



Industrial relations and social dialogue
**Portugal: Working life in the
COVID-19 pandemic 2020**

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Introduction

Portugal reported the first case of COVID-19 on 2 March 2020 and measures to contain the spread of the pandemic were rapidly implemented, starting with the closures of schools and universities, on 16 March, and the declaration of a 'state of emergency' (*estado de emergência*) on 18 March (Decree no. 14-A/2020). The 'state of emergency' determined the temporary closure of a number of economic activities and imposed a lockdown and limitations on people's mobility within the country and across borders. Compulsory measures on telework were part of the emergency package. The first sub-period ended on 30 April, when the 'state of emergency' was lifted.

The most severe containment measures were progressively withdrawn, allowing for reopening slowly economic activity. On 6 June, the Resolution Council of Ministers no. 41/2020 approving the Economic and Social Stabilisation Program (Portuguese Government, 2020) opened a new cycle with focus on stabilisation and recovery measures, which defined the second sub-period.

On 14 October, facing the second COVID-19 wave, the government declared the situation of calamity, and on 6 November the 'state of emergency' was again imposed. In this third sub-period, coinciding with the last quarter 2020, the confinement measures implemented were less severe and not generalised as those imposed in the first sub-period period. The experience of the dramatic economic and social downturn of the first sub-period of emergency prevented the option for extremely severe measures this time, in favour of selective and differentiated restrictions.

After Christmas, the pandemic escalated to unprecedented levels and in January 2021 a new 'state of emergency' implemented a lockdown and closure of economic activities, similar to the one in March 2020, and forced the closure of schools and universities.

Impacts of the pandemic on working life

The government and public institutions published national reports and statistics and launched ad-hoc surveys to monitor the implementation of the measures to tackle the COVID-19 crisis and to evaluate their impact in various areas in particular in relation to economic and labour market developments, and labour and social conditions. Mostly, analyses have been focusing on the short-term impacts, once it is very early to evaluate mid-term impacts of pandemic.

According to Statistics Portugal, the Gross Domestic Product (GDP) in real terms registered a year-on-year reduction of 2.4% in the first quarter of 2020, of 16.4% in the second quarter, of 5.8% in the third quarter and of 5.9% in the fourth quarter. In 2020, GDP verified a reduction of 7.6% (growth rate of 2.2% in 2019), the most extreme of the available national accounts series, reflecting the adverse impacts of the COVID-19 pandemic on economic activity. After being positive in 2019, domestic demand presented a significant negative contribution to the annual rate of change of GDP, mainly due to the decrease of private consumption. Exports and imports of goods and services diminishing significantly, particularly in the case of tourism exports which had an unprecedented reduction. Between the end of February and the end of April, registered unemployment in job centers increased from about 316,000 to 392,000 persons (+24%), and increase by about 22.1 percent, compared with 2019. Despite various measures to prevent dismissals and company closures, registered unemployment continued to increase reaching its highest level in September with 410, 174 persons and with 402,254 persons in December (GEP/MTSSS, 2021).

The research on the impacts of pandemic on working life covered various topics.

A stream of research focused on the 2020 crisis generated by the COVID-19 pandemic in comparison with the financial crisis 2008 examining policy responses and the vulnerability of Portuguese economy and society to address the shocks and the variegated impact of the crisis (Almeida and Caldas, 2020; Caldas et al, 2020; Cantante, 2020; Mamede, et al, 2020).

When the COVID-19 pandemic emerged, the Portuguese economy had largely recovered from the impacts of the 2008 international crisis an austerity program (2011-2014), in terms of GDP growth and regular employment increase. The unemployment rate in 2019 (6.5%) was at its lowest level since 2002. Real wages had grown by about 2.7% in 2018 and 2% in 2019, after a decade of near stagnation. Inequality measured by the Gini index decreased from 34.5 in 2013 down to 31.9 in 2018. Nevertheless, several structural problems and the heavy legacy of the previous crisis and austerity contributed for the permanence of comparatively high levels of public, private and foreign debts, relatively low wages and high income inequalities, and a high degree of labour market segmentation (with a fifth of the workers in temporary jobs in 2019) (Mamede et al, 2020).

In this line of analysis Almeida and Caldas (2020) highlight that the impact of the first wave of the COVID-19 and drastic measures to combat it merged the country in a deep recession, the biggest and most sudden in recent history. In this crisis, the unemployment rate, paradoxically, fell from 6.7% in the first quarter to 5.6% in the second quarter 2020 of full lockdown, while the number of discouraged persons (classified as inactive) escalated from 166,400 in the first quarter to 312,100 in the second quarter 2020, increasing the labour underutilisation rate – share of the labour force that is either discouraged, unemployed or underemployed (involuntarily working part-time) – from 12.9% in the first quarter to 14% in the second quarter 2020, reaching almost 750,000 people. On the other hand,

according to the authors the abrupt fall in economic activity and the subsequent recovery did not impacted all sectors equally: in the services, not only was the decline more profound, but the recovery was more tenuous. It follows that the recovery in V that occurred at an aggregate level did not occur in general in services, in particular in activities related to tourism such as accommodation and food service activities, and also in transportation and storage (Almeida and Caldas, 2020).

Another area of research focused on the impact of the pandemic crisis on inequality considered in various social and economic dimensions (Carmo et al, 2020). Along this line, it is relevant to mention the analysis of the potential impact of the crisis and containment and support measures on income losses and increasing differentiation of working live situations they generated, from workers in essential services in the front line to the new challenges concerning the widespread of teleworking (Silva et al, 2020). Also the examination of the design of simplified layoff measures and their implications and limits to prevent unemployment were a central topic of research (Caleiras and Carmo, 2020; Cantante, 2020).

Another area of research was focused on the country's economic and social vulnerabilities in various domains and how to respond to them (Reis, 2020). In this line of research it was examined the vulnerability of precarious workers and in particular of self-employed workers and of workers in new 'hybrid' forms of employment, in terms of the lack of protection provided by their employment status (primary protection), and in terms of the lack of adequate social protection (secondary protection), a vulnerability which amplitude was dramatically revealed by the pandemic crisis (Almeida et al, 2020). The configuration of public policies and responses in various domains including employment and social protection was also an important area of research (Mamede and Silva, 2020).

As reported by Statistics Portugal with reference to the Labour Force Survey ad hoc module 'Working from home', the employed population that reported having worked always or almost always from home (in the reference week or in the three weeks before during the pandemic) covered 1,094.4 thousand people in the second quarter of 2020, which represented 23.1% of the total employed population. Of these, 91.2% indicated that the main reason for having worked at home was the COVID-19 pandemic. It was observed that 1.04 million people used information and communication technologies to be able to work from home, which represented 21.9% of the total employed population and 94.8% of those who worked always or almost always at home in the reference period. In the third quarter of 2020, the share of the employed population who has worked remotely decreased to 14.2% of the employed population; and in the fourth quarter of 2020 decreased to 12.3% of the employed population (597,500 people). In both quarters around 79% of the persons that worked from home indicated the main reason was the COVID-19 pandemic (INE, 2020).

Political context

On October 2020, the Socialist Party (Partido Socialista, PS) won the elections, after a mandate (2015-2019), where a minority PS government, led by prime minister António Costa, ruled the country in partnership with the left wing parties, the Left Bloc (Bloco de Esquerda, BE), the Communist Party (Partido Comunista, PCP) and the Ecologist Green Party (Partido Ecologista 'Os Verdes', PEV), to 'turn the page of austerity'. Altogether, the right-wing parties suffered a resounding electoral defeat, in particular the main opposition party, the centre right Social Democratic Party (Partido Social Democrata, PSD). Although the PS was the most voted party with an increase of more 22 deputies, the party failed to secure an absolute majority in parliament. That opened up the possibility of a renewal of commitments between the PS and the left lean parties, but this time, however, the Prime Minister António Costa preferred to rule on the basis on ad-hoc cooperation rather than on the basis of written agreements of parliamentary incidence as had happened in the previous term. This strategy allowed the PS to play a pivotal role in a broader dialogue. The PS government had to deal with the COVID-19 pandemic crisis that abruptly interrupted the trajectory of recovery, a crisis that revealed in all its breadth the weaknesses and vulnerabilities of the country's economic, labour and social conditions and the long lasting effects of austerity and neoliberal policies of the Troika intervention period (2011-2014), with critical incidence on the National Health Service (Serviço Nacional de Saúde) capacity of response.

Governments and social partners response to cushion the effects

The government response to cushion the effects of pandemic crisis was organized in dialogue with the social partners at the Standing Committee for Social Concertation (*Comissão Permanente de Concertação Social*, CPCS). The abrupt emergence of the pandemic crisis and the urgency to prevent an escalation of pandemic leading to the ‘state of emergency’, initiated on 18 March, conditioned the dialogue to exchange of information and consultation, rather than to the negotiation of the measures.

Though there were regular meetings of the CPCS since the emergency of the crisis, the government and the social partners did not conclude tripartite agreements about concrete measures. Nevertheless, the evolution and reconfiguration of the measures benefited from the exchange of views at tripartite concertation. On 12 May 2020, the government and the social partners represented at the CPCS, with the exception of CGTP signed a Declaration of Commitmentⁱ, which basically constituted ‘a public expression of effort, trust and commitment to joint work by the signatories’ in order to face the challenges and jointly promote the economic and social recovery. The design of the measures of the Economic and Social Stabilisation Program (PEES) of 6 June 2020 reflected the engagement of social partners, and their different concerns, including of CGTP.

The wide range of the policy measures included in Eurofound’s COVID-19 EU PolicyWatch encompassed basically three sub periods: the first period of emergency/mitigation until the end of April, but with some of support measures reconfigured and prolonged in time; a second period of stabilization and recovery measures linked with the PEES; and third period since October of combined measures of emergency and recovery.

The measures aiming at **employment protection and retention** included income support for people in employment: first, under the ‘simplified layoff regime/short-time work’ launched in the first sub-period (renewed and reconfigured later in connection with the third wave of COVID-19); and the regime of support to temporary reduction of working time launched in the stabilization/recovery periodⁱⁱ. The claims of trade union confederations and debate at the CPCS about the first version of layoff regime was important to the changes made afterwards increasing the support to workers from two-thirds of their salary to the full payment of their compensation; and also for the design of the measure on the reduction of working time.

The evolution of other measures such as those concerning the **protection of workers and adaptation of workplace**, with focus on teleworking from home, remote working, and changes in arrangements in working hours reflected also the shift from an emergency/mitigation approach to a stabilisation/recovery approach. For instance, from compulsory telework to new measures to promote and extend teleworking linked with the PEES; and focus on specific vulnerable groupsⁱⁱⁱ. Teleworking/remote work was promoted as well, in line with PEES, as a tool for **economic and social recovery**, with support to companies for hiring on the basis of teleworking contracts in interior regions^{iv}. The changes in working hours and work arrangements^v reflected simultaneously the purpose of **protection of workers and adaptation of workplace** and the aim to facilitate the reopening of the economy under more secure conditions.

A wide range of measures to support business and employers were interlinked with some of the previous measures, namely layoff, short-time and reduction of working time duration, and also with

the measures suspending temporary economic activity and those of gradual opening. From measures aiming to **support business to stay afloat**, with focus on direct subsidies^{vi}, deferral of payments or liabilities^{vii}, and access to finance^{viii}; to measures aiming to **support business to get back to normal**, with focus on enhancing employability and training^{ix} and to support a gradual relaunch of work^x.

A particular stream of measures had the aim to **ensure business continuity and support for essential services**, with focus on change of work arrangements (working time, rota schemes): exceptional regime suspending overtime limits in the National Health Service^{xi}; rotation of working team's rota in public passenger transportation companies^{xii}.

Various measures were launched to address the critical social emergency generated by the pandemic crisis with incidence on **income protection beyond short-time work**: with focus on Income support for unemployed^{xiii}, income support to workers not covered by any kind of protection scheme^{xiv}.

On the other hand the focus on active labour market policies, linked with recovery goals identified in the PEES included several measures covering incentives for employers to hire and internships, targeting different groups of unemployed and vulnerable workers (young people, unemployed persons with disability or impairment, etc.^{xv}

The measure with more impact in terms of workers income and employment protection was the 'simplified layoff/short-time regime'. On 30 March 2020, around 3,000 companies encompassing around 72,507 workers required this support. Around 115,000 companies employing 1.37 million workers, requested the 'simplified layoff-short-time regime'^{xvi} between 30 March and 14 October 2020 (the most recent data). April was the month in which the number of workers potentially covered by the simplified layoff regime increased the most: between April 1 and May 1, the value of this indicator increased by about 1 million employees (GEP/MTSSS, 2020; Cantante, 2020). Around 19,191 companies encompassing 197,048 workers applied for the progressive recovery scheme (of temporary reduction of normal period of working time), the measure initiated in June 2020, replacing the simplified layoff. This does not mean that all the workers of the applicant companies were targeted by the simplified layoff measure and by the progressive recovery measure. To date, there is no published data available on the exact number of workers that benefited from these measures measure. This numbers only indicates the 'potential coverage' of workers. On the other hand, the self-employed applying for income support allowance between 30 March and 14 October totaled 208,000: of which 192,000(92.3%) were in a situation of total shutdown of activity; and 16,000 (7.3%) were in a situation of reduced activity (GEP/MTSSS, 2020).

ⁱ Eurofound (2020), [Tripartite Declaration of Commitment to jointly promote the economic and social recovery](#) case PT-2020-20/1038 – measures in Portugal, COVID-19 EU PolicyWatch.

ⁱⁱ Eurofound (2020) [Exceptional and temporary measure on layoffs to protect jobs in the context of the COVID-19 pandemic](#), case PT-2020-13/297 – measures in Portugal, COVID-19 EU PolicyWatch; Eurofound (2020) Support to temporary reduction of the normal period of working time – case PT-2020-31/1278, COVID-19 EU PolicyWatch.

ⁱⁱⁱ Eurofound (2020), [Telework - exceptional and temporary measure in the context of the COVID-19 pandemic](#), case PT-2020-13/307 - measures in Portugal, COVID-19 EU PolicyWatch; Eurofound (2020), [Telework - Increasing the number of Public Administration workers in teleworking](#), case PT-2020-28/964 - measures in Portugal, COVID-19 EU PolicyWatch; and Eurofound (2020), [Telework and workers with disability or impairment - exceptional and temporary measure in the context of the COVID-19 pandemic](#), case PT-2020-22/1228 - measures in Portugal, COVID-19 EU PolicyWatch.

- ^{iv} Eurofound (2020), [Support to companies for hiring on the basis of teleworking contracts in interior regions](#), case PT-2020-23/966 - measures in Portugal, COVID-19 EU PolicyWatch.
- ^v Eurofound (2020), [Staggered working times - exceptional and transitory regime](#), case PT-2020-40/1273 – measures in Portugal, COVID-19 EU PolicyWatch.
- ^{vi} Eurofound (2020), [Temporary exemption of payment of social security contributions due by employers - Exceptional and temporary measure to protect jobs in the context of the COVID-19 pandemic](#), case PT-2020-13/345 – measures in Portugal, COVID-19 EU PolicyWatch; and [Exemption and partial remission of social security contributions for companies with temporary reduction of the normal period of working time](#), case PT-2020-31/1282 – measures in Portugal, COVID-19 EU PolicyWatch.
- ^{vii} Eurofound (2020), [Exceptional and temporary regime for compliance with fiscal obligations and social contributions](#), case PT-2020-16/410; and [Fiscal support measures to micro, small and medium businesses](#), case PT-2020-31/1218 – measures in Portugal, COVID-19 EU PolicyWatch.
- ^{viii} Eurofound (2020), [Credit Line Capitalizar 2018 – COVID-19](#), case PT-2020-11/428 – measures in Portugal, COVID-19 EU PolicyWatch.
- ^{ix} Eurofound (2020), [Extraordinary training plan - Exceptional and temporary measure to protect jobs in the context of the COVID-19 pandemic](#), case PT-2020-13/335 - measures in Portugal, COVID-19 EU PolicyWatch; and Eurofound (2020), [Training plan for companies with temporary reduction of the normal period of working time](#), case PT-2020-31/1281 - measures in Portugal, COVID-19 EU PolicyWatch.
- ^x Eurofound (2020), [Extraordinary financial incentive to support the normalisation of business activity](#), case PT-2020-13/433 – measures in Portugal, COVID-19 EU PolicyWatch.
- ^{xi} Eurofound (2020), [Exceptional regime suspending overtime limits](#), case PT-2020-11/320 – measures in Portugal, COVID-19 EU PolicyWatch.
- ^{xii} Eurofound (2020), [Rotation of working teams rota in public passenger transportation companies](#), case PT-2020-13/390 – measures in Portugal, COVID-19 EU PolicyWatch.
- ^{xiii} Eurofound (2020), [Extraordinary extension of unemployment benefit and social benefit](#), case PT-2020-11/397 - measures in Portugal, COVID-19 EU PolicyWatch.
- ^{xiv} Eurofound (2020), [Extraordinary support for the reduction of self-employed economic activity](#), case PT-2020-12/432 - measures in Portugal, COVID-19 EU PolicyWatch; Eurofound (2020), [Protection of self-employed and informal workers](#), case PT-2020-27/950 - measures in Portugal, COVID-19 EU PolicyWatch; and Eurofound (2020), [Social support for artists, authors, technicians and other arts professionals](#), case PT-2020-28/955 - measures in Portugal, COVID-19 EU PolicyWatch.
- ^{xv} Eurofound (2020) - measures in Portugal, COVID-19 EU PolicyWatch: [Support to companies for hiring on the basis of teleworking contracts in interior regions](#), case PT-2020-23/966; [Incentive ATIVAR.PT - Financial incentives to hire registered unemployed](#), case PT-2020-31/1068; [ATIVAR.PT Labour market integration internships](#), case PT-2020-31/1075; [Internship ATIVAR.PT - Internships for unemployed persons with disability or impairment](#), case PT-2020-35/1225; [Incentive ATIVAR.PT - Incentive for employers to hire unemployed persons with disability or impairment](#), case PT-2020-35/1226; [Financial support for the hiring of young unemployed - Incentive ATIVAR.PT](#), case PT-2020-35/1254; [Supporting the labour market integration of young people - internships ATIVAR.PT](#), case PT-2020-35/1263.
- ^{xvi} Eurofound (2020), [Exceptional and temporary measure on layoffs to protect jobs in the context of the COVID-19 pandemic](#) **PT-2020-13/297** – measures in Portugal, COVID-19 EU PolicyWatch.

How COVID-19 accelerated and disrupted working life policies and impacted social dialogue

Accelerated developments

The COVID-19 pandemic accelerated the debate and preparation of policies related with digital economy, teleworking and remote work.

The program of PS government for the period (2019-2023) , identifies the purpose to encourage remote work and to promote the adequate regulation of new forms of work associated with the expansion of digital platforms, collaborative economy, remote workers and other types of digital economy (Portuguese government, 2019).

The program establishes the main goals for the regulation of new forms of work.

- Ensure equal conditions in access to social protection and healthy and safe working conditions;
- Guarantee the access of workers in the digital economy to collective representation and encourage collective bargaining and regulation in emerging sectors, in order to avoid isolation and individualization;
- Guarantee the safety and privacy of workers when interacting with machines and with artificial intelligence;
- Ensure the protection and security in the use of personal data by employers, guaranteeing the application of the general regulation of personal data and encouraging its implementation in the context of collective bargaining;
- Stimulate an appropriate balance between autonomy at work and the right to disconnect, promoting the reconciliation between professional, family and personal life.

The government program foresees the preparation of a 'Green Paper on the Future of Labour' to support the public debate and with the social partners at the CPCS about the design of these measures, before moving forward with concrete proposals for regulating the provision of work in the framework of the digital economy.

The pandemic crisis accelerated this process. Teleworking and remote work escalated, first of all to prevent contamination. Afterwards it accelerated implementation of measures to encourage teleworking and remote work, as part of the PEES, the program of stabilization and recovery. On the other hand, the escalation of teleworking from home started to reveal the weaknesses and gaps of the Labour Code regulations and also the problems of compliance with the law, opening the debate and pressing the agenda towards legislative changes. On September 2020, a 'working group' was created with the mission of presenting to the government a final proposal for a Green Paper on the Future of Labour, until the end of December 2020 (with possible extension). In November, tripartite rounds were initiated with the social partners to discuss the structure and relevant topics.

Disrupted developments

The program of the PS government (2019-2023) involves a strategy to combat inequality and discrimination. The program highlights the need of measures to redistribute income and wealth, in particular to ensure better wages and working conditions, and a less unequal wage distribution reducing the gap between bottom and top wages; and to promote the realization of gender equality in employment, wages and working conditions. Furthermore, the program points out the need for greater social protection for those who are in a situation of special fragility, and the need to eradicate poverty and avoid cases of economic deprivation and social exclusion.

In line with this concern, in the last quarter of 2019 and first quarter of 2020 the government brought plans to the table of tripartite concertation plans to reduce economic inequality and increase labour share (Eurofound, 2020). This process was postponed by the emergence of the pandemic.

The concern with economic and social inequality and with poverty and social exclusion was certainly on the table in 2020. But the pandemic disrupted the conditions that favoured the trajectory of a reduction of economic equality (decline of wage inequality and slight increase of labour share) observed between 2015 and 2019. The explosion of unemployment and discouraged workers and the crisis of collective bargaining (see next section) might have concurred for undermining such trajectory. Moreover, the ad-hoc emergency measures, although relevant, did not entirely respond to the problems at stake, or were themselves part of the problem. For instance, the first version of simplified layoff only paid a compensation of two-thirds of the wage to the workers. Also, the measures introduced in the austerity period, since 2011, reducing severance pay and extending the reasons for dismissals were not reversed. While the extent of the crisis and its impact would have required a robust reform increasing and extending the unemployment benefit and the social benefit and the minimum guaranteed income, the ad-hoc emergency and temporary measures to protect the income of self-employed and all those falling out the scope of unemployment benefit were clearly insufficient in their amount (often below the poverty line) and duration. The concern with escalating public expenses and with social security sustainability and the uncertainties about the medium-term financial impacts of more robust policies compromised the ambition of the measures.

Impacts on the social dialogue and collective bargaining

Since the emergency of the crisis, the government held several tripartite meetings of the Standing Committee for Social Concertation (*Comissão Permanente de Concertação Social*, CPCS) the tripartite body including the government and the representatives of the two trade union confederations, the General Confederation of Portuguese Workers (*Confederação Geral dos Trabalhadores Portugueses – Intersindical Nacional*, CGTP-IN) and the General Union of Workers (*União Geral de Trabalhadores*, UGT) and of CGTP and UGT, and of the four employer confederations, CIP, CCP, CTP and CAP. In total, 13 meetings were held from 9 March to 14 July 2020, many in the format of video conferences, to inform and consult regularly the social partners. The large part of measures involved social partners' consultation, although the time to prepare opinions and to elaborate responses was clearly constrained by the emergency of the situation.

Collective bargaining was profoundly affected by the crisis. The level of coverage of wage bargaining dropped to levels similar to those of the critical years of austerity (see section on wages), though extension procedures mitigated the decline slightly. Changes and adaptation in working life resulted from emergency and temporary ad-hoc legislation than from collective bargaining.

On the other hand, the 'state of emergency' suspended, some constitutional rights directly related with workers and industrial relations actors' prerogatives. The first Decree of the President of the Republic declaring the 'state of emergency' on 18 March established that '(...) *The exercise of the right to strike is suspended insofar as it may compromise the functioning of critical infrastructures or health care units, as well as in economic sectors vital to the production and supply of essential goods and services to the population.*' (Decree no. 14-A/2020, article 4 c)). Furthermore, the decree prolonging the state of emergency on 2 April 2020 added to this suspension, also the suspension of the '(...) *The right of works councils (comissões de trabalhadores), trade unions and employers' associations to participate in the drafting of labor legislation is suspended, insofar as the exercise of such right may delay the entry into force of urgent legislative measures for the purposes provided for in this Decree.*' (Decree no. 17-A/2020 (article 4 c)).

These exceptional decisions did not compromise directly tripartite concertation but raised the concern of trade union confederations.

Other important policy developments

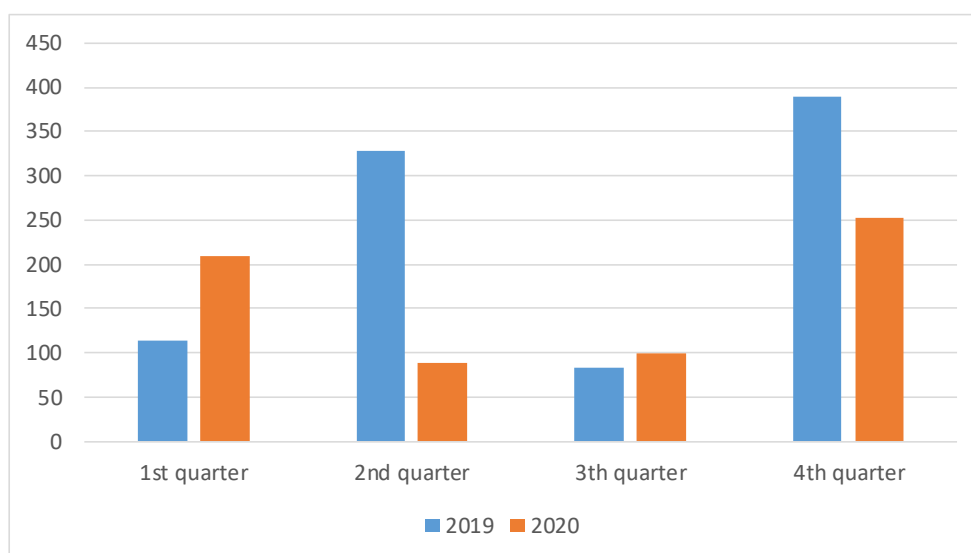
No other policy developments were relevant for working life in the pandemic 2020.

Labour disputes in the context of the pandemic

There is no statistical data published to date about the number of strikes and workers involved and hours lost during strikes in 2020, for the private and for the public sector. Official information available concerns only official strike warnings reported in the private sector and public owned companies (DGERT/MTSSS, 2021a) and in the public sector (DGAEP, 2021). Broadly speaking the break imposed during the state of emergency limiting the right to strike in essential sectors, with particular incidence in the health public service, the country's confinement and the strong adherence to the layoff explain the retreat in the second and third-quarter 2020 both in the private and in the public sector, a retreat starting in March shortly after March after the first cases of Covid-19 were reported.

In the private sector and public owned companies, when the state of emergency was lifted and the economy reopened the number of official strike warnings clearly increased, surpassing those observed on the first-quarter 2020 (Figure 3).

Figure 3 - Number of official strike warnings in private sector and state-owned companies (Quarterly data 2019-2020)



Source: DGERT/MTSSS, 2021a.

In the public sector the phenomenon is similar: while in the first two months of 2020 there was a wave of strikes, since mid-March there is a retreat without any registry of strike warnings until the end of May, and a few warnings until October, when a new wave of strikes escalated until the end of the year.

The education public sector was the one reporting the large majority of strikes in the first quarter 2020, a wave of strikes assembling educators of children and primary and secondary school teachers which included in the agenda, among other issues, the protest against work overload and the demand of compliance with the legal regime of 35 hours week. These 'overtime strikes' – to any additional meetings or activities beyond the 35 hours week – lasted almost 3 months and were called by a large majority of teachers' trade unions and federations. The closure of schools with the pandemics changed trade unions strategy and the second and third quarter no strikes were observed. The conflicts reemerged in October combining the motives of conflicts not solved previously and new motifs related with COVID-19 Pandemic, such as excessive work overload and concerns with health and security in

schools. This process culminated with the national strike of 11 December 2020, following which negotiations restarted in January 2021.

Strike warnings for school assistants (non-teaching workers) were also reported in the last quarter 2020, which were related, among other issues, with claims to improve working conditions and safety at work and to reinforce substantially staff in order to comply with the excessive work overload and respond effectively to the pandemic contingency plans, namely constant cleaning of spaces and vigilance of school entrances. In the last quarter of 2020 strike warnings included also sectoral strikes involving local administration and workers for the municipalities.

In the health sector were reported various strike warnings involving nurses' trade unions in the first quarter 2020 and strike warnings involving some hospitals in the last quarter 2020. Among other health professionals claimed staff reinforcement to face the extreme work overload resulting from the escalation of the pandemic in late November, as well as the improvement of their working conditions and professional careers in the Public Health Service.

Major developments in working time regulation as a result of the pandemic

Legislation on working time

When the government PS came into power, a labour reform launched in the previous mandate amending the Labour Code (Law no. 93/2019) had just come into force on 1 October 2019 (Eurofound, 2020). This legislation eliminated the regime of ‘individual working time accounts’, introduced in 2012, a regime which allowed the increase of normal working period up to two hours per day and 50 hours per week, with a limit of 150 hours per year, with basis on individual negotiations between employer and employee and bypassing collective agreements. But the law provided for a period of one transition year, until October 2020, during which this regime still could apply. Which means that in the context of the pandemic until the 1 October, employers could use this scheme to prolong and adjust working time. Actually, employer confederations asked the government to prolong the period of transition period beyond that date, but the government refused.

At the same time, the 2019 amendment established the regime of ‘group working time accounts’ (*banco de horas grupal*) (article 208-B) which can be implemented by collective agreements; or implemented at company level, applying to all workers in a team, section or economic unit, when approved by the workers on the basis of ‘referendums’ called by the employer. The works councils (*comissões de trabalhadores*) and the trade union delegates at the company level have a mere role of surveillance of the referendum process. In the absence of representatives (the case of the large majority of Portuguese companies), the workers can designate a representative commission with the maximum three or five members. In the case of companies with less than 10 workers without workers representatives, labour inspection has to follow the referendum process.

Three specific temporary exceptional measures on working time were triggered by the pandemic, focused on three concerns: the suspension of legal overtime limits, a measure interlinked with the ‘state of emergency’, in order to secure the continuity and capacity of response of public healthcare services^{xvii}; the implementation of staggered working times to protect workers, following the reopening of economic activities^{xviii}; and the temporary reduction of the normal working time, with a view to maintaining employment, through the extraordinary support for the progressive recovery of companies in a situation of business crisis^{xix}.

Collective bargaining on working time

No information available for the year 2020 on the contents of collective bargaining regarding working time.

Ongoing debates on working time

Debates on working time were related to the design and implementation of legislation, to excessive long hours and intensive work in particular in the health sector, and to new problems of conciliation of working and family life in the context of extension of teleworking. In general, employers were less inclined to the reduction of working time and more in favour of combined forms of extension and flexibility. The impact of supported short-time schemes is not yet evaluated to know how many

workers fully suspended work and how many workers reduced the working time period, but the general view is that the later was residual.

Trade unions alerted for the risks of the regime of 'individual working time accounts' in times of crisis to press the workers to accepting long hours. CGTP unions denounced various 'irregular' company referendums not respecting legal procedures and mobilized the workers in some companies to vote against 'group working time accounts' in the referendums, in some cases with success. Excessive long hours in the health sector were a permanent topic of discussion, linked with the debates to reinforce the budget for the National Health Service, recruit more doctors and nurses and health professionals in general and to improve their careers to make them attractive enough to secure the capacity of response of the Service and decent working conditions for health professionals in general.

^{xvii} Eurofound (2020), [Exceptional regime suspending overtime limits](#), case PT-2020-11/320 - measures in Portugal, COVID-19 EU PolicyWatch.

^{xviii} Eurofound (2020), [Staggered working times - exceptional and transitory regime](#), case PT-2020-40/1273 - measures in Portugal, COVID-19 EU PolicyWatch.

^{xix} Eurofound (2020), [Exemption and partial remission of social security contributions for companies with temporary reduction of the normal period of working time](#), case PT-2020-31/1282 - measures in Portugal, COVID-19 EU PolicyWatch.

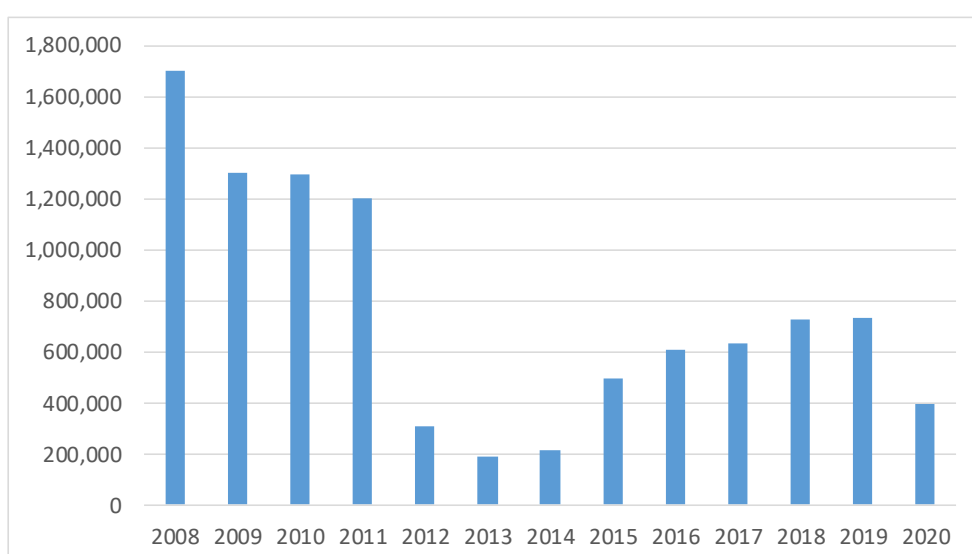
Impacts of the crisis on wages and wage setting

The ILO Global Wage Report 2020/2021 examining the impact of the COVID-19 crisis on European countries, unprecedented job losses and reduction in working hours, estimated a total wage bill loss of 6.5% on average (before taking account of wage subsidies), between the first and the second quarters of 2020, a drop mainly driven by the reduction in working hours. Portugal was the country that recorded the highest wage bill loss among the 28 European countries analyzed, with a drop by -13.5%, of which a loss of -11.7% was due to reduced hours, and a loss of -1.8% was due to employment loss; and also the country where women recorded the highest wage bill loss, by -16.0%, well above the -11.4% loss in men's wage bill (ILO, 2020, pp. 44 – 46)^{xx}.

In 2020, the gross monthly earnings per employee increased 2.9% compared to the year before. In 2019, the annual increase had been 2.8% (INE, 2021). How this development was related to losses of employment in low wage sectors affected by the pandemic is yet to be determined; and how income protection schemes (layoff or short-time schemes) prevented significant wage losses is yet to be examined –though those in ‘simplified layoff’ had wage cuts by around one third. The guarantee of minimum wage in the case of this measure certainly helped to sustain wages. Moreover, the increase of the minimum wage in January 2020 by 5.8% to €635 without cuts during the all year certainly helped to protect wages.

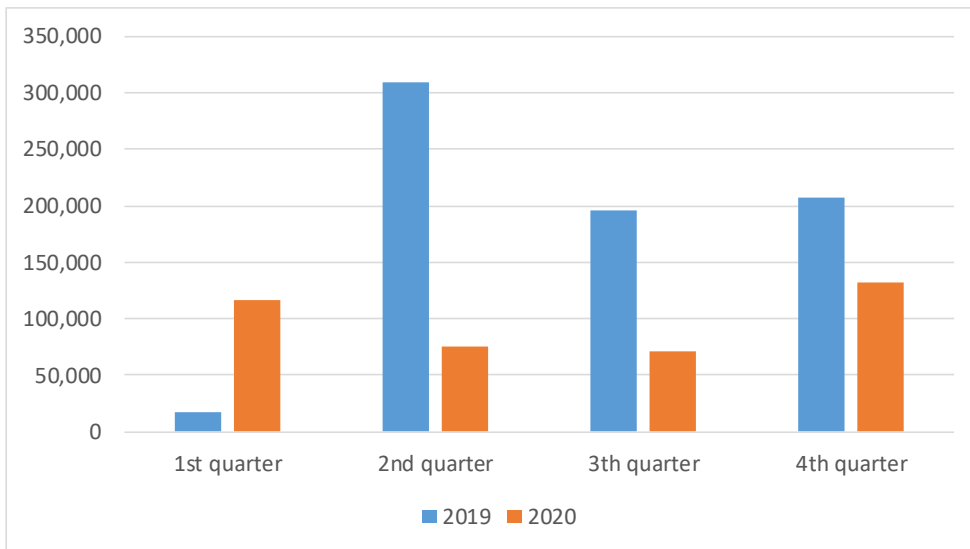
However, the contribution of collective bargaining was very limited. The collective agreements signed in 2020 with incidence on wage updates covered only around 394,277 workers, which represents a significant drop (by -46%) compared with 2019. Such a low level had only been observed in the years of full impact of austerity policies in collective bargaining (figure 1). It should be noticed that in the first quarter of 2020 bargaining dynamics was very positive covering around 116,436 workers. The dramatic fall occurs in the second quarter the first sub-period of pandemic, continue on the third and a slight recovery occurred in the fourth quarter (Figure 2). (DGERT/MTSSS, 2021; GEP/MTSSS, 2021).

Figure 1 – Number of workers covered by agreed wage updates (2008 -2020) – whole economy except public administration.



Source: Authors calculations with basis on DGERT/MTSSS, 2020, 2021b; and GEP/MTSSS, 2021.

Table 2: Number of workers covered by agreed wage updates (Quarterly data 2019-2020)



Source: Authors calculations with basis on DGERT/MTSS, 2021b; and GEP/MTSS, 2021.

^{xx} Note that ILO used Eurostat estimates of the number of employment (“Employment by sex, age and citizenship”) and the number of actual working hours (“Index of total actual hours worked in the main job by sex and age group”) to simulate the wage bill loss (ILO, 2020: 45).

What is new in working life in the country?

For the workers, the COVID-19 crisis triggered new realities and perceptions of working life never experienced before: the massive ‘confinement’ under layoff or under compulsory telework, for long periods, on the one hand; the exposure to contaminations and health risks in essential services and other activities, combined with work overload; entire new challenges concerning work and life balance, in particular in the long periods of closure of schools, for instance divided between working online from home and helping their children with online classes; and the abrupt confrontation with the loss of jobs and reduction of income in new ways, especially for those in the sectors or occupations almost locked down by the pandemic crisis and with hard prospects of recovery.

The first new reality that emerged was the centrality and visibility of the link between working and living conditions and the need of an integrated approach to look at both and to their interaction. Tough support mitigation measures played a role to contain or delay the extent of further negative impacts, the health pandemic crisis constituted a profound chock in terms of working life changes and revealed the vulnerability of the country conditions impacting directly and indirectly on working life. From housing to transport appropriate conditions, from gaps in education to digital competences and resources, from the lack of health and safety structures and resources at the workplace to the lack of awareness and uncertainty about protection rules.

The second new reality or better said the new perception that emerged was the vital importance of ‘essential workers’, a perception which challenged neoliberal assumptions of heroes and social prestige and pointed to the new assessment and evaluation of the intrinsic value of jobs that provide for the common good and collective care. The debate about the precarious living and working conditions of these workers and the claim for their improvement gained momentum.

The third new reality that emerged were industrial relations under pandemic lockdown and deep economic crisis. This particular mix might have favoured attitudes of management by fear and favoured workers and unions retreat from action or voicing, limiting their bargaining power. The available data about industrial actions and collective bargaining points in this direction. On the other hand, it showed the vulnerability of the Portuguese industrial relations system in terms of trade union lack of resources and difficult influence at the workplace and the extreme low presence of workers representative structures, which in such critical times are fundamental. And certainly, also the weakness and low presence of health and safety workplace structures.

The fourth new reality that emerged was the centrality and visibility of the role of the state supporting business, and the vital role of public policies and the need to reinforce them. It is also revealing that robust public investment is of critical and importance for sustainable economic development and the quality and extended capacity of public services, in first place the public health service, after years of erosion due to austerity policies. And also, the importance of dialogue with companies and social partners in general and at sector level about industrial and economic policy.

Last but not least, the fifth reality was the accelerated shift towards digital economy and the visibility of its challenging risks and opportunities. The accelerated expansion of telework from home – not so much by choice but by necessity and in many cases compulsory – helped to secure jobs and protect workers, limited transport mobility and might have reduced pollution. But it isolated workers, contributing for the individualisation of work, and most likely for extended time schedules

and increased intensity of work, very often with poor housing conditions. New problems emerged about the conciliation of parental rights of assistance to their children and teleworking from home; and about the transference of costs from employer to workers for instance in terms of energy spent; about possible negative impact of teleworking in gender equality; and in general about workers collective identity and collective voice in such conditions. In the end, of the last quarter 2020 with a new 'state of emergency' and a new lockdown since January 2021 compulsory telework came back. The debate on telework gained increasing centrality in the political agenda and debate with social partners. Digital inequality and platform work gained also increasing relevance in the debate.

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