



Eurofound

More and better jobs in home-care services

Portugal



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Introduction

This country report gives an overview of the labour market policies in community-based care for adults with disabilities and chronic health problems in Portugal. The main topics discussed are the context in which community-based care labour market instruments are implemented, the funding structure, the strategies used to recruit new employees and retain current workers in the sector, and the resulting impacts and outcomes. Three case studies were carried out into initiatives in the field of labour market policies in community-based care to support adults with disabilities: INOV-SOCIAL, Stimulus 2012 and Employment/Inclusion (Plus). Annex 1 to this report contains summaries of the three case studies and analyses the main outcomes and success factors.

Most of the available official statistics – notably about employment, market supply and demand, and related matters – do not deal directly with the segment of community care services examined in this report. Thus, quantitative data submitted in this report either refer to a wider field (for example, the social care sector as a whole) or is inferred for the targeted segment using the best estimation models. All sources are identified accordingly.

1 Policy background

Overview of the care sector in Portugal

Most of the organisational providers of community-based care services in Portugal are independent private organisations without any direct control from central, regional or local government – except in terms of general and sectoral legislation and regulations, as well as commitments and responsibilities arising from contractual arrangements maintained with governmental agencies. The main characteristics of the Portuguese community-based care sector are as follows:

- a highly fragmented and diversified system in terms of the size of the operators, variety of organisational types, types of ownership and range of services provided;
- a low degree of involvement by central, regional and local government in the direct provision of social care services and a high level of collaborative partnerships between public and private players;
- a strong and pervasive influence of the Roman Catholic religion (church and lay Catholic organisations);
- a (not always smooth) ‘dialogue’ between the corporatist traditions of private healthcare providers (such as charities, cooperatives and private operators) and the priorities and practices of the National Health Service (a tax-funded, universal and comprehensive public healthcare service);
- administration difficulties and cost–benefit inefficiencies in the planning and control systems at national and local level, which are compensated by an in-built and more responsive resilience in times of crisis.

There is a set of collaborative platforms – the Social Network (Rede Social) – whose remit is to plan and coordinate the activities of private and public social care operators at local, municipal and regional level. These platforms allow private and public participants to share a vision of the social problems in their area, to jointly agree on objectives, priorities, strategies and actions, and to optimise the use of available resources. As collaborative mechanisms, these platforms do not provide any care or other service. Each organisation bears its own participation costs (for example, for meetings, preparation of planning and reporting documents).

The Social Network was established in 1997–1998,¹ following a bottom-up approach overseen by the government agency the Social Security Institute (Instituto da Segurança Social, ISS). The network encompasses three layers: social commissions at parish level,² social action councils at municipal level,³ and regional platforms at NUTS III level. Not all parishes and municipalities have social action units: in some cases, certain parishes are banded together to form inter-parish commissions, while other parishes and municipalities do not have commissions or councils.

¹ Cabinet Resolution No. 197/1997 (18 November), Normative Order No. 8/2002 (12 February) and Decree-Law No. 115/2006 (14 June).

² There are currently 4,261 civil parishes (*freguesia*), the smallest territorial unit of the Portuguese administrative division, governed by an elected parish council.

³ There are currently 308 municipalities in Portugal.

Currently, there are 278 social action councils (municipal level) and 27 regional councils (NUTS III level) in operation, in addition to several hundred social commissions at parish level.

Most of the planning and coordination work is conducted by the social action councils at municipal level on a yearly basis. This work encompasses a social diagnostic appraisal, a social development plan and an action plan. It also includes evaluation models and information systems.

Reasons for developing and maintaining community-based care services

Portugal's current government tends to favour policies that make use of existing private resources, notably the not-for-profit sector, to replace or support the activities of publicly managed social services. This is based on the conviction supported by empirical evidence (Jones, 1988; Qureshi and Walker, 1989; Bernabei et al, 1998; Pavolini and Ranci, 2008) that community-based services are more responsive and efficient in running social support facilities. This approach is also deemed to be more in line with the tradition of social care services in Portugal.

Type of community care services available

Specifically for adults with disabilities and chronic health problems, the Portuguese community-based social care system offers the following services.

- Information/recreational centres – providing information, guidance, leisure and training activities aimed at developing the capabilities and competences (personal, technical and social) of the beneficiaries in order to improve their autonomy as well as their professional and social integration.
- Home-care services – provided at the residence of people with physical or mental dependence who are unable to look after their basic needs and/or to perform their daily activities on a temporary or permanent basis. These services may include carrying out routine home chores, as well helping family members or other informal home helpers in their supporting activities.
- Occupational centres – focused on people with severe disabilities and aimed at developing their self-esteem, personal autonomy and professional (where possible) as well as social integration. These centres also provide other sundry services that may be required by beneficiaries.
- Foster care – providing temporary or permanent care by a selected family for the integration into a safe and emotionally stable environment of beneficiaries who cannot stay at home due to the absence of family members and/or the inadequacy of other social services.
- Residential homes – provided for people who are unable to live independently or who cannot live with their family.
- Transport – a personalised transport and accompanying service for people with disabilities in some areas (Lisbon and Porto metropolitan areas).
- Leisure or holiday centres – dedicated to people with disabilities and their families.
- Counselling services – providing evaluation, educational, guidance and therapeutic services to people with disabilities.
- Occupational forums – aimed at clinically stabilised adults with a mild mental illness who wish to improve their autonomy, emotional stability and sociability to attain better social, family and professional integration.

- Special life supporting units – aimed at adults with stabilised but chronic mental illness who are experiencing residential difficulties. Depending on the level of needs, the degree of autonomy and the medical assistance requirements, there are three types of units: ‘autonomous life’, ‘supported life’ and ‘protected life’ units.

All of the above care services – most of which are privately owned and managed as already noted – are paid for by the beneficiaries in accordance with their income. The deficit for the actual cost is either funded by the resources of charitable institutions or by central government through the budget for the social security system. Adults with disabilities can also receive financial support to acquire equipment and aids that help them in their daily life and to participate in educational, professional and social activities.

Labour market situation

The overall employment level in Portugal’s social care sector has been recently estimated at about 185,000 jobs (Presidency of the Council of Ministers, 2011). The following table gives a breakdown of employment in the sector by statutory categories (Table 1).

Table 1: Employment in social care sector in Portugal (mainland), 2007

Type of employer	No. of jobs	%
Charity and humanitarian associations	103,556	56.1
People’s Houses (<i>Casas do Povo</i>)	2,486	1.3
Mutualities	1,371	0.7
Other associations	19,142	10.4
Foundations	9,531	5.2
Cooperatives	25,547	13.8
Religious organisations	23,067	12.5
Total	184,700	100.0

Source: Carvalho, 2010

In 2006, there were about 103,000 paid jobs in the not-for-profit segment of the social care sector, accounting for €1.4 billion in total earnings or an average of €13,600 per paid employee.

Between 2006 and 2010, the total earnings for the not-for-profit segment of the social care sector increased to €1.76 million – or 29% over the 2006 level (at a rate of about 6.5% per year) at constant prices.⁴ Published data on the number of jobs are not reliable, but the growth in total earnings in real terms suggests that the number of paid jobs has increased substantially. This is consistent with the trend in employment levels between 2002 and 2005 reported by Carvalho (2010). However, this report also suggests that the growth trend in social care jobs has been decelerating in more recent years.

Jobs in the social care sector include a vast range of highly qualified, semi-qualified and unqualified professions. Of the several hundred professions listed in the collective labour

⁴ TecInvest’s estimates are based on data from the National Institute for Statistics (*Instituto Nacional de Estatística*, INE) for 2006 and 2010, as well as on estimates published in Salamon et al, 2012.

agreement governing industrial relations in the care sector (see start of Chapter 2), nearly one hundred are sector specific. These include: qualified jobs (such as clinical director, dietician, specialist doctor, psychologist, occupational therapist, social scientist, pharmacist, teacher, master nurse, social educator and social mediator); semi-qualified and specialised jobs (such as physiotherapist, analyst, audiometrist, orthopaedist, pharmacy assistant, vocational nurse, practical nurse, house supervisor, care assistant, care technician and home assistant); and low-qualified general purpose jobs (such as cafeteria worker, day centre worker, residential and community support worker, social work assistant, support worker, residential care worker and supported housing worker).

In general, there is no shortage of workers in care and social support services in Portugal, a country currently plagued by an unemployment rate of 16.3%. At the higher end of the qualification range, there is certainly no shortage of staff, as more than 100,000 higher education graduates are currently unemployed, many of whom have specialised in fields relevant to the social care sector. As a result, there are subsidised apprenticeship programmes in place to help newly qualified graduates enter the labour market.

In the lower and by far the largest part of the sector, comprising unqualified and low-qualified workers, there are some shortages. In some regions, these shortages may be sizeable, although there is no information available to quantify this shortage. Naturally, given the prevalent characteristics of jobs in this area (poorly paid, unattractive jobs where women predominate), this situation is likely to persist.

PESTLE analysis

The research used the 'PESTLE' model to identify the external factors influencing the development of the labour market. The six dimensions in the PESTLE model are the *political*, *economic*, *social*, *technological*, *legal* and *environmental* dimensions. The PESTLE approach was originally a business-study model used to describe a framework of relevant factors at the macro level, used mainly for analysing the business environment of organisations. It is a means of measuring strengths and weaknesses against external factors and can help organisations develop strategies. In the same way, a PESTLE analysis can also be used for a contextual analysis of sectoral labour markets.

These six dimensions can greatly influence the sectoral labour market, although some are obviously more important than others. In the context of the research into the care sector, particular consideration must be given to the political and economic dimensions, as these have direct effect on the possibility of creating attractive and useful jobs in the community-based care sector. The financial dimension is of special importance in this context since this is not a commercial sector, but one generally financed with public money.

Since the situation in the different countries included in the research is different, the labour market discrepancy model connected to the PESTLE factors can identify where the issues lie in each country. The model provides, in a sense, a common language that describes the challenges faced by the different actors. As previous research has already shown that there is a general shortage of labour in the sector, and in some cases a shortage of jobs, it is to be expected that there are clear discrepancies.

The model can swiftly record whether these are qualitative or quantitative, due to a lack of influx into the sector or too great an outflow than can be compensated for, or whether they are triggered by developments in one of the PESTLE dimensions. At the same time, the model offers a structured means of comparison.

Political and economic factors

Current government policies are seriously constrained by the ongoing public debt consolidation plan, which resulted from the memorandum of understanding signed with the European Commission, the International Monetary Fund (IMF) and the European Central Bank (ECB). This includes a package of measures with specific economic conditions to be carried out for three years and encompasses serious cuts to public spending. The plan is the biggest factor limiting the government's social policy.

Under such conditions, the call for greater engagement by civil society is a natural response to ensure that social policies can continue to be pursued, particularly since such needs tend to increase during times of economic downturn.

On the other hand, the government's centre-right political orientation tends to favour policies that rely more on existing private resources, notably the not-for-profit sector, in order to replace or support the activities of publicly managed social services.

Social factors

A major factor in this area is the continued ageing of the Portuguese population. This is putting pressure both on the financing of the state social security system and on the existing social facilities and services providing support to elderly people. A second factor relates to the poor economic conditions and financial strain as well unemployment consequences arising from the austerity measures. Such realities are increasing substantially the risk of pushing more families into poverty and social exclusion.

Technological and environmental factors

Although less important, technological developments will have a bearing on care services – notably, for the support of the elderly population (for example, distance alarm systems and telemedicine).

The environmental sector will increasingly provide opportunities to develop social and meaningful jobs, thus helping to integrate unemployed adults. For instance, under the Employment/Inclusion initiative (case study 3), some of the municipal environmental tasks in sanitation are being assigned to temporary workers under subsidised occupational programmes available to unemployed people.

Legal factors

In the context of the ongoing Social Emergency Programme, some of the measures concerning the community-based social care sector pertain to the legal framework of the social policies. One of the planned reforms involves the preparation of a new base law for the social economy. This legislation may imply some changes regarding the balance between public and private actors in this sector, particularly in the healthcare area, where the public sector presence is dominant.

Recruitment and retention of care workers

The current government's approach relies strongly on community-based care services provided by private organisations. At the same time, it assigns to the state a subsidiary role of providing funding when and where it is needed and of regulating and encouraging the activities of civil society. Within this approach, emphasis is placed on the following areas:

- strengthening support to elderly people;

- increasing efforts to include people with disabilities;
- providing greater support for volunteer work;
- relying on the social economy as the centre of care services.

This means that most of the efforts concerning recruitment and retention are made by private operators and, to a lesser extent, by local government (municipalities).

2 Political and legal frameworks

Regulations and policies on recruitment in community care services

In Portugal, since the 17th century welfare action started to be considered also as a duty of the state rather than an exclusive outcome of religious charity and of sovereign goodwill. Mutualism and cooperatives developed in the 19th century, the former being progressively replaced by insurance companies and the latter experiencing a new development phase in the fourth quarter of the 20th century. Since 1976, the Portuguese constitution acknowledges the role of the cooperative sector and, after the 1989 and 1997 amendments, extended that recognition to include the private social/solidarity sector. The current Portuguese constitution recognises the universal right to social security in Article 63 and institutes as a state responsibility the duty of organising, coordinating and subsidising the social security system. It also establishes that the state will be responsible for supporting and overseeing the activity of private solidarity institutions and other non-profit organisations of public interest.

In Article 71, the constitution recognises the citizenship rights of people with disabilities (physical or intellectual) and directs the state to pursue prevention, treatment, rehabilitation and integration policies for citizens with disabilities and their families.

The main pieces of legislation governing and structuring activities in the social economy, including the provision of community care services, are as follows:

- Decree-law 119/83 (25 February) and subsequent adjustments⁵ – sets the legal framework for Private Institutions of Social Solidarity (Instituições Privadas de Segurança Social), including religious organisations, associations, foundations and other institutions;
- Decree-law 72/90 (3 March) – reviews and consolidates previous legislation defining the statutory framework of the mutual benefits associations;
- Law 51/96 (7 September) – the Cooperatives Code (with modifications to the code through Decree-law 131/99 (21 April) and Decree-law 76-A/2006 (29 March));
- Decree-law 115/2006 (14 June) – creates the Social Network, a vast number of local platforms for enabling collaborative work between private and public institutions active in the community-based care system (see earlier section ‘Overview of the care sector in Portugal’);
- Law 4/2007 (16 January) – establishes the basis of the social security system, including the base public system and complementary private initiatives;
- Law 23/2012 (25 June) – reviews and updates the Labour Code.

The above legislation is of general or sectoral nature. There are no specific regulations governing recruitment in community care services, although these services must obviously comply with the general provisions of the Labour Code.

As noted elsewhere in this report, there are many employers in the community care sector, most of which are autonomous and private entities. Thus, although having to comply with the Labour Code and other labour legislation and regulations (for example, collective labour agreements⁶), the practices in this market segment are varied and do not follow any specific directive or pattern.

⁵ Decree-law 89/85 (1 April), 402/85 (11 October) and 29/86 (19 February).

⁶ Collective labour agreements are agreements between employer organisations and trade unions that regulate working conditions in sectors, industries and even individual companies; they are achieved through collective bargaining.

Operators typically make use of the services of official employment centres, particularly when they are required to attract public incentives such as the ones discussed in Annex 1.

Recruitment strategies for community care workers

The current Portuguese government is placing an emphasis on the social economy sector as a major resource for the implementation of social policies that are less dependent on government intervention in the field. Under such an approach, the role of the central state will be refocused on its regulatory and funding roles. Many of the policy directives and measures set forth in the ongoing Social Emergency Programme will have an impact on the development of the community-based social care sector for adults. Some examples of these measures are outlined below.

- Special efforts will be made to help people over 45 years of age who are unemployed to access the labour market, notably in the social economy sector.
- Current beneficiaries of the ‘social inclusion system’ will be engaged in activities with social utility, thus simultaneously helping them to return to the labour market and aiding the social care institutions to perform their activities more effectively (see the ‘Employment/Inclusion’ case study in Annex 1).
- Apprenticeships are being provided to newly qualified graduates from higher education institutions (see the INOV-SOCIAL case study in Annex 1). Subsidies are also being granted to train managers of the social economy sector, creating opportunities to increase the efficiency of social institutions. In addition, special programmes for training the staff of private social care organisations are being offered on a continuous basis.
- Increased funding is being earmarked to support community-based care services for elderly people – such as home care, night centres, measures to identify isolation and enhanced facilities for granting healthcare.
- Support is to be expanded for persons with disabilities aimed at increasing their employability, creating special educational settings, and improving relief conditions for people who are permanently helping persons with disabilities.
- The base legislation for and regulation of private organisations of social solidarity are to be simplified, as are the licensing procedures for social care facilities.
- Increased and more diversified funding opportunities are to be provided for private organisations of social solidarity, such as enhanced subsidising rates, special credit facilities and special funds to support social innovation.

The foremost institution that is responsible for the deployment of government policies in the employment and training area is the National Institute for Employment and Professional Training (Instituto do Emprego e Formação Profissional, IEFP). This institute was established in 1979 (under Decree-law No. 519-A2/79 (29 December)) as a public body responsible for executing the employment and professional training policies of the government. Currently, the institute reports to the Minister of Economy and Employment. Historically, the main *raison d’être* for such institutions was the employment crisis of the early 1930s in Portugal.

IEFP has its head offices in Lisbon as well as various regional delegations. Its management system, which includes a Governing Board, an Executive Board and a Supervisory Commission, has tripartite governance made up of representatives of the government, the trade unions and the employer confederations. At regional level, there are five advisory committees also with tripartite representation.

IEFP comprises a structure of decentralised services (organised into five regional offices and local executive facilities: 86 employment centres, 31 own training centres, one rehabilitation centre and eight enterprise creation centres). The institute also participates jointly with industry sector organisations in 23 specialised training centres.

IEFP activities influence the recruitment and retention of care workers in several ways, notably through:

- the official employment office, providing a national mechanism for employers to recruit new staff members;
- training centres that provide general and customised training programmes, which can be used to enhance the capabilities and skills of existing staff, thus contributing to their retention;
- various active employment and occupational measures that provide financing for the recruitment and training of employees.

3 Structural framework, funding and actors involved

Employment in the care sector

Quantitative information on the community-based social care system in Portugal is scattered and incomplete. Research aimed at directly investigating the most relevant employment figures for the sector is limited and mostly outdated. Thus, the data presented in this section should be viewed as rough estimates.

There are 5,800 organisations owning facilities dedicated to social care services (Office of Strategy and Planning (Gabinete de Estratégia e Planeamento, GEP), 2012). Of these organisations, about 68% are not-for-profit entities, mostly *misericórdias*, parochial centres, mutual benefit associations, cooperatives, associations and other organisations classified as Private Institutions of Social Solidarity (Instituições Particulares de Segurança Social, IPSS) (see section below on ‘Organisations, actors and stakeholders involved’), as central and local government have a representation of only 1.4%. The remaining 32% of the organisations are mostly commercial operators (particularly represented in kindergarten facilities and nursing homes for elderly people).

These organisations run more than 9,500 facilities and structured services, serving more than 350,000 persons, as shown in the following breakdown (Table 2).

Table 2: Social facilities in Portugal (mainland), 2010

Type of care facility/service	Number of facilities/services	Capacity (no. of persons catered for)
Kindergarten centres	2,504	102,704
Occupational/recreational centres	341	12,310
Residential homes	214	4,778
Day-care centres	1,997	63,166
Nursing/care homes	1,978	74,851
Home-care services	2,519	92,971
Total	9,553	350,780

Source: GEP, 2012

According to data from the Ministry of Solidarity and Social Security (MSSS), in October 2010 there were about 6,100 private facilities or services providing social care (NACE 87 and 88 – ‘residential care activities’ and ‘social work activities without accommodation’ respectively). These entities included both for-profit and not-for-profit organisations. Altogether, they employed about 114,900 persons (of whom 61,800 worked in NACE 87 and 53,100 worked in NACE 88). Employment figures for 2008 stood at about 113,200 persons (of whom 59,200 worked in NACE 87 and 54,000 worked in NACE 88).

Funding structure

Overall revenue generated by the social sector is estimated at between €6 billion and €9 billion, depending on the specific sources used and the aggregates of sub-sectors considered (Carvalho, 2010; Salamon et al, 2012). All sources accessed agree that most of this revenue can be assigned

to social care activities. Besides proceeds from the sale of goods and services, property income, private transfers (including donations and legacies) and various other sundry income items, a significant proportion of the sector's revenue comprises government transfers and other public contributions and subsidies. The public annual transfer to the social care sector is estimated in the range of 30% to 40% of total revenue. According to a recent source (Carvalho, 2010), the proportion of these transfers has been decreasing in the recent years; in 1998, for instance, these transfers accounted for about 60% of the budget of private social care institutions.

Organisations, actors and stakeholders involved

There are a large number of statutory type organisations active in the community-based social sector. These organisations can be categorised according to the following groups.

1. **Holy Houses of Mercy** (*Santas Casas de Misericórdia*) – these organisations date back to the 15th century. Traditionally, the *misericórdias* provided basic healthcare assistance to deprived people, but over time they have diversified their activities to support children, older people and persons with disabilities. As part of their activities, they deliver professional training and help to fight social exclusion as well as unemployment. Although they are inspired by the Catholic Church, Portuguese *misericórdias* are not subject to its hierarchy.⁷ They are organised as free associations of brothers (*irmãos*) or brotherhoods (*irmandades*), which, in accordance with the commitments set in the Christian ‘Works of Mercy’, have the purpose of helping others (not each other as in the case of the mutualities). *Misericórdias* were the main institutions in Portugal dedicated to social and healthcare services until the 1950s. Traditionally, they raised their funding through donations and legacies of local prominent wealthy persons; currently, they are also part-funded by the state under cooperation agreements and through the proceeds of some services rendered to the general public. Relations with the state have fluctuated over time, ranging from close cooperation with the crown in their early years to strict government control in the 19th century. The *misericórdias* were also subjected to property confiscation after the proclamation of the republic in 1910–1911 and to the nationalisation of their hospitals in 1976, following the military coup of 1974. In the 1980s, many hospitals were returned to the *misericórdias* and the current government⁸ is in the process of returning the remaining ones (see Campos, 2011).
2. **Parochial centres**⁹ and other religious organisations such as the religious orders – parochial centres are established by the bishop of the diocese¹⁰ of the church parish where they develop their activity. The range of services provided by the parochial centres varies according to size, degree of urbanisation and other local community factors. Services may include elderly homes, leisure-time and day-care centres, home and respite care services, pre-school and

⁷ Since the inception of *misericórdias* in Portugal, they have maintained a distinctive place in society regarding their relation to church and state. They were established as ‘royal institutions of a secular nature and religious aims but independent from the clergy. This independence still grants to these institutions a singular place in Europe’ (Briones Peñalver et al, 2012).

⁸ As mentioned, the current government follows a policy of close collaboration with the *misericórdias* and other not-for-profit organisations.

⁹ Parochial centres exist in many church parishes (*paróquias*). These have their roots in the early years of the Catholic religion and correspond to the communities of the smallest territorial unit of the Catholic organisation. Currently, there are 4,380 church parishes, most of which coincide with the 4,261 civil parishes (*freguesia*), the smallest territorial unit of the Portuguese administrative division, governed by an elected parish council.

¹⁰ A diocese is the district under the supervision of a bishop. It is divided into parishes. There are 20 dioceses in Portugal (Continental territory and Atlantic archipelagos).

kindergarten centres, musical schools and other cultural, educational, sport, leisure, social and healthcare activities.

3. **Other organisations** include a diverse range of institutions governed by Canon law (the body of laws and regulations adopted by the ecclesiastical authority for the government of the church and its members) and providing some social and/or healthcare services – notably, religious orders (*ordens*), institutes (*congregações*) and other organisations.
4. **Mutualities** or mutual benefit associations – having their origins in the medieval brotherhoods, their first modern instance was created in 1840 as a mutual credit institution. Mutualities are membership organisations providing services to their members, notably in the supplementary social security area, such as health insurance, sickness and retirement pensions, subsidised health services and pharmacies, day-care centres, pre-school and kindergarten centres, etc. Mutualities also provide concessionary loans, litigation assistance, scholarships, holiday centres and other services.
5. **Cooperatives** – the first cooperatives were established in the 19th century and experienced significant development in the year following the military coup of 1974. Some cooperatives provide social and healthcare services. The most notable example is CERCI, a system of cooperatives dedicated to the education and rehabilitation of children with disabilities.
6. **Other not-for profit institutions** such as foundations of social solidarity, volunteer associations for social action and social solidarity associations – these groups are also active in providing social and healthcare services.
7. **Commercial organisations** – this group includes insurance companies, fund management companies, and operators of nursing/care homes and residential/senior homes as well as other minor activities.
8. **Other providers** – besides organisations, individual persons and families can also be registered as providers of social care services. They are subject to similar regulations applying to the same activities provided by organisations and can benefit from the same incentives as the organisational providers. There are three services provided under this category: wet nurses (women who breastfeed and take care of another person's child), family helpers, and foster families for elderly persons and people with disabilities.

The first five types of organisation are covered by the official designation of the IPSS. These organisations must be registered with the social security system, must disclose financial information when participating in partnerships with governmental entities such as IEFP and must conform with the regulations set by central government authorities.

Besides the Catholic Church (integrating the parochial centres, religious orders and other religious organisations), the major collective representations of community care institutions are as follows:

- the National Confederation of Social Institutions (Confederação Nacional de Instituições Sociais, CNIS);
- the Union of Portuguese Mutual Organisations (União das Mutualidades Portuguesas, UM);
- the Union of Portuguese Houses of Mercy (União das Misericórdias Portuguesas, UMP).

Some years ago, research focusing on social care organisations in the private sector (EQUAL, 2005) identified the following major weaknesses and threats in relation to these organisations.

- Poor structural arrangement of organisations – attributed to centralised hierarchical models that do not allow for effective participation, do not promote empowerment and make communication difficult.
- The small size of organisations – viewed as a factor limiting the breath of activities, which tended to concentrate exclusively on a ‘welfare approach’ without considering the dynamics of local development and employment; sometimes organisations were also influenced by political parties.
- Major deficiencies related to human resource management – identified as a lack of programmes aimed at continuously improving the quality of services provided; also identified was a lack of training in managerial instruments and techniques (owing to a generalised lack of qualification among staff).
- Lack of an entrepreneurial attitude by the governing and managerial bodies – leading to a scarcity of new ideas and innovation (the fact that there are no competent training and development institutions in the country specialising in the social economy makes it difficult to enhance the professionalism of officers and senior managers).¹¹
- The inflexibility of the public social security system (the major provider of funds to the sector) – evident when considering funding for new innovative initiatives that move away from the well-established routine activities.
- Low visibility/awareness of the sector in the public at large – making it difficult to attract people from local communities to become involved in social care.

¹¹ Since then, a number of initiatives have emerged, some of which have been instigated by modern public and private higher education institutions, such as the Centre for Training and Research in Social Entrepreneurship (Centro de Formação e Investigação em Empreendedorismo Social). There are also public measures and programmes designed to improve the technical and managerial capabilities of professional staff involved in social care, as explained elsewhere in this report.

4 Strategies for recruiting and retaining employees

In September 2011, two months after taking office, the Minister for Solidarity and Social Security of the new centre-right government publicly announced a new approach to social policy in Portugal. This new €400 million four-year plan – the Social Emergency Programme (MSSS, 2011) – was a response to the need to find innovative solutions to the severe social hardships being experienced by the country. In particular, the extremely tight financial restrictions brought about by the budgetary consolidation programme and the effects of the economic crisis are taking their toll on families, businesses and government, leading to rising unemployment, reduced net family income, a fall in tax revenues and increased spending on social assistance.

The Social Emergency Programme is based on the belief that social care policies should be based on community-based services, notably on the *misericórdias*, mutualities and other IPSS organisations. Specifically, it should reach about three million people in five priority areas:

- fighting poverty;
- strengthening support to elderly people;
- increasing efforts to include people with disabilities by filling some of the gaps in the existing support system;
- providing more support for volunteer work;
- decisively backing the social economy and making more use of care services under contract to private IPSS organisations.

Within this programme, there are a number of initiatives that are supporting community-based care operators to carry out activities that address exclusively or primarily specific issues or populations. These activities include targeting vulnerable groups, stimulating and facilitating education, and improving the productivity of care-provider institutions. These supporting measures are deployed under various types of contractual arrangements, which are typically awarded under periodic public tender procedures to operators in the social economy sector, especially to IPSS organisations.

The most important measures relevant to this report focus on:

- positively discriminating in favour of unemployed people with disabilities and people who are long-term unemployed;
- providing apprenticeships in the social economy to newly qualified graduates from higher education institutes;
- providing job opportunities to unemployed people who are being assisted by social protection schemes, such as the unemployment subsidy (*subsídio de desemprego*), the social unemployment benefit (*subsídio social de desemprego*), the partial unemployment benefit (*subsídio de desemprego parcial*) and the social inclusion allowance (*rendimento social de inserção*);
- creating job opportunities in the social economy;
- providing low-interest loans to social care operators that are willing to embark on expansion or improvement projects, including upgrading the working conditions of their employees.

Most of the existing measures target Portugal's currently large labour reserves and are variations of direct active employment measures. Some measures also provide financial support for education that also applies to existing or future community care workers (such as apprenticeships

for young people, scholarships and vocational training). Other measures (mostly as a secondary purpose) may also be used by social community care operators to improve their management and labour productivity or to improve the situation of current employees (notably by making available concessionary loans to fund expansion or improvement plans). The main examples of measures implementing the above strategies are presented below.

Targeting labour reserves

There are several measures targeting labour reserves which are included in the active employment programmes, most of which have a general scope without focusing on any particular sector. The most prominent measures are as follows.

- Support to recruitment (*Apoio à contratação*) – this measure provides financial assistance by reimbursing employer contributions to the social security system for the first 18 months of recruiting new employees. This measure applies to all sectors and has two strands: (a) for young people (18 to 30 years) who are unemployed for more than six months; (b) for older people (over 45 years) who are unemployed for more than six months.
- Employment/Inclusion and Employment/Inclusion Plus (*Emprego/Inserção e Emprego/Inserção +*) – these measures aim to increase the employability of unemployed people who are benefiting from some form of government-funded social protection, such as unemployment subsidy, social unemployment benefit, partial unemployment benefit or social inclusion allowance. These measures are discussed further in Annex 1, case study 3.
- Stimulus 2012 (*Estímulo 2012*) – this measure supports all organisations that create jobs (requiring initial training) for people who are long-term unemployed. Applying to all sectors, it responds to the government’s commitment to increase the employability of the active population in Portugal under the 2011 ‘Commitment for Growth, Competitiveness and Employment’ agreement between the government and the majority of Portugal’s trade unions and employer organisations under the terms of social dialogue (CES, 2012). This measure is discussed further in Annex 1, case study 2.

Promoting education and training

Some measures support the creation of jobs through subsidising **apprenticeship** and **traineeship** programmes offered by potential employers. Thus, they aim to increase the employability of labour reserves by providing support for vocational education for people who are unemployed. Notable measures include the following.

- Employment passport (*Passaporte Emprego*) – this is a specific version of a general measure,¹² applying only to the social economy sector and aimed at improving the employability of young people (18 to 30 years) who are unemployed and registered at employment centres for more than four months. The measure provides assistance to trainees engaged in up to 12 months of training in social economy institutions.
- INOV-SOCIAL – this measure supports professional traineeships for young unemployed graduates from higher education institutes in private organisations of the social economy. It aims to supplement and enhance the professional skills of young graduates and to facilitate their integration into the labour market. A second objective is to modernise and improve the capabilities of the institutions providing the traineeship programmes for young graduates,

¹² Within this general support system for facilitating young people to start a profession, there are several ‘passports’: general, agriculture, social economy and sports.

notably by creating new opportunities for employment and by strengthening their role in supporting the integration of vulnerable people, such as elderly people and citizens with disabilities. This measure is outlined in more detail in Annex 1, case study 1.

Other educational/training measures are normally associated with the development plans of employers (for example, initiating or expanding operations, updating equipment, procedures or systems, introducing new organisational procedures) or the needs of job-seekers who are unemployed. Such measures include financial support for training programmes. IEFPP has a range of training courses (standard or customised) that are offered by its 31 training centres and by the 23 specialised centres jointly managed with sectoral industry associations.¹³ Besides offering these training programmes on a regular basis, IEFPP also provides subsidies for specific training programmes requested by employers when embarking on development activities. There are also training programmes offered by private training organisations that are subsidised by IEFPP. Most of the public expenses applied in co-financing these training programmes are partially refinanced by the funding mechanisms of the European Social Fund (ESF).

Expanding and strengthening operations

There are also programmes aimed at encouraging the **expansion of existing economic and social operations or the creation of new ones**, including activities in the community social care sector. Among these programmes are the following two measures.

- **Social Invest (Social Investe)** – this measure is specifically designed to support the development of social care organisations. It provides concessionary loans for the improvement plans of not-for-profit organisations of the social economy, covering specifically IPSS organisations (mutualities, *misericórdias*, cooperatives, local development societies and other entities of the not-for-profit social economy). The creation of new jobs is mandatory. The credit facilities are distributed through commercial banks and are applied in projects seeking to strengthen or expand operations, modernise services rendered to the community and modernise their management systems. It can also support liquidity or cash improvement plans.
- **Create your own job (Criação do Próprio Emprego)** – under this measure, unemployed people can benefit from financial and in-kind support from IEFPP to create their own company (partnership or sole proprietor). The support includes the advanced payment of all or part of the unemployment subsidy that the unemployed person is entitled to; this is to be converted in the initial equity of the new firm. It also includes a concessionary loan and training/tutoring support to start the new business which is provided in-kind.

In most of the employment or training support measures mentioned above, there are special, upgraded conditions to positively discriminate employees or trainees with a disability or health condition.

¹³ Some of these shared centres involve associations relevant to the community care sector, for example Centro de Reabilitação Profissional de Gaia (CRPG), a regional centre in the Porto metropolitan area specialising in providing training to people with disabilities. Additionally, IEFPP runs a training and rehabilitation centre in Alcoitão which specialises in the professional rehabilitation of people with disabilities.

5 Outcomes, results and impact of policies

Effectiveness of current instruments and policies

Recently, a research study was published by Porto University evaluating the effectiveness of active employment measures co-funded by the Portuguese government¹⁴ between 1997 and 2011. Measures were categorised according to five groups: apprenticeships, occupational measures, employment incentives, support to entrepreneurship, and support to self-employment and training. The study covers all sectors; there are no specific data on the health and social care sector. The major findings of this research can be summarised as follows.

- Employment measures generate positive effects, increasing the probability of participants being employed by 10% to 25%, depending on the specific measure, after a year of completing the programme measure.
- In contrast, training measures, with some exceptions (continuing and short courses), show negative or zero effects on the likelihood of employment; in the long term (four years), however, there are some positive effects.
- The negative or zero effects are mostly attributed to the ‘lock-in’ effect¹⁵ well documented in international literature.
- Measures within the categories of ‘employment incentives’, ‘support to entrepreneurship’ and ‘support to self-employment’ are less likely to suffer the consequences of the ‘lock-in’ effect.
- Occupational measures, in spite of having more modest effects, also show positive results in terms of participants’ increased employability.
- The measures do not show any significant differences between women and men, although employment measures tend to be more effective for men; on the other hand, occupational measures are somewhat more effective for women.
- Occupational measures¹⁶ are also more effective for older men with medium to high-level qualifications.

¹⁴ The public funding of these measures was itself part-funded by EU structural funds, notably the European Social Fund, in proportions ranging from 60% to 85%.

¹⁵ The ‘lock-in’ effect is caused by the limitations imposed on participants in traineeships or apprenticeships by the duties of the programme, which reduce the time available for looking for a new job. This effect can be reinforced by the hope of being retained by the host organisation. See case study 1 (INOV-SOCIAL) in Annex 1.

¹⁶ Occupational measures subsidise the temporary employment of unemployed people in public institutions (municipalities, civil parishes, etc.) or not-for-profit organisations. An example of an occupational measure is given in case study 3 (Employment/Inclusion), which describes a measure supporting the temporary employment of unemployed persons by central and local governments or institutions (private or public) active in solidarity services.

6 Key trends, issues and policy pointers

This report gave a brief overview of Portugal's labour market policies in relation to community care, with special emphasis on services providing support to adults with disabilities and chronic illnesses. The three case studies presented in Annex 1 will further illustrate the labour market policies underway in this sector.

National context

Major trends influencing the current situation and outlook of the labour market in Portugal's community care sector are the ongoing public budget and debt consolidation processes as well as the accompanying austerity measures. These measures seek to trim down the state's role as economic operator, rationalise its services in health, education and social care, and improve its capabilities as market regulator.

These factors will reduce the availability of public resources to fund the state's welfare function in the next three to five years. This will, in turn, exert more pressure on the ability of private operators in the care sector to continue providing support to people in need and to maintain appropriate quality standards and territorial coverage.

In general, there are no significant shortages of qualified and non-qualified workers in the labour market, due to the high number of unemployed people. In the short to medium term, the employment situation is likely to persist; after this, it may improve at a modest pace, thus maintaining the current labour market surplus for a considerable period of time.

Policy and legal frameworks

Community care services are part of the wider care services sector in Portugal, which follows a Southern European welfare state model. Under this model, most of the care services are provided by community organisations predominantly from the private sector. The system is part-financed by the central government through the social insurance contributions of employees and employers, the direct funding provided to private institutions through contractual arrangements and the funds provided to local governments (such as the municipalities and some specialised facilities). Some specialised services, notably in the continuing and palliative care area, are offered by facilities of the National Health Service.

Expected revisions of the framework legislation for the private social care sector will further enhance the role of the private sector.

Structural framework and funding structure

The main driver in this area is the reduced public role in the direct provision of care services: for instance, some hospitals, which are providing continuing care services, are being returned to the private *misericórdias* decades after being nationalised.

It is also expected that public funding will become scarcer. This will exert additional pressure on the private sector, which is facing new fundraising challenges in the future.

Strategies used to recruit and retain employees

The private sector uses a variety of strategies to recruit and retain employees. While these strategies are typical of private companies, they are largely tempered by the social conscience of the religious-based care services provided by *misericórdias*, religious orders, parochial centres

and other institutions.

Some of these measures are co-funded by the government through competitive programmes managed by IEFP (the central government agency for employment and vocational training). Private organisations adjust their own policies and practices to accommodate government quality priorities and standards so they can apply for funds; they also have to comply with sectoral regulations and financial disclosure requirements set out by the government.

Outcome and impact of policies

As there is no significant shortage of qualified or unqualified workers to meet the current (and near future) needs of the community care sector, the measures that are in place will not change considerably. Some refinements and adjustments will be carried out to enhance the quality and reach of ongoing measures, as well as to avoid pitfalls and combat abuses. Recent changes in the follow-up policies of the government measures, placing more emphasis on evaluating the direct results and effects of the measures, will play a central role in this respect.

Case studies for Portugal

The case studies accompanying this report illustrate three different approaches to employment support initiatives. The initiatives are improved variations of continuing central government policies. These measures provide ‘umbrella’ type funding to private initiatives that conform to its standards and priorities. One of the cases (case study 1) is specific to the care sector; the other two are general measures, but are being increasingly used by the community care sector.

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Annex 1: Case studies

This annex presents the results of the three Portuguese case studies on initiatives in the field of labour market policies in community-based care to support adults with disabilities and chronic health problems. The three case studies are:

- Case study 1: INOV-SOCIAL
- Case study 2: Stimulus 2012
- Case study 3: Employment/Inclusion (Plus)

Each case study includes a description of the initiative, definition of the problem, as well as an outline of the approach, implementation and contextual factors. This is followed by an analysis of the outcomes and results of the initiative. Finally, the lessons learnt and factors regarding the sustainability and transferability of the initiative are presented.

Case study 1: INOV-SOCIAL

Description of the initiative

INOV-SOCIAL is a measure that financially supports professional apprenticeships for newly qualified graduates from higher education¹⁷ in institutions of the social economy. The measure was instated at national level¹⁸ by the National Institute for Employment and Training (Instituto do Emprego e Formação Profissional, IEFP), a public agency from the Ministry of Economy and Labour, from 2010¹⁹ to 2012.

Overall objectives

The main objective was to complement and enhance the professional skills of young graduates and to facilitate their integration into the social care labour market. A second objective was to modernise and improve the capabilities of the institutions where the young graduates were following the apprenticeship programme. This was addressed by creating new opportunities for qualified employment and by strengthening their capabilities in supporting the integration of vulnerable people, such as elderly people and citizens with disabilities.

Definition of the problem

Policy background

After a ‘strategic agreement’ was signed in December 1996 by the government and the social partners, a set of active employment measures was launched in Portugal in 1997. One of the measures was a public scholarship system for professional apprenticeships for new graduates seeking their first job. In some specific circumstances, the programme also supported unemployed graduates who had already been employed but were in search of a new job. The measure targeted graduates aged 16 to 30 years from polytechnics/universities and technical/vocational schools. Shortly after (1998), the measure was adjusted to provide better access for graduates with disabilities and was extended to include government agencies as employers.

In 2002, when public policies were introduced to facilitate Portugal’s ‘economic restructuring’ after the 2000–2001 crisis, the measure expanded the upper age bracket to 35 years. It was also made more flexible to allow a second apprenticeship for trainees who in the meantime had improved their formal education and to facilitate the undertaking of the apprenticeship programmes in small and micro organisations. In 2011, due to severe budget restrictions, the maximum duration of the programme was shortened from one year to nine months and the apprenticeship subsidy was reduced. Since 2005, the government has started to look at the potential of the apprenticeship programmes to promote the modernisation and upgrading of management capabilities of host employers as well.

¹⁷ From universities and polytechnics, with bachelor degrees in law, economics, engineering, business management, social sciences, education, languages, anthropology, psychology, health and communications.

¹⁸ With the exception of the autonomous Atlantic regions of Madeira and Azores archipelagos, which have their own instruments adapted to their ultra-peripheral conditions. Madeira and Azores have a population of 514, 531 persons, accounting for about 5% of Portugal’s total population (2011 Census).

¹⁹ Regulations: Portaria 154/2010 (11 March), 285/2010 (25 May) and 886/2010 (10 September).

Role of the social partners

As noted in the previous section, the remote role of the social partners in the introduction of the public funding of apprenticeships for young graduates in private institutions can be traced back to the 1996 agreement, which committed the government to introduce active employment measures.

Issues at stake

This measure addressed a particularly vulnerable group of workers: young people making the transition from higher education to active life in the labour market, a process that often takes two years or more in Europe, as recently noted (Hawley, 2012). The initiative also addressed some of the pitfalls associated with the small size of private organisations in the social care sector, such as the lack of skills in using managerial instruments and techniques.

Approach and implementation

Overall approach

At the inception of the programme, in March 2010, two main objectives were set out in the instating documents. The first objective was to help young higher education graduates to follow an apprenticeship programme in the social labour market to improve the professional skills needed to enter active working life. The second objective was to support the innovation and capability building processes of social economy organisations and to help improve the quality of the services provided by these organisations in the areas of social mediation and inclusion. The measure was also viewed as a means of increasing the opportunities of collaboration between the educational system and the labour market.

Aim of initiative

The INOV-SOCIAL apprenticeships, as a measure of the active employment policies, sought to stimulate job creation in the private sector by subsidising the labour costs of existing production units, with the aim that such reductions would increase recruitment processes, thus creating more jobs. This measure addressed a particularly vulnerable group of workers: young people in transition from higher education to active working life in the labour market.

The second purpose – improving the capacity building of the host employers providing the apprenticeships – was a second line of reasoning that explicitly emerged only in 2010 for the social economy and its social care segment.

Recruitment versus retention

The programme sought to encourage the recruitment of extra staff members by the beneficiary organisations and did not apply to the retention of existing staff.

Specific target groups

In the origin of the apprenticeship programmes, the target group was primarily young people in transition from education to active working life. When INOV-SOCIAL started, it already covered existing qualified employees willing to embark on new professions, via apprenticeship opportunities.

Formal versus non-formal employment

Only formal employment was addressed by this measure.

Project implementation

Programme level

The INOV-SOCIAL measure provided financial support for apprenticeships in social economy organisations. Beneficiary organisations (typically from the private social care sector) submitted applications to IEFP and offered to recruit young graduates for a training period of nine months. Trainees received a monthly apprenticeship ranging from 1.5 to 2.0 IAS,²⁰ according to their qualification level. They also received food allowances²¹ and occupational insurance coverage.

Through IEFP, the government subsidised the apprenticeships in amounts ranging from 20% to 60% of the total cost, depending on the size and orientation of the institution. This subsidy was increased by 10% if the trainees were young people with disabilities. The apprenticeship tutor received a compensation of 20% of the IAS (or 30% if the trainees were persons with disabilities). These tutors were typically members of the employer's managerial or technical team and each tutor supervised a maximum of three trainees.

Trainees already benefiting from an INOV-SOCIAL measure were excluded from a second one, except in cases where they had increased their qualification level since the last apprenticeship. Organisations that did not recruit one third of the subsidised trainees to their permanent workforce were precluded from submitting further applications for the same measure.

The initiative also covered activities in social/cultural mediation, notably activities providing support services to elderly people.

Project level

Over the two years of the measure's execution, a total of 1,500 trainees were enrolled in the programme (a performance rate of 72%). These enrolments were mostly concentrated in 2010 and 2011, as the new apprenticeship programme that replaced INOV-SOCIAL started at the beginning of 2012.²² Of the trainees enrolled, about 7.6% were carrying out their training programmes in jobs dedicated to the care of adults with disabilities or chronic health problems in organisations of the specific activity (NACE 88.10 – 'social work activities without accommodation for elderly persons and persons with disabilities').

Trainees who had already been employed at least once and were seeking a new job opportunity accounted for about 48.4% of the total; the remaining proportion was looking for their first job.

In general, the programme attracted far more women (84%) than men. This proportion was higher in NACE 88.10 organisations (89%). In terms of age, more than half of the trainees were from the older age group (25 years and over), although this proportion that was slightly lower in the NACE 88.10 groups. As at December 2012, the public expenditure for INOV-SOCIAL amounted to

²⁰ The Social Support Index (Indexante de Apoios Sociais, IAS) is a benchmark value used in the calculation and updating of social benefits, such as social security contributions, pensions and other social benefits. The first IAS was set in 2006 at €397.86 by Law No. 53-B/2006 (29 December). This was reviewed in 2008 (€407.41) and 2009 (€419.22). Currently, the 2009 amount still stands.

²¹ Portuguese employers can provide daily allowances for all working days to their employees; these allowances are exempt from taxes and social charges up to the value of €112.64 a month.

²² The new regulations in force are: Portaria 92/2011 (28 February) and 309/2012 (9 October).

€10.8 million (53% of the initial budget), or about €7,270 per trainee or €800 a month per trainee (based on an average apprenticeship duration of nine months).

Monitoring and evaluation

INOV-SOCIAL was closely monitored and controlled by the funding institution, IEFP. Typically, beneficiaries were required to keep a record of each contract, as well as the supporting documentation for the expenses and costs co-funded by the institute. There was also a follow-up evaluation, control and auditing system, with periodic meetings with apprenticeship tutors, visits, inspections and audits. Usually, a sample of trainees was surveyed after the programme's completion to collect their opinions and to gather information on their post-programme employment situation.

In addition, both employers and trainees were required to communicate to IEFP all relevant events that may have a material impact on undertaking the training programme.

INOV-SOCIAL was part of a recent independent evaluation of several employment, training, occupational and other programmes by Porto University. This evaluation covered a 12-year period and was completed in June 2012 (Dias and Varejão, 2012).

Contextual factors

Among the factors influencing the evolution of the INOV-SOCIAL initiative are the following.

1. Rising unemployment – Portugal's unemployment rate increased from 10.1% to 16.3% between the beginning of 2010 and the end of 2012. In the last three years alone, the number of unemployed people in the country has risen from 504,775 to 697,789 persons (a 38% increase). This large increase in the population of unemployed people occurred after a decade of steadily rising unemployment levels starting in 2000, when the unemployment rate was only 3.7%.
2. Economic recession – after a period of slow growth between 2000 and 2009 (with an annual average growth in gross domestic product (GDP) of about 0.3%) and a shy recovery in 2010, Portugal entered an economic recession in 2011. This recession is still continuing, with a 14% drop in GDP by the end of 2012.
3. Budget deficit and sovereign debt crisis – these two factors had a highly negative effect in the last decade: the government deficit was always negative at an average of about -4.4% of GDP; as a consequence, public debt deteriorated steadily during the 2000–2010 decade and quite rapidly since then (15% per year between the end of 2009 and 2011). Currently, the accumulated debt of the Portuguese state is more than 120% of GDP.

The above adverse economic and financial conditions have influenced government policies in recent years and forced the government to request financial assistance from international institutions (the IMF, ECB and EU). Thus, measures requiring public funding – such as the INOV-SOCIAL programme – have been affected. Some consequences for INOV-SOCIAL are as follows.

1. A shift in focus – there has been a move away from the original idea of focusing on newly qualified graduates to less selective criteria, so that older graduates still looking for a job are also covered. This change has been introduced to try to contain the high employment rates in the labour market.
2. Reduced funding – the overall budget for the measure has been contained or even reduced by substantially reducing the average subsidy.

3. Increased austerity – the depressed conditions and pessimistic outlook for the Portuguese economy have resulted in more conservative behaviour by the decision-makers in the social sector. This has led to stringent cost reduction programmes, including the reduction of staff and the revision or scrapping of recruitment plans. This factor has certainly had an impact on the number of actual apprenticeships offered by organisations in the social care economy, compared with the target foreseen by IEFP.

Outcomes and results

Type and number of jobs created

As at October 2012, of the trainees enrolled in the INOV-SOCIAL programme, 612 had already completed the programme and 468 had interrupted it. Of the latter group, about 77% had been integrated into the permanent workforce of the organisation and 9% had created their own jobs. The remaining 14% had found a job elsewhere.

Between 2004 and 2008, annual surveys were conducted on trainees who had completed apprenticeship programmes co-funded by IEFP (in all economic sectors and including lower levels of qualifications). The surveys found that, three months on ending the programme, the average employment rate of the sample was about 72.5%, ranging from 68.9% (2006) to 79.5% (2008) (Dias and Varejão, 2011).

Other relevant outcomes

Although not substantiated by any empirical research, the impacts of this programme on the host organisations are considered to be in line with expectations in terms of capability building and modernisation of management methods. This may be an important factor in view of certain limiting factors resulting from the small size of the organisations (for example, lack of programmes to improve the quality of services, lack of managerial instruments and techniques, both resulting from a lack of qualification of their staff).

Main results

INOV-SOCIAL was part of a set of programmes primarily designed to help young people in transition from education to active working life in the labour market: that is, the apprenticeship programmes. These programmes have evolved greatly in the last 15 years to become an important part of employment measures in Portugal.

According to a recent research (Dias and Varejão, 2011, 2012), on the whole employment measures appear to produce positive effects that increase the likelihood of participants finding a new job. This increase is estimated at about 10% to 20% after a year of completing the programme, compared with people of the same gender and with a similar unemployment history who did not take up the programme (control group).

However, the INOV-SOCIAL measure as a member of the apprenticeship measures set has had less favourable results compared with other employment programmes. This is mainly attributed to the ‘lock-in’ effect, caused by the limitations imposed on participants by the apprenticeship duties, reducing their time available to look for a new job. This effect can be reinforced by the hope of being retained by the host organisation.

In fact, the apprenticeship programme shows a negative effect on the likelihood of finding a job in the first year after its completion (lock-in effect). In the long term (24 and 36 months), this type of measure starts to show a positive effect that tends to stabilise at around 10 percentage points.

The research also suggests that measures like the INOV-SOCIAL may be more effective for men than women; for the latter, the positive effect never exceeds 3.8% (Dias and Varejão, 2011).

Lessons learnt

Success and fail factors

Apprenticeship support measures have been used in Portugal since 1995, and there is empirical evidence showing their positive effect on supporting job creation in the country. So far, the results already observed for INOV-SOCIAL are in line with these findings. The measure's slightly negative deviation, as previously mentioned, may be explained by the unfavourable contextual conditions existing at the time when the measure was in force. It may also be linked to the short time frame since its inception (the typical time frame to look for results of these types of measures is much longer, at three to five years or more).

The fact that INOV-SOCIAL was customised from a general approach covering practically all sectors of the economy may lead to both positive and negative consequences. From a positive perspective, there is the 'merchandising' effect of increasing awareness of the social sector among higher education graduates as well as the interest of social care organisations in offering apprenticeships in that market. This effect may have been the main success factor of the measure.

Negative effects may be ascribed to the administrative burden and costs that are entailed in the proliferation of such programmes, which encompass various regulations, forms and systems for monitoring, control and reporting (Dias and Varejão, 2011, 2012).

Sustainability and transferability

In 2012, the INOV-SOCIAL measure was cancelled for new applications and a new regulation entered in force. This new measure provides financial support for apprenticeships across the labour market, without any sectoral specialisation, and allows for a lower range of qualifications among trainees. The stated objective for this change was 'the rationalisation and structuring of the framework legislation by integrating several programmes so as to make them more user-friendly'.²³

The transferability of the initiative across Portugal does not apply, because INOV-SOCIAL was already a national measure that did not pose any difficulties on being rolled out throughout the country. Its international transferability is clearly feasible due to the comprehensive nature of its operational framework, which accommodates many specialisations and development objectives for the employers as well as different qualifications and backgrounds for the job-seekers.

Conclusions

INOV-SOCIAL, as one of a set of measures designed to support apprenticeships in organisations by young graduates, has been relatively successful, benefiting an average of more than 1,000 trainees a year. As officially stated, it stopped shortly after its inception (approximately two years) not because it was found to be ineffective, but because it needed to be restructured and merged with other measures. This change is in line with overall efforts to streamline the various apprenticeship supporting measures and to make them more user-friendly.

Recommendations made in relation to the measure include the following points.

²³ Portaria No. 92/2011 (28 February) and No. 309/2012 (9 October).

1. Conflicting or ‘distracting’ objectives – the first versions of the apprenticeships programmes were focused on trainees, specifically graduates in transition from education to their first job. Subsequently, other objectives were explicitly added (capacity building of the organisations, improving cooperation between education institutes and enterprises). This allegedly created some confusion and made it more difficult to assess the performance of the programmes. Thus, the recommendation is to introduce more focused, single-purpose measures. Although some of the negative points identified should be looked at carefully when designing these measures, there is no evidence to suggest that any significant problems have been caused by them.
2. Potential for abuse – some argue that there is an unclear division between, on the one hand, an apprenticeship provided to help young graduates enter the labour market and, on the other hand, a wage subsidy exclusively aimed at reducing employers’ labour costs. This fuzziness may create an incentive for abusing the measure, whereby employers engage the trainees as normal employees, without much consideration for their personal development. To reduce this risk, it has been suggested that the value of the subsidy should not be too generous; this restriction is already being applied in the field with the most recent apprenticeship support measures.

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Case study 2: Stimulus 2012

Description of the initiative

Stimulus 2012 is a measure granting financial support to all organisations in Portugal that recruit to their permanent workforce unemployed people who are registered at an employment centre for more than six months. The measure has been rolled out at national level since 2012²⁴ by IEFP.

Overall objectives

The overall objective of this measure is to reduce unemployment levels by directly subsidising employers that create new jobs, with a special emphasis on people who are long-term unemployed.

Definition of the problem

Policy background

The Stimulus 2012 measure responds to the government's commitment to increase the employability of the active population through measures targeting unemployed workers. This objective is underpinned by the Commitment for Growth, Competitiveness and Employment agreement reached between the government and the majority of Portugal's trade unions and employer organisations under the terms of social dialogue (CES, 2012).

Role of the social partners

Social partners were behind this measure when negotiating with the government the Commitment for Growth, Competitiveness and Employment tripartite social agreement in January 2012 (CES, 2012).

Issues at stake

Stimulus 2012 essentially addresses the same problems associated with long-term unemployment.

Approach and implementation

Overall approach

Stimulus 2012 seeks to increase the recruitment and training of unemployed people by granting financial support to all organisations (public and private, for-profit and not-for-profit) in Portugal that recruit to their permanent workforce people who have been registered as unemployed at an employment centre for more than six months. The work contract may be a fixed-term contract (with a minimum of six months) or an open-ended contract.

Financial support is granted through the following measures: 1) a subsidy of 50% of the salary or wage for a maximum of six months and up to one IAS; and 2) an additional subsidy of 10% of the salary or wage where the work contract is open ended; or where the new employee is an

²⁴ Regulations: Portaria 45/2012 (13 February).

unemployed person: benefiting from the social inclusion allowance and below 26 years of age; carrying a disability; of the female gender without the minimum compulsory school grade (12 years of schooling); or registered at an employment centre for more than 12 months.

Employers benefiting from this subsidy should provide training to the new employees during the period when the subsidy applies and have a positive net job creation during the same period. Organisations operating in the social economy are eligible for support provided by this measure.

Aim of the initiative

Stimulus 2012 is one of the active employment policy measures grouped under the ‘employment incentives’ category. These measures aim to stimulate job creation in the private sector by subsidising the labour costs of existing production units, with the aim that such reductions will create more jobs. The Stimulus 2012 measure addresses a particularly vulnerable group of workers: people who are medium to long-term unemployed.

Recruitment versus retention

The programme aims to support the recruitment of workers by existing organisations and does not address the issue of retaining existing staff.

Specific target groups

Stimulus 2012 targets people who are registered as unemployed at an official employment centre for more than six months.

Formal versus non-formal employment

Only formal employment is addressed by the measure.

Project implementation

Programme level

The measure was instated in February 2012 following the ‘Commitment for Growth, Competitiveness and Employment’ agreement reached between the government and the social partners, with the aim of improving the employability of people who are medium to long-term unemployed. The measure was launched as a mechanism designed to encourage closer collaboration between the official employment centres and employers.

Project level

Between February and October 2012, about 5,000 organisations submitted applications for Stimulus 2012 concerning 11,334 jobs. Of these jobs, about 64% were to be filled by women. The most represented age group was the 25–34 years age group (accounting for 38% of the beneficiaries), followed by the 35–44 years age group (27%).

Not all of the above applications were approved under the programme. Data concerning the approved candidates is provided in the section on ‘Outcomes and results’ below.

In the first six months after its inception, Stimulus 2012 had committed about €6.3 million for the creation of 3,232 jobs or about €1,934 per job created. Although most of the public expenditure for job creation was allocated to the North region (30%), this proportion was considerably lower than this region’s share of the country’s unemployment, at over 45%. In this

respect, the overrepresented regions were Centre, Alentejo and the Algarve.

Monitoring and evaluation

The Stimulus 2012 measure is closely monitored and controlled by the funding institution IEFP. Beneficiaries are required to keep a record of documentation concerning each contract, including all eligibility, contractual and execution documentation, as well as the supporting documentation detailing costs co-funded by the institute. The financial documentation must be audited by a certified public accountant.

In addition, both employers and employees are required to communicate to IEFP all relevant events that may have a material impact on the execution of the training programme.

Relations between the parties (employee and beneficiary organisation, and IEFP) are governed by specific contractual arrangements.

The measure underwent a specific evaluation commissioned by IEFP. Results of this evaluation are discussed in chapter 5.

Contextual factors

Stimulus 2012 is a newly created measure that arose due to the economic and financial crises being faced by the country. As explained in the previous case study, this crisis unfolded in the last four years along the following lines.

- Rising unemployment – Portugal’s unemployment rate increased from 10.1% to 16.3% between the beginning of 2010 and the end of 2012. In the last three years alone, the number of unemployed people in the country has risen from 504,775 to 697,789 persons (a 38% increase). This large increase in the population of unemployed people occurred after a decade of steadily rising unemployment levels starting in 2000, when the unemployment rate was only 3.7%.
- Economic recession – after a period of slow growth between 2000 and 2009 (with an annual average growth in GDP of about 0.3%) and a shy recovery in 2010, Portugal entered an economic recession in 2011. This recession is still continuing, with a drop of more than 14% in GDP by the third quarter of 2012.
- Budget deficit and sovereign debt crisis – these two factors had a highly negative impact in the last decade: the government deficit was always negative at an average of about -4.4% of GDP; as a consequence, public debt deteriorated steadily during the 2000–2010 decade and quite rapidly since then (15% per year between the end of 2009 and 2011). Currently, the accumulated debt of the Portuguese state is more than 120% of GDP.

The above adverse conditions, particularly in relation to the unemployment situation, led the government and social partners to agree to the introduction of Stimulus 2012 as one of the measures aimed at encouraging job creation opportunities.

Outcomes and results

Type and number of jobs created

Between February and October 2012, about 5,000 organisations submitted applications for Stimulus 2012 concerning 11,334 jobs. Of these jobs, 6,127 were processed by the end of the first nine months. Of these, 4,684 (76.4%) were approved, 802 (13.1%) were being appraised or verified and 641 (10.4%) were rejected for various unconformities or withdrawn.

By October 2012, of the new jobs (4,684) that were already supported²⁵ or were being supported by the measure, 862 (18.4%) were created in the social care sector (NACE 87 and 88 – ‘residential care activities’ and ‘social work activities without accommodation’ respectively), with a 48% to 52% share between the two subsectors respectively. Private Institutions of Social Solidarity (Instituições Particulares de Segurança Social, IPSS) (see chapter 3), associations and other not-for-profit entities accounted for 21% of the participating organisations and 26% of the jobs. The remainder of the jobs (74%) were created by enterprises and other for-profit organisations of the social care sector (79% of the participating organisations).

Other relevant outcomes

Stimulus 2012 is a recently established, single-purpose measure aimed at encouraging the creation of new jobs. So far, there is no evidence that other, non-intended outcomes have occurred.

Main results

Stimulus 2012 is a type of active employment measure that falls under the category of ‘employment incentives’. This type of measure is currently considered to offer the best results for every euro invested. According to recent research (Dias and Varejão, 2011, 2012), on the whole this type of measure appears to produce positive effects by increasing the likelihood (by 21%) of participants becoming employed after one year from the end of the supporting period, compared with people of the same gender and with a similar unemployment history who did not take up the programme (control group). As Stimulus 2012 is only a recent measure, it is too soon to have a sound appraisal of its effectiveness in the medium to long term.

An early evaluation

When negotiating with the social partners the agreement that led to this measure, the government made a commitment to evaluate Stimulus 2012 six months after its inception. This evaluation, conducted by services of IEFP, covered data recorded in the databases of the institute up until 14 August 2012 and was made publicly available in October 2012 (IEFP, 2012). Both the depth of the evaluation and its timing are uncommon in Portugal.

The following are some adjustments which the evaluators recommended to enhance the effects of this measure:

- a) include time spent in other active employment measures (such as the apprenticeship measure) – when verifying that the potential candidate has fulfilled the criterion of being registered as unemployed for more than six months at an employment centre (currently this is not included, as the beneficiary is considered employed for statistical purposes when following active employment measures);
- b) reduce the eligibility time for unemployment registration from six to three months for ‘disadvantaged workers’ as defined under Commission Regulation (EC) No. 800/2008 of 6 August 2008;
- c) include part-time jobs in the admissible work contracts;

²⁵ The measure, which started nine months before, provides financial support for a six-month period only.

- d) relax the ‘net job creation’ requirement for companies undergoing restructuring processes under court supervision;
- e) expand the current limit on the number of jobs supported by this measure for each company in one fiscal year from 20 to 25 jobs;
- f) extend the duration of the subsidy from six to 18 months in the case of open-ended work contracts;
- g) increase the ceiling of the subsidy from 1 IAS to 1.3 IAS, also for open-ended work contracts;
- h) create a ‘bonus’ to incentivise conversion of fixed-term contracts into open-ended work contracts;
- i) increase the subsidy rate for unemployed people over 50 years, single parents or persons whose spouses are also unemployed;
- j) allow the required training programme to also be carried out during non-working hours;
- k) establish a minimum of 100 hours’ duration for this training programme.

Lessons learnt

Success and fail factors

There is a widespread belief, supported by empirical evidence, that ‘employment incentives’ offer a better benefit/cost ratio among the active employment measures.

The aforementioned IEFP evaluation found that, during the first six months, 61% of the offers submitted to the employment centres led to the creation of new jobs. Of these applications, 84% were submitted to Stimulus 2012, of which 76% were already approved. This performance is considered positive, as the absolute figures (3,232 jobs created after six months) compares very favourably with previous ‘employment incentive’ measures (23 jobs in 1996, 522 in 2001, 858 in 2009 and 1,892 in 2010).

Although the unprecedented level of unemployment currently affecting the country explains part of this performance, the evaluators believe that the main reason for its success is the fact that the measure does not make open-ended work contracts mandatory (a renewable term contract is sufficient). Among other success factors mentioned in the evaluation (IEFP, 2012) are the following: 1) the significant size of the subsidy, that is 50% of the wage or salary for six months (with a ceiling); 2) the possibility for employers to combine this measure with other measures currently in force that offer to reduce their contributions to the social security system.

Sustainability and transferability

In terms of the measure’s sustainability, the early evaluation recommended a number of amendments to enhance its efficiency and better respond to certain requirements of the current unemployment situation. As a generalised measure that is following a series of programmes initiated a long time ago, it is expected that the measure will continue to be improved in future versions.

The measure’s transferability across Portugal does not apply, because Stimulus 2012 is already a national measure and did not pose any difficulties in being rolled out throughout the country. Its international transferability is clearly feasible due to the comprehensive nature of its operational framework, which accommodates many specialisations and development objectives for employers as well as different qualifications and backgrounds for job-seekers.

Conclusions

Stimulus 2012, as one of a set of measures designed to directly subsidise job creation in the private sector, was deemed quite successful compared with similar measures implemented previously.

In an internal evaluation carried out by IEFP six months after the measure was rolled out, a number of changes were recommended to enhance the measure's effectiveness. These recommendations including the following actions:

- reducing the required six-month period of unemployment in some circumstances;
- including other contractual arrangements (part-time jobs) and encouraging mechanisms to promote open-ended work contracts over fixed-term contracts;
- relaxing some of the requirements imposed on employers (net job creation, increased number of supported jobs per employer);
- increasing the subsidy rate for 'disadvantaged people' who are unemployed;
- giving more freedom to the way training is administered, but at the same time establishing a minimum number of training hours per new employee.

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Case study 3: Employment/Inclusion (Plus)

Description of the initiative

Employment/Inclusion (E/I) and Employment/Inclusion Plus (E/I+) are measures supporting the temporary employment of unemployed persons – already benefiting from government funded social insurance or protection mechanisms – by central and local governments or institutions (private or public) active in solidarity services. The measures have been operating at national level since 2009²⁶ and are run by IEFP. The E/I and E/I+ measures are deployed under similar conditions. The main difference is that E/I applies to all types of unemployed beneficiaries of the unemployment subsidy, the social unemployment benefit and the partial unemployment benefit, whereas E/I+ applies to beneficiaries of the social inclusion allowance. The latter allowance is a means-tested subsidy for individuals and families with acute economic needs and has a higher subsidy amount.

Overall objectives

The objective of E/I and E/I+ is to increase the employability of unemployed people who are benefiting from some government funded social insurance or protection measure – such as the unemployment subsidy (*subsídio de desemprego*), the social unemployment benefit (*subsídio social de desemprego*), the partial unemployment benefit (*subsídio de desemprego parcial*) and the social inclusion allowance (*rendimento social de inserção*).

Definition of the problem

Policy background

Both programmes are occupational measures. These measures were introduced in Portugal in 1985 following the crisis period of 1983–1985, when the Portuguese economy deteriorated quickly. This period was marked by a severe slowdown in gross national product (GNP) growth, rising inflation and an escalation in unemployment levels that reached 556,000 workers.

The occupational measures introduced at that time sought to provide unemployed persons with opportunities for temporary engagement in activities with a social utility, enabling them to keep in contact with other workers and to carry out activities related to their former jobs. The measures were viewed favourably by successive legislators, who enhanced and expanded the initial regulations (in 1986, 1989, 1993, 1994, 1995, 1996 and 2009); they believed that such measures improved workers' skills and mitigated the negative social effects of unemployment, thus increasing the probability of the beneficiaries' future inclusion in the labour market.

Role of the social partners

There is no evidence of social partners playing any role in the implementation of these measures.

Issues at stake

Firstly, the E/I and E/I+ measures aim to address the fundamental problems arising from long-term unemployment: the risk of losing social and professional skills; the risk of feeling isolated;

²⁶ Regulations: Portaria 128/2009 (January 30), 294/2010 (May 31) and 164/2011 (April 18).

and the risk of losing motivation and becoming segregated. Secondly, they seek to address some of the needs of entities active in social services, particularly those with a regional or local scope.

Approach and implementation

Overall approach

E/I and E/I+ measures are implemented by IEFP through contractual arrangements with the organisations after tendering procedures (these procedures are open on a yearly basis). The entities eligible for this programme are central government agencies, local governments (mostly town and parish councils) and institutions active in solidarity services. These organisations must submit an application providing details of the proposed employment project, which must have a maximum duration of 12 months.

When selecting projects submitted by the promoters, IEFP gives priority to the following types of project: 1) projects involving jobs that require initial training to be provided by the employer; and 2) projects concerning the social care sector or activities related to nature conservation, culture and city management (such as sanitation, social housing, etc.). The selection process also prioritises unemployed people with disabilities, those who are long-term unemployed, unemployed people over 55 years of age or those who are ex-prisoners.

The beneficiaries of these measures are entitled to keep all of their subsidies or (unemployment) benefits and will be entitled to supplementary compensation, which is partly funded by the employer and partly by the government (IEFP). E/I beneficiaries receive a supplementary compensation of 20% of IAS, while E/I+ beneficiaries are entitled to the full amount of IAS. The compensation for employing persons with disabilities has increased by 10 percentage points and this is to be shared between the employer and the government on a pro rata basis. The employer must also provide allowances for food and travel to the job location, as well as occupational insurance coverage.

Aim of the initiative

The line of reasoning behind this initiative is basically the same as that for comparable and preceding measures in Portugal. The objective is not focused on employing the beneficiary in the same organisation where they are carrying out the temporary job after the contract ends. The key aim is to keep the beneficiaries connected to the labour market, thus maintaining their personal, social and professional skills, without which their return to active working life may be seriously endangered.

Recruitment versus retention

The programme aims to increase the likelihood of the beneficiary getting a future job. Thus, it is related to recruitment and not to retention.

Specific target groups

The main target group is a sub-set of the unemployed population – that is, persons who are beneficiaries of unemployment subsidies or social inclusion allowances. Emphasis is also placed on particular groups within this category: people with disabilities, those who are long-term unemployed, people over 55 years of age and ex-prisoners.

Formal versus non-formal employment

Although the temporary jobs secured under this programme fall into the category of formal employment, the desired effects of the measure are neutral with respect to the formal nature of future jobs sought for beneficiaries (irrespective of the intentions of both the funding and the host organisations).

Project implementation

Programme level

At the programme's inception in January 2009, the objectives set out in the regulations were as follows:

1. to improve the employability of unemployed persons, protecting and enhancing their social and professional capabilities, by enabling them to keep in touch with the labour market;
2. to foster the contact of unemployed people with other workers and jobs, thus avoiding the risks arising from long-term unemployment – such as sense of isolation, loss of motivation and the threat of segregation;
3. to assist activities with a social utility, particularly those that meet local or regional needs.

Project level

In the last three years (2010 to October 2012), about 162,500 unemployed persons were employed in temporary jobs supported by the occupational measures under review here. Of these, only 485 (less than 3%) were employed by organisations active in care services supporting adults with disabilities or chronic health problems. The measure covering the largest proportion of beneficiaries was the E/I initiative, at 73%. The overall coverage level missed the target by about 19%, showing a better performance for E/I (81%) than for E/I+ (75%). The annual figures remained virtually the same.

Regional distribution of the persons engaged in the occupational programme is not consistent with the distribution of unemployed people. Portugal's North and Lisbon regions are underrepresented, suggesting a possible concentration of informal jobs in these two regions (which include the two large metropolitan conurbations); this may explain the lower level of attractiveness of occupational measures in these regions.

In general, the measures attracted far more women (71%) than men, particularly in the NACE 88.10 ('social work activities without accommodation for elderly persons and persons with disabilities') jobs (90%). In terms of age, the most represented group were those aged 35–44 years (accounting for 31% of participants); this distribution did not show significant differences in the NACE 88.10 jobs. The programme's impact on the NACE 88.10 subsector has been modest: only 2.5% of subsidised temporary jobs have been created in this segment of the care sector, although this is quickly increasing: in the last two years, this increase averaged at 30% to 40% per year compared with an overall increase of only 3% to 7% per year.

Average public expenditure on the programme for the period under review (2010–2012) was €17.5 million a year, with most of this amount pertaining to the E/I+ measure (88.8%). These are central government costs, as neither the public employer costs (most of the employers using these measures are local governments, city and town councils), nor the central government costs relating to unemployment subsidies or social allowances that are still paid to the beneficiaries are included.

This expenditure represents quite diverse annual unit costs: at €42 per beneficiary for E/I

compared with €1,590 per beneficiary for E/I+. However, this is to be expected due to the sizeable difference of the supplementary compensation and its different allocation between IEFP and employer.

Monitoring and evaluation

E/I and E/I+ measures have been closely monitored and controlled by the funding institution IEFP. Typically, beneficiaries are required to keep a record of documentation concerning each contract, including all eligibility, contractual and execution documentation, as well as the supporting documentation detailing costs co-funded by the institute. The financial documentation must be audited by a certified public accountant.

In addition, both employers and employees are required to communicate to IEFP all relevant events that may have a material impact on the execution of the training programme. Relations between the parties (employee and beneficiary organisation, and IEFP) are governed by specific contractual arrangements.

E/I and E/I+ were part of a recent independent evaluation of several employment, training, occupational and other programmes by Porto University. This evaluation covered a 12-year period and was completed in June 2012 (Dias and Varejão, 2012).

Contextual factors

Among the factors influencing the evolution of the E/I and E/I+ measures are the following.

1. Rising unemployment – Portugal’s unemployment rate increased from 10.1% to 16.3% between the beginning of 2010 and the end of 2012. In the last three years alone, the number of unemployed people in the country increased from 504,775 to 697,789 persons (a 38% increase). This large increase in the population of unemployed people occurred after a decade of steadily rising unemployment levels starting in 2000, when the unemployment rate was only 3.7%.
2. Economic recession – after a period of slow growth between 2000 and 2009 (with an annual average growth in GDP of about 0.3%) and a shy recovery in 2010, Portugal entered an economic recession in 2011. This recession is still continuing, with a drop of more than 14% in GDP by the third quarter of 2012.
3. Budget deficit and sovereign debt crisis – these two factors have had a highly negative impact in the last decade: the government deficit was always negative at an average of about -4.4% of GDP; as a consequence, public debt deteriorated steadily during the 2000–2010 decade and quite rapidly since then (15% per year between the end of 2009 and 2011). Currently, the accumulated debt of the Portuguese state is more than 120% of GDP.

The above adverse economic and financial conditions have clearly influenced government policies in recent years and forced the government to request financial assistance from international institutions (the IMF, ECB and EU).

Thus, measures requiring public funding – such as the E/I and E/I+ programmes – have been affected. Some consequences for the E/I and E/I+ measures are as follows.

1. Reduced funding – the overall budget for the measures has been contained or even reduced by reducing the average subsidy.
2. Increased austerity – the budget restrictions on the public sector have resulted in more restrictive staff recruitment policies by local governments, which are the main users of E/I and E/I+ measures. Such restrictions include the reduction of staff levels and the revision or

scrapping of recruitment plans. This factor has certainly had an impact on the number of actual apprenticeships offered by organisations in the social care economy, compared with the target foreseen by IEFP.

Outcomes and results

Type and number of jobs created

Between 2010 and 2012, nearly 66,000 persons completed their contracts under this initiative, 54,661 (83%) under the E/I programme and 11,241 under the E/I+ programme.

In annual surveys conducted between 2004 and 2008 among trainees who had completed occupational programmes co-funded by IEFP, it was found that, three months on ending the programme, the average employment rate of the sample was about 23.2%. Half of these were recruited in the same organisation where they carried out their occupational programme (Dias and Varejão, 2011). In the same period, about 30,300 people (combined E/I and E/I+ figure) left the programme for reasons summarised in the following table (Table 3).

Table 3: Reasons for leaving the E/I and E/I+ programme

	E/I		E/I+	
	No.	%	No.	%
Recruited to employer's permanent staff	1,671	6.3	264	7.1
Created own job	8,557	32.1	537	14.5
Found permanent employment elsewhere	2,523	9.5	170	4.6
Moved to another IEFP programme	1,343	5.0	134	3.6
Returned to original situation	3,329	12.5	750	20.3
Non-specified reasons	9,220	34.6	1,847	49.9
Total	26,643	100.0	3,702	100.0

Source: Dias and Varejão, 2011

Other relevant outcomes

Besides its effects on job creation, the programme has relevant outcomes in preventing impairment to beneficiaries' professional and social skills arising from long-term unemployment. Therefore, the initiative contributes to beneficiaries' future employability even when they do not get a job. This short-term effect of the programme is corroborated by the opinion of beneficiaries collected in surveys of previous occupational measures.

Main results

Occupational measures have been used in Portugal since 1985 and empirical evidence shows their positive, albeit quite small, effects in the medium to long term. Past measures using the same time frame for support have shown that the increase in the likelihood of keeping one's job falls rapidly from 54% in the first month to 11% in the twelfth month. Three years later, the increase in this likelihood stands at only 1% (Dias and Varejão, 2011, 2012)

Lessons learnt

Success and fail factors

According to the international literature referred to (Dias and Varejão, 2011), although contextual factors in general have only a small effect on the effectiveness of occupational measures, there are two exceptions in the case of Portugal. On the one hand, when labour markets are subject to stringent limitations, such measures tend to produce more limited effects. On the other hand, in situations of high unemployment, the occupational measures tend to have stronger effects. Although currently co-existing in Portugal, these conflicting conditions are evolving in such a way that the magnitude of the second factor (unemployment) is far greater than that of the first one (labour market limitations), with such limitations now becoming less stringent due to the ongoing reforms in the country. Therefore, E/I and EI+ measures will probably be more important in the short term for fighting unemployment than in the long term, as the empirical evidence shows (see section 5.2).

Sustainability and transferability

In terms of sustainability, the evaluation (Dias and Varejão, 2011) pointed to a number of features of the measure that could be improved to enhance its efficiency and better respond to some of the requirements of the current unemployment situation. Among the recommendations were the following:

- reduce the diversity and volatility of the occupational measures in order to have more focused objectives and targets and to reduce uncertainty;
- increase the frequency of the evaluation exercises that can be conducted on the basis of the information that is collected and recorded – in this way, early corrections to the programmes can be achieved;
- extend the evaluation to the host organisations to assess the impact of the programmes on these organisations (how are they making use of the measures, what their main advantages are, etc.).

As a generalised measure that is following a series of programmes initiated a long time ago, it is expected that this measure will continue to be improved in future versions.

The programme's transferability across Portugal does not apply, because E/I and E/I+ are already national measures that did not pose any difficulties in being rolled out throughout the country. As with the two preceding case studies, the international transferability of E/I is feasible due to the comprehensive nature of its operational framework, which accommodates many specialisations and development objectives for employers as well as different qualifications and backgrounds for job-seekers.

Conclusions

Although the impact of this measure on the NACE 88.10 subsector is modest (engaging only 2.5% of all beneficiaries), this initiative is proving quite popular among local authorities (city/town councils and parishes). This ongoing measure has attracted growing interest.

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Annex 2 Interviewees

Adélia Costa, Head of Employment Department, Instituto de Emprego e Formação Profissional (IEFP) (*Institute for Employment and Professional Training*) [government agency]

Filipa Palha, CEO, Associação de Apoio às Pessoas com Perturbação Mental Grave, (ENCONTRARSE) [private association]

Conceição Cabrita, Human Resources, Education and Solidarity Commissioner, Câmara Municipal de Vila Real de Santo António [city council]

Domingos Lopes, POPH Manager, Programa Operacional Potencial Humano (POPH), (*Operational Programme 'Human Potential'*) [government agency]

António Coimbra, TSI TecInvest

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