and social crisis, one of the most noteworthy being the proposal to raise the minimum wage up to EUR 600 by the year 2014 (in 2009 the minimum wage is EUR 450 per month).

In January, the Prime-Minister revealed a new facility to reimburse outdated debts to suppliers of NHS hospitals (which are facing strong liquidity problems) in a decision evaluated in 900 million Euro. This measure coupled to a budget of 8.1 billion Euro

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conditions were not met by the unemployed individual. The value of the allowance is a proportion of the national minimum wage - 100% of minimum wage for the unemployed with dependants and 80% of the minimum income for those living alone.



exclusively for the SNS is the demonstration of the extended constraints that Portugal is facing in this field. The impact of the present crisis only helped to make it clearer.

### **3.2 Social protection revenues**

Aggregate social contributions for Social security are falling as a consequence of unemployment and the retirement flows: nominal growth in January- March 2009 as compared to January-March 2008 reached a meagre 0.7% (zero growth in real terms) and it became negative in March (-0.3%).

In the same period general tax revenue decreased by 12.3 % as compared to the same period last year. VAT fell by 20.3% (and 1 pp of VAT standard rate is ear-marked revenue of social security).

Some of the measures to protect employment that were recently enacted by the Government will translate into further social contribution rate reductions and exemptions, with the consequent loss of revenue.

Trying to counter this evolution, the Government has decided that from next October old age and disability pensions (in cases that the elder engages in a professional activity) should be subjected to a higher tax rate.

### **3.3 Systemic risk for social protection**

In the latest *Report on Sustainability of Social Security* the Government predicted that by 2039 SS will enter in deficit, although these projections were calculated before the outburst of the financial and economic crisis. From then on, the sustainability of SS will rely heavily on the reserve fund FEFSS that has been in place since 1990. The long term impact of the financial crisis can be measured by its influence on FEFSS with a loss of over 300 million Euro in 2008 alone, meaning a cutback of 3.7%, increasing thus the systemic risk for SS finances.

Defined benefit funded schemes in the banking sector and telecommunications still provide full first pillar protection to most of their workforce. Financial crisis is putting them also under severe strain.

In second pillar complementary schemes and third pillar savings schemes, defined contribution funded pension plans may lose some of its attractiveness despite the tax incentives still in force (this includes the new state complementary pension scheme whose subscribers have added up to only 6000 by March).

Systemic risk for the health system and SNS sustainability will be also enhanced by the present crisis. There is an on-going discussion over the possible contribution of the economic crisis to a sudden outburst of psychiatric patients (leading to suicide in extreme situations) and of new cases of tuberculosis. The Ministry of Health gave the assurance that it will stay alert to this situation and that (unspecified) measures shall be taken to contain any ailment commonly related to poverty.

One other impact of the recession and of rising unemployment is the decline in health insurances, more significant in the past five months.

Households are facing more severe budget constraints, and one of the most relevant announcements during the 1<sup>st</sup> Motherhood National Convention was that this will have a

profound influence on birth rates in years to come, according to the High-Commissioner for Health (who made these assessments based on recent statistics, and also on her experience as a paediatrician and the extensive contacts with complaints from parents).

The demand for private health care services has registered a fall of over 30% since last year, and accumulated a loss of 414 million Euro, according to the Portuguese Insurance Institute. On the other hand, pharmacies faced an 8% retraction on sales according to the Portuguese Association of Pharmaceutical Industry.

The Government has expressed concern through public statements regarding the present challenges and the desirability of mixed state-private initiatives in all fields, namely pensions, health and long-term care.

Recently, the right-of-the-centre party PSD, the most important opposing group in Parliament, has proposed the constitution of a public social emergency fund to compensate the impact of the crisis on the revenues of non-profit institutions for social security (“IPSS”), which would play a fundamental role in the assistance of the affected population. The fund would be fed by SS budget surpluses, although such surpluses will be tinier or even non-existent in the near future.

In this rather difficult context of economic, financial and social crisis, there are numerous cases of fraud and fake lay-offs from companies seeking to take advantage of the situation with the sole interest of suspending temporarily work contracts, which add up to the losses of tax and social contributions revenues and the increase of social benefits’ expenditures.

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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.

**[R4]** ADDISON, J., CENTENO, M. & PORTUGAL, P., “Unemployment Benefits and Reservation Wages: Key Elasticities from a Stripped-Down Job Search Approach”, Working Papers, Bank of Portugal, 2008.

*Description: This paper exploits survey information on reservation wages and data on actual wages from the European Community Household Panel to deduce in the manner of Lancaster and Chesher (1983) additional parameters of a stylised structural search model; specifically, reservation wage and transition/duration elasticities. The informational requirements of this approach are minimal, thereby facilitating comparisons between countries. Further, its policy content is immediate insofar as the impact of unemployment benefit rules and measures increasing the arrival rate of job offers are concerned. These key elasticities are computed for the United Kingdom and eleven other European nations.*

**[R2]** ADDISON, J., PORTUGAL, P. & CENTENO, M., “Do Reservation Wages Really Decline? Some International Evidence on the Determinants of Reservation Wages”, Working Papers, Bank of Portugal, 2008.

*Description: Using cross-country data, we investigate the determinants of reservation wages and their course over the jobless spell. Higher unemployment benefits lead to higher reservation wages. Further, repeated observations on the same individual provide scant evidence of declining reservation wages. The present exercise is exploratory. The authors deploy a unique cross-country data set that combines survey information on the lowest wages that unemployed respondents are willing to accept with detailed information on their employment and income histories to examine three key features of the stationary job search model. First, they examine the association between reservation wages and unemployment benefits. Second, they provide the first evidence of which we are aware on the role of the arrival rate of job offers in elevating reservation wages. Finally, exploiting the longitudinal capacity of our data set, they determine whether reservation wages decline over the jobless spell.*

**[R2]** CAMPOS, M. M. & PEREIRA, M., “Impact of the Recent Reform of the Portuguese Public Employees' Pension System”, Working Papers, Bank of Portugal, 2008.

*Description: This paper analyses the effects of the recent reform of the Retirement Status (Estatuto da Aposentação), applicable to the contributors of the General Retirement Fund (CGA – Caixa Geral de Aposentações). Using the "2005 Public Administration Human Resources Database", a simulation exercise is undertaken in order to evaluate the impact of the reform on the time-profile of retirements, initial pensions and CGA pension-related expenditure. The results show that the reform has heterogeneous effects, but, for most public employees, it results in an extension of the contributory career and a decrease in initial pensions, generating a reduction in the CGA pension-related expenditure.*

**[R1]** CENTENO, M., MACHADO, C. & NOVO, Á., “The anatomy of employment growth in Portuguese firms”, Article, Bank of Portugal, 2008.

*Description: This study examines the process of simultaneous creation and destruction of jobs and the allocation of workers to those jobs through hires and separations. We use a database with more than 30 million job-years observations for the Portuguese economy, covering the period from 2001 to 2007. The authors paid particular interest in the differences in the intensity of hire and separation of workers in firms expanding (those that create jobs) and contracting (those that reduce their level of employment). The sectoral differences in this process of adjustment of the firm’s employment level will also be examined, as well as the part played in the process by the age of workers, their wages, the type of contract and qualifications.*

**[R1]** CENTENO, L., CENTENO, M. & NOVO, Á., “Evaluating Job Search Programmes for Old and Young Individuals: Heterogeneous Impact on Unemployment Duration”, Working Papers, Bank of Portugal, 2008.

*Description: This paper exploits an area-based pilot experiment to identify average treatment effects on unemployment duration of treated individuals of two active labour market programmes implemented in Portugal. The authors focused on the short-term heterogeneous impact on two subpopulations of unemployed individuals: young (targeted by the Inserjovem program) and old (targeted by the Reage program). They showed that the latter programme has a small and positive impact (reduction) on unemployment duration of workers finding a job upon participation, whereas the impact of Inserjovem is generally negative (extended durations). These results are robust to a wide variety of constructions of quasi-experimental settings and estimators. The identification of heterogeneous effects showed that the programme results were less satisfactory for young workers, for those over 40 and for the less educated. Women also benefited less from the programmes. The results seem to improve slightly for young workers in the 2nd semester of implementation, but they deteriorate in the medium term. The lack of wage subsidies in the Portuguese programmes may explain the minor impacts obtained, when compared to similar programmes.*

**[R4]** FONSECA, P. J., «A importância da formação profissional contínua nas empresas portuguesas», Instituto Superior de Economia e Gestão, Masters Dissertation, 2008.

“The importance of continuous professional training in Portuguese companies”

*In the high prominent global world, the human resource is the most important factor of the competitiveness. In its lathe we witness the appearance of technologies innovation, market conditions stated periods of delivery, quality and diversity of products, etc. Therefore, the competitive companies are those who invest development and assessment of the Human Resources. This study emphasises that one of Portugal's Structural problem inhabits in low level of professional qualification and education to the active population which influence the productivity of the companies. The lack of instruction is due to school failure and to the weak investment in professional formation. The attitude at work requires significant changes of the access in professional formation and to promote reconversion intervention in companies through the development of the conditions of Human Resources. Low qualification brings less opportunities to development the skills and influences the productivity of the Human Resources.*

**[R1] PORTUGAL, P.**, “Unemployment duration in the Portuguese labour market”, Article, Bank of Portugal, 2008.

*Description: This article provides a short summary of the empirical literature relating to the effects on unemployment duration in Portugal stemming from the act of receiving unemployment benefit. In this reassessment, there will be a systematic analysis of the individual records from the National Statistical Office (INE) Employment Survey (Inquérito ao Emprego), using statistical techniques duration analysis. There are many studies analysing the effect of unemployment benefits on the rate of transition to employment. Job search theory leads to clear theoretical predictions, and these are generally confirmed by empirical studies. One of the expectations that have been confirmed by the data is that more generous unemployment benefit regimes lead to longer spells of unemployment. This hypothesis will be analysed later, in accordance with various identification schemes. One clear feature of the Portuguese labour market is the extremely high mean duration of unemployment.*

**[R1] RODRIGUES, C.**, «Distribuição do Rendimento, Desigualdade e Pobreza: Portugal nos anos 90», Coleção Económicas - 2.<sup>a</sup> Série, Almedina (Publisher), 2008

“Distribution of income, inequality and poverty: Portugal in the 90’s”

*Description: Distribution of Income, Inequality and Poverty: Portugal in decade of the 90 provides is intended to convey a deep analysis on the distribution of income in Portugal and how it has modified throughout the 90’s of the 20<sup>th</sup> century. This book was structured to give answers to three central groups of questions: I) What are the main alterations that had occurred in the distribution of the incomes throughout 90’s in Portugal? II) What are the main clarifying factors of the verified transformations and which were the foremost determine to inequality and poverty? III) What is the impact of the redistributive policies in the distribution of income and, in particular, the reduction of inequality and attenuating of poverty situations? The major alterations in the distribution of income were analyzed using measure conventions (such as distributive statistics), along with different criteria of dominance. The use of decomposition techniques allowed to associate inequality and poverty to specific sub-groups of the population. The impact of the redistribution granted by Programme of Guaranteed Minimum Wage (RMG) was evaluated and its effectiveness and efficiency in the combat the poverty were set in argument. The evidence supports conclusively that the impact of RMG bears upon the easing of intensity of poverty rather than the actual reduction of the number of poor.*

**[R2] SANTOS, C. C.**, «Supervisão dos fundos de pensões baseada na avaliação dos riscos», Repositório da UTL, Masters Dissertation, 2008.

“Pension fund supervision based on risk assessment”

*Considering the uncertainty of the long term financial sustainability of Portuguese social security, pension funds are seen as a key for enhancing national savings to the retirement period and a driver for the development of financial institutions and capital markets. Facing the actual environment, the demand for a pro-active supervision, concerned about all the risks affecting a pension fund, not only restricted to its solvency and to the pension funds management entity, emerges dramatically. This dissertation focus on guidelines for the construction of a model based on risk assessment of a pension fund, passing through the actuarial situation, pension plans and population's characteristics, and through exogenous parameters related to the sponsor, capital markets and quality of management. This dissertation includes an application for the determination of necessary capital to ensure the covering of pension funds' risks, using the standard model of the European*

*Solvency II project, developed for insurance companies, through the Value at Risk measure.*

**[R1]** SOARES, C., “Impact on Welfare of Country Heterogeneity in a Currency Union”, Working Papers, Bank of Portugal, 2008.

*Description: The author built a two-country DSGE model for a currency union, with habit formation, product and labour differentiation and nominal rigidities, and monetary policy follows an ad-hoc rule. The main innovation is the incorporation of several sources of heterogeneity and the assessment of its impact on welfare. From the formal utility-based welfare analysis, they found that nominal rigidities are the most important source of heterogeneity. In a currency union where the central bank responds area wide and does not take into account national differences, it would be desirable to lower the overall level of rigidity in both countries at the same time, as there are significant welfare losses when country heterogeneity rises. A comparison of different policy rules allowed the author to conclude that rules that weigh more inflation relatively to the output gap provide the best result in terms of welfare.*

**[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

**[H5]** BARROS, P., «Economia da Saúde – Conceitos e Comportamentos», Olhares Sobre a Saúde, Almedina (Publisher), 2<sup>nd</sup> Edition, 2009

“Economy of the Health – Concepts and Behaviours”

*Description: In a simple way, the Economy of the Health is the application of the 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. The Economy of the Health uses mathematical models frequent to organise and systemise the analysis. The majority of the basic aspects are easily apprehended to an intuitive level. The issues debated and the examples presented reflect the preferences and stem out of surveys by the author.*

**[H4]** CAMPOS, A., «Reformas da Saúde – O Fio Condutor», Olhares Sobre a Saúde, Almedina (Publisher), 2008

“Health Reforms – The Main Thread”

*Description: This book is on health policy during the term served by the author as the Health minister (2005-2007) and the necessary reforms so that the policy should correspond to the aspirations of the majority of the Portuguese. Policy is the choice between different and sometimes opposing directions, a choice that must be dictated by the public interest. Some choices had been differed in time, due to the lack of resolve of politicians, incapable or disabled to choose in useful time or, having chosen, had not dared to decide and advance to action. The choices are sometimes painful, but necessary. Without them the system is left to itself, to its dynamics, a chaotic ungovernable, rarely coincident with the public interest. To choose implies risk, sacrifice and temporary and*

*identifiable unpopularity; it implies courage in following a route, in launching the conducting wire that joins the reforms. Even if it is sometimes apologetic towards the author's policies, it presents an up to date survey of the Portuguese health system based on published and unpublished data.*

**[H2]** CARVALHO, G., DANTAS, C., RAUMA, A., LUZI, D., RUGGIERI, R., BOGNER, F., GEIER, C., CAUSSIDIER, C., BERGER, D. & CLÉMENT, P., “Comparing health education approaches in textbooks of sixteen countries”, RepositóriUM - Universidade do Minho, 2008.

*Classically, health education has provided mainly factual knowledge about diseases and their prevention. This educational approach is within the so called Biomedical Model (BM). It is based on pathologic (Pa), curative (Cu) and preventive (Pr) conceptions of health. In contrast, the Health Promotion (HP) approach of health education intends to improve health by promoting healthy habits (He) and by developing empowerment (Ep) for a healthy decision-making with regard to environmental (Ev) challenges. The aim of the present study focused on a comparison of the emphasis on either model (BM or HP) as it is presented by textbooks from 16 countries. Each country team analysed the textbooks that are more frequently used at each educational level. Text and image analysis identified that some countries, such as France and Italy, as more associated with the Biomedical Model, whereas Germany, Mozambique and Finland were more linked to the Health Promotion approach.*

**[H1]** GAGO, A. C., «O financiamento hospitalar e os grupos de diagnóstico homogéneos», Departamento de Economia, Gestão e Engenharia Industrial, Universidade de Aveiro, Masters Dissertation, 2008.

“Hospital financing and homogenous diagnosis groups”

*Description: This study has the objective of analysing the hospital financing system based on Diagnosis Related Groups (DRG), the current model of contracting and payment whereby hospitals are financed according to production, accessibility and quality goals. Contracting is one of the innovating regulatory mechanisms (New Public Management) and replaces hierarchical or charge relations, which are based on authority, by contracts based on autonomy and responsibility. Regulation of core dimensions of health care, like the quantity, the price and, consequently, the quality, the efficiency and the access to health care is endogenous to publicly financed contracts negotiated with providers, who do not have autonomy to set prices. The contract only includes the provision of health care to National Health Service patients. The financing of health care to patients of subsystems is based on DRG-based defined by decree. The case study concludes that, in the Hospital Infante D. Pedro E.P.E. case, the prices defined by the contract penalise the hospital when compared to the prices established by decree. The existence of two distinct financing models can promote distortions at several levels, such as patient discrimination (cream-skimming or adverse selection) and the quality decrease of the given care.*

**[H1]** GOMES, M. A., “The Liberalisation of the Retail Market of Non-Prescription Medicines”, Faculdade de Economia da Universidade do Porto, Masters Dissertation, 2009.

*Description: This dissertation develops a framework that evaluates the recent changes in the regulation of the Portuguese retail pharmacy market and analyzes the subsequent impact on market structure, price and firms' profitability. The theoretical methodology on spatial 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 firms' 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 firm's price strategy and its relative location with respect to other competitors) and by demand characteristics such as spatial consumers' distribution and the per capita consumption of non prescription medicines.*

**[H4]** HARFOUCHE, A. P., «Hospitais Transformados em Empresas – Análise do Impacto na Eficiência: Estudo Comparativo», Instituto Superior de Ciências Sociais e Políticas, Masters Dissertation, 2008.

“Hospitals becoming companies – Analysis of the impact on efficiency: Comparative study”

*Description: In this master's dissertation the author seeks a measured evaluation of performances, in terms of efficiency, between corporation hospitals and those which maintained their traditional public status. The author will be using a methodology which strikes on comparing the results in services given to the population: internments, number of external consults, urgency e and medical malpractices. The paper has been prefaced by Antonio Correia de Campos, former Health Minister, and preambled by Carla Guapo Costa and Pedro Pita Barros, leading researchers on these themes.*

**[H2]** JOURDAN, D., SAMDAL, O., DIAGNE, F. & CARVALHO, G., “The future of health promotion in schools goes through the strengthening of teacher training at a global level”, RepositóriUM - Universidade do Minho, 2008.

*Schools are considered to be settings for both health education and health promotion. But the core business of schools is actually focussed on educational outcomes, not reducing health problems. In most countries, schools give low priority to health promotion and school staffs, mainly teachers, are not aware of their role in health promotion. Studies show that teachers who have received health promotion training tend to be involved more frequently in health promotion projects and have a more comprehensive approach to health education. Pre-service and In-service staff training is then a main challenge. That's the reason why we have launched an initiative to join international forces to strengthen and advocate for teacher training in health promotion. The main goals are: develop research, affirm and reinforce the work done in teacher training in health promotion, support the institutes/colleges/universities in the provision of initial and in-service teacher training and stimulate international partnership work.*

**[H3]** KOZLOWSKA, K., SZCZECINSKA, A., ROSZKOWSKI, A. W., BRZOZOWSKA, A., AFONSO, C., FJELLSTROM, C., MORAIS, C., NIELSEN, N. A., PFAU, C., SIDENVALL, B., TURRINI, A., RAATS, M., LUMBERS, M., “Patterns of healthy lifestyle and positive health attitudes in older Europeans”, RepositóriUM - Universidade do Minho, 2008.

*To determine (i) the extent to which recommended lifestyle healthy behaviours are adopted and the existence of positive attitudes to health; (ii) the relative influence of socio-demographic variables on multiple healthy lifestyle behaviours and positive attitudes to health; (iii) the association between healthy lifestyle behaviours and positive attitudes to health. Design: two distinct healthy behavioural measures were developed: (i)*

*healthy lifestyles based on physical activity, no cigarette smoking, no/moderate alcohol drinking, maintaining a "healthy" weight and having no sleeping problems and (ii) positive health attitudes based on having positive emotional attitudes, such as: self-perceived good health status, being calm, peaceful and happy for most of the time, not expecting health to get worse and regular health check-ups.*

**[H5] MOREIRA, S.**, “Efficiency analysis of public hospitals transformed into public corporations: an application of data envelopment analysis”, Article, Bank of Portugal, 2008.

*Description: In the last few years, in-depth reforms introducing corporate management practices in the public sector have been implemented in Portugal. This process is particularly evident in the health area, where, since 2002, several hospitals included in the general government sector have been transformed into public corporations (EPE Hospitals) and afterwards into public enterprises. Similar to other countries, this reform raised the issue of evaluating the effects of different management and financing practices on hospitals’ efficiency. This study aims to carry out this analysis for the Portuguese case, focusing on the first set of hospitals transformed into corporations. Accordingly, a comparison is made between the performances, before and after the reform, of the EPE hospitals and a control group composed of hospitals which are still within general government (SPA hospitals). The analysis is always carried out in relative terms through a comparison with a control group, assessing technical efficiency of the production units, i.e. the ability to produce the maximum level of outputs given a certain level of inputs or alternatively to use the minimum level of input to produce a given level of output.*

**[H3] PINHEIRO, C. T.**, «A gestão das doenças crónicas: implicações na prática nos cuidados de saúde primários», Repositório Aberto da Universidade Aberta, PhD Thesis, 2008.

“Management of chronic diseases: implications in practise on first aid care”

*This investigation towards a master’s thesis, analysis the present situation on organisational practise, medical and nursing, in treatment to patients with Mellitus Diabetes in first aid care. It is a description study, retrospective and institutionalised on the Health Care Centres of the former Lisbon’ sub-region of Health of the National Health Network. The target disease of the study was selected according to criterion related with the burden of disease in terms of incidence, prevalence, complications, social and economic transcendence, and vulnerability, amongst others.*

**[H2] SILVESTRE, H. M., ARAÚJO, J. F.**, « A gestão por resultados no sector público: o caso dos Hospitais EPE», Conference Presentation, INA, 2009.

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

*Controlling results by overall measurements and such 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 the 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 ideas ranged by the New Public Management.*

## 5 List of Important Institutions

### **CIP – Confederação da Indústria Portuguesa – Portuguese Industry Confederation**

Contact person: Francisco van Zeller  
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 for the growth of the economy, the competitiveness of the companies, the innovation, the improvement of the productivity, the efficiency of justice and the fiscal system, the quality of education and professional formation, the containment of the 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 motions on subjects related with employment, wages, work policy and environment, education, and social protection.*

*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, Nº 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 been 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: Alfredo Bruto da Costa  
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 associations for defense of consumers', the national associations for environmental defense, 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 April 19, 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: Manuela Ferreira Leite  
Address: R. de São Caetano, 9, 1249-087 Lisboa  
Webpage: <http://www.psd.pt/>

*The Social Democratic Party is 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 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 in 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 party. This party has from the beginning a full party status, 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 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 on 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. With the advent of democracy in the year 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 the April 25, which do not contain 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, either in an external as well as in an internal perspective, along with the surrounding structures. With around 600 associates, most of which specialists and social security professionals, with special reference to 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 Association of Economy of the Health**

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 Association of Economy of the Health has the purpose of promoting the study, discussion and endorsement of the Economy of the Health. APES is open to all professional that express interest in this field and the methodology applied in the Economy of the Health. In that sense, APES has 6 objectives: the promotion of the Economy of the Health through technical and scientific widespread; the publication of an information bulletin and other regular publications; the development of international cooperation in this field; the creation and upholding of a documental 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. 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 Economy 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 faculty 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 contributing for the diagnosis, prevention and solution of employment and vocational training related problems, namely referring to: Unbalance between the search and offer of employment; Social-Professional insertion and relocation; Quality and stability of employment; Evolution 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 do basic and applied research on 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 from 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 of 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 the Scientific Research in Public Health and all peripheral areas. Thus, CIESP has the purpose of promoting and develop research in areas within the curricula of the ENSP, along with all fields of scientific knowledge that's identified as relevant to the investigation and scientific know-how on Public Health and adjacent fields. One of its most noticeable research, dated 2005, 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 State, endowed with administrative, financial autonomy and self-patrimony. The main objectives of the ACSS: 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 installations and equipment of the SNS, established priorities and proposing public investments to carry through in 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 from 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, laboratory external 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 that was developed to undertake the mission of leading and operationally coordinate the effective implementation of an intermediate level of cares of health and social support, between those of community basis and those of hospital internment, 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 – Center 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 Centers 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 on training in the development of necessary abilities to the reinforcement of the competitiveness of the people and the resident organisations in the space of influence of the CRC. The mission of 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 out methods, methodologies and products that promote and facilitate, namely, the strategic qualification of the unemployed, assets and the lectures in the context of the training throughout life.*

*Main recurring publications: Database FORMEI, BDigital, Newsletters*

**Blogue Abrupto – Blog Abrupt**

Contact person: José Pacheco Pereira  
Address: R. Castilho, ° 5 R/C, 1250-066 Lisboa  
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 in parliament of right centre party PSD, although he accumulates with activities as 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 aroused by JPP in an open room for the exchange of ideas. His straightforward thinking and written comments often brings unwished attention to his blog from hackers.*

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- (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/employment\\_social/progress/index\\_en.html](http://ec.europa.eu/employment_social/progress/index_en.html)