

Employment Observatory

MISEP BASIC INFORMATION REPORT PORTUGAL 1997

Employment & labour market



Employment & social affairs



European Commission

**Mutual Information System
on Employment Policies (MISEP)**

Basic Information Report

PORTUGAL

Institutions, Procedures and Measures

1997

European Commission

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On the basis of an agreement of the directors-general for employment, the European Commission created a Mutual Information System on Employment Policies (MISEP) in 1982.

The system operates with a network of correspondents from the departments responsible for employment policy in the Member States or from employment services. The centralised secretariat is fully accountable to the Commission.

MISEP was set up by the Commission in response to a need voiced by the delegations of the Member States in the Council for a mutual information exchange on developments in national employment policy measures and structures. The definition of MISEP's objective is to gather, synthesise, translate and disseminate relevant information in the Member States, serving each of the responsible national ministries and agencies in their daily decision-making, and aiding the Commission in its co-ordinating role at Community level.

The Basic Information Reports describe the structure and content of employment policy in each Member State. The reports all have a common structure and contain basic information which is essential for an understanding of how employment policies are conceived and implemented.

The material in this Basic Information Report has been provided by the Portuguese correspondent and is correct as of 30 September 1996. It is intended as a guide and an explanation of national policy measures in force at that date in Portugal; it is not a substitute for the corresponding legal texts. It is designed to describe the policies and practices in Portugal without value judgements either on the part of the Commission or the national correspondent.

While these reports will be updated periodically, further information and regular updating of measures are published in the system's quarterly policy bulletin, "inforMISEP Policies".

This document was produced on behalf of the European Commission by the Portuguese MISEP-correspondent and the I.A.S.

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BENCHMARK STATISTICS 1995

THE LAND	
Area	91,906 sq.
THE PEOPLE	
Resident Population	9,846.8 million
PRODUCTION	
Gross Domestic Product (estimation)	Esc 15,118 bn.
LABOUR MARKET	
Working age population (15-64 years)	6,785.9 million
Of which:	
- women (15-64 years) (mainland)	3,331.6 million
- men (15-64 years) (mainland)	3,136.2 million
Labour force (15-64 years)	4,754.3 million
- Of which women	2,141.0 million
Activity rate	48.3%
- For women (mainland)	42.4%
- For men (mainland)	55.4%
Employment	4,415.9 million
Of which:	
- women (mainland)	1,894.1 million
- under 25 years (mainland)	559.7 million
By Sector:	
- agriculture, etc. (mainland)	477.5 million
- manufacturing (mainland)	1,023.4 million
- construction (mainland)	340.3 million
- tertiary sector (mainland)	2,384.1 million
Total (mainland)	4,225.1 million
Unemployment (mainland)	325.4 million
Of which:	
- women (mainland)	165.1 million
- under 25 years (mainland)	108.0 million
Unemployment rate by education	
- secondary education (mainland)	9.9%
- higher education (mainland)	3.7%
Total (mainland)	7.2%
Registered unemployment (average per year)	429.9 million

Sources: INE (Enquête „Emploi“) et IEFP.

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CHAPTER I INSTITUTIONS

The Republic of Portugal, according to its Constitution, is a unitary state with autonomous local authorities and a democratically decentralised public administration. The archipelagos of the Azores and Madeira constitute autonomous regions which have independent politico-administrative status and their own governments.

Most of the institutions that define and implement labour market policy at government level are subordinate to the Ministry of Qualifications and Employment. This chapter describes only mainland institutions; institutions in the autonomous regions will be dealt with in Chapter V.

The Ministry of Qualifications and Employment
(*Ministério para a Qualificação e o Emprego – MQE*)
(Basic legislation: D.-L. no. 147/96 of 28.8.1996)

Directorate General for Employment and Vocational Training
(*Direcção-Geral do Emprego e Formação Profissional – DGEFP*)
(D.-L. no. 147/96, Art. 11, and D.-L. no. 214/93 of 16.6.1993)

Institute for Employment and Vocational Training
(*Instituto do Emprego e Formação Profissional – IEFP*)
(D.-L. no. 147/96, Art. 6, Section a, D.-L. no. 247/85 of 12.7.1985 and Decree no. 728-A/92 of 20.7.1992)

Institute for Educational Innovations
(*Instituto para a Inovação na Formação – INOFOR*)
(D.-L. no. 147/96, Art. 6, Section c)

This chapter will also describe the advisory and planning body which is responsible for economic and social policy:

The Economic and Social Council
(Law no. 108/91 of 17.8.1991)

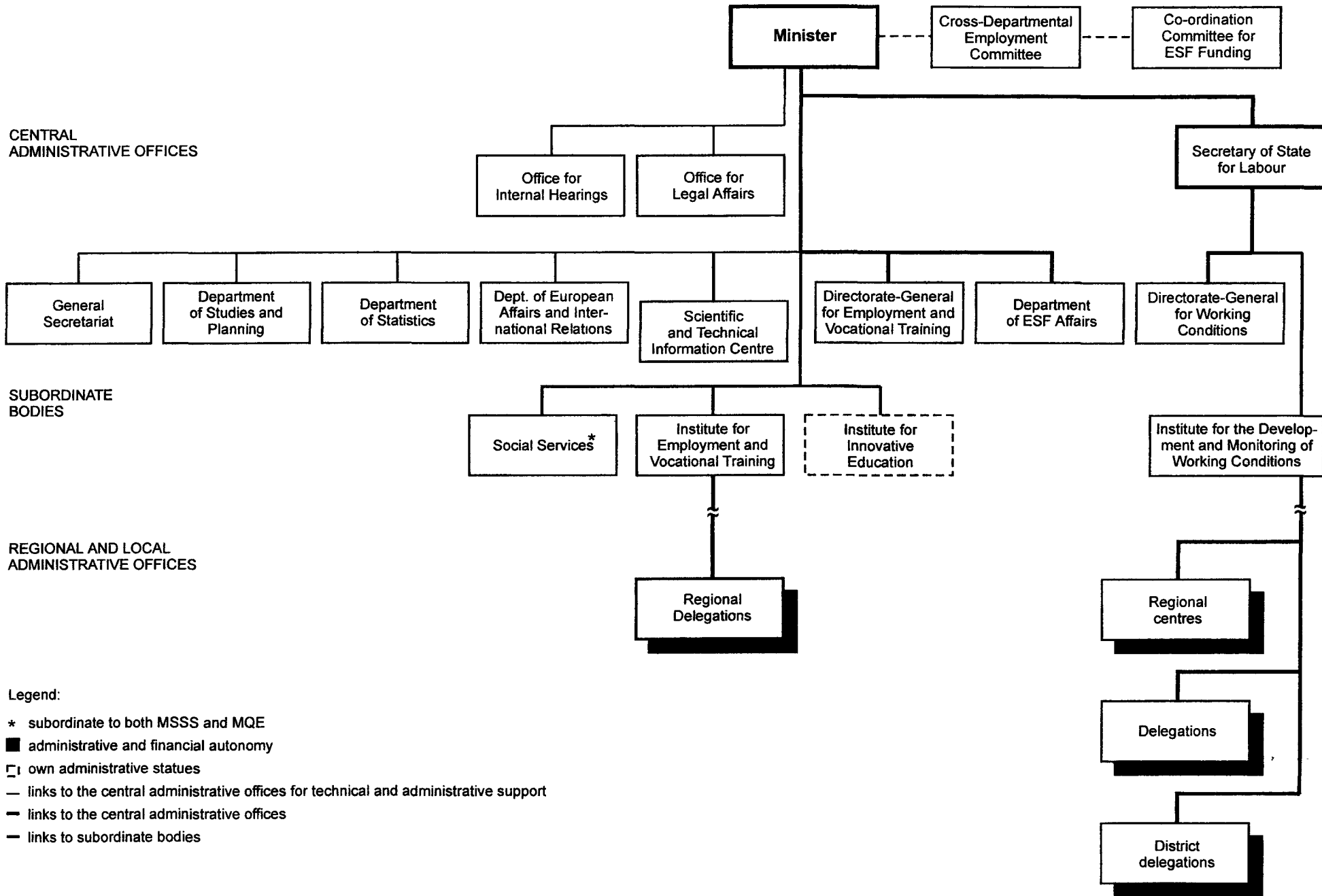
1. The Ministry of Qualifications and Employment (*Ministério para a Qualificação e o Emprego – MQE*)

The *MQE* is responsible for policy in regard to labour, employment and training.

Organisation Chart 1 sets out the present structure of the Ministry and its various administrative offices for the areas of labour and employment. The Directorate General for Employment and Vocational Training (*DGEFP*) is the central administrative office for employment policy and is responsible for planning and support in technical and legal matters. The Institute for Employment and Vocational Training (*IEFP*), which is subordinate to the Ministry of Qualifications and Employment, is charged with the task of implementing employment policy.

Among the administrative offices that come under the direct jurisdiction of the Ministry of Solidarity and Social Security (*MSSS*), the Institute for the Financial Management of Social Security (*IGFSS*), which is responsible for financing employment policy, is particularly important.

Organisation Chart 1: Ministry of Qualifications and Employment



CENTRAL ADMINISTRATIVE OFFICES

SUBORDINATE BODIES

REGIONAL AND LOCAL ADMINISTRATIVE OFFICES

Legend:

- * subordinate to both MSSS and MQE
- administrative and financial autonomy
- own administrative statuses
- - - links to the central administrative offices for technical and administrative support
- links to the central administrative offices
- links to subordinate bodies

1.1 The Directorate General for Employment and Vocational Training (*Direcção-Geral do Emprego e Formação Profissional – DGEFP*)

The *DGEFP* is responsible for planning and providing technical support to the Ministry in the preparation and implementation of measures in the field of employment and vocational training policy and is charged with the following tasks:

- to carry out studies in co-operation with the body responsible for studies and planning and to draw up expert reports;
- to update and classify data on the special measures that have been implemented in Portugal and the problems that require solutions or are to be avoided;
- to collect from the European Union and other international organisations, from the social partners and additional institutions examples of solutions to problems and to investigate the possibility of applying such solutions to Portugal;
- to draw up expert reports and to propose legal frameworks for the fields of employment and vocational training;
- to define the objectives of projects and action programmes;
- to observe general, sector-specific and regional trends in employment and vocational training policy;
- to collaborate with those administrative offices of the *MQE* that operate in areas directly or indirectly connected with employment and vocational training policy;
- to assist in the evaluation of employment and training measures that have already been carried out, especially with regard to their usefulness in solving existing problems;
- to formulate proposals for employment and vocational training measures for the disabled and to assist in the evaluation of such measures.

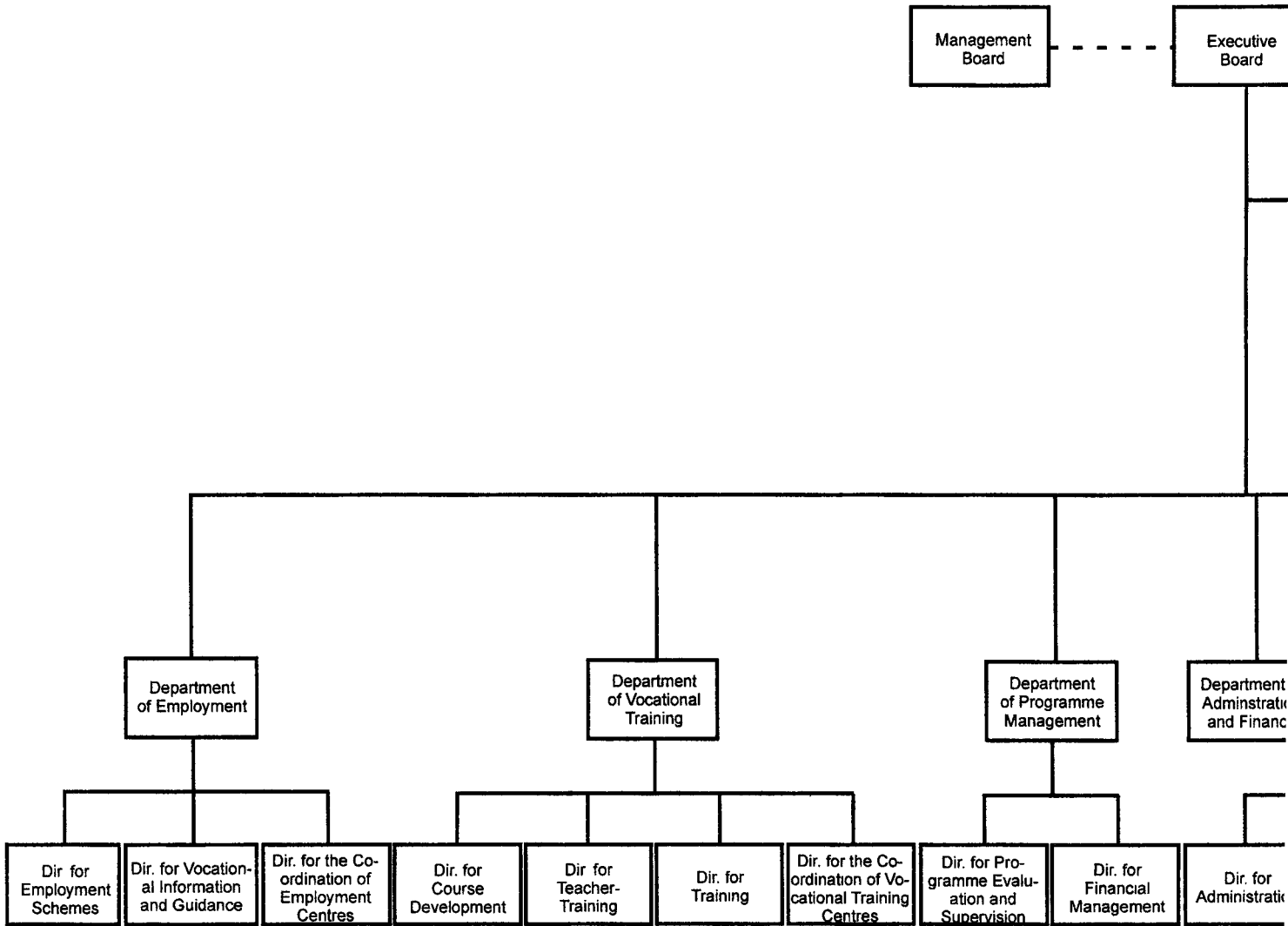
1.2 The Institute for Employment and Vocational Training (*Instituto do Emprego e Formação Profissional – IEFP*)

The *IEFP* is a body established under public law with administrative and financial autonomy as well as its own assets. It is subordinate to the *MQE* under the management of the Minister.

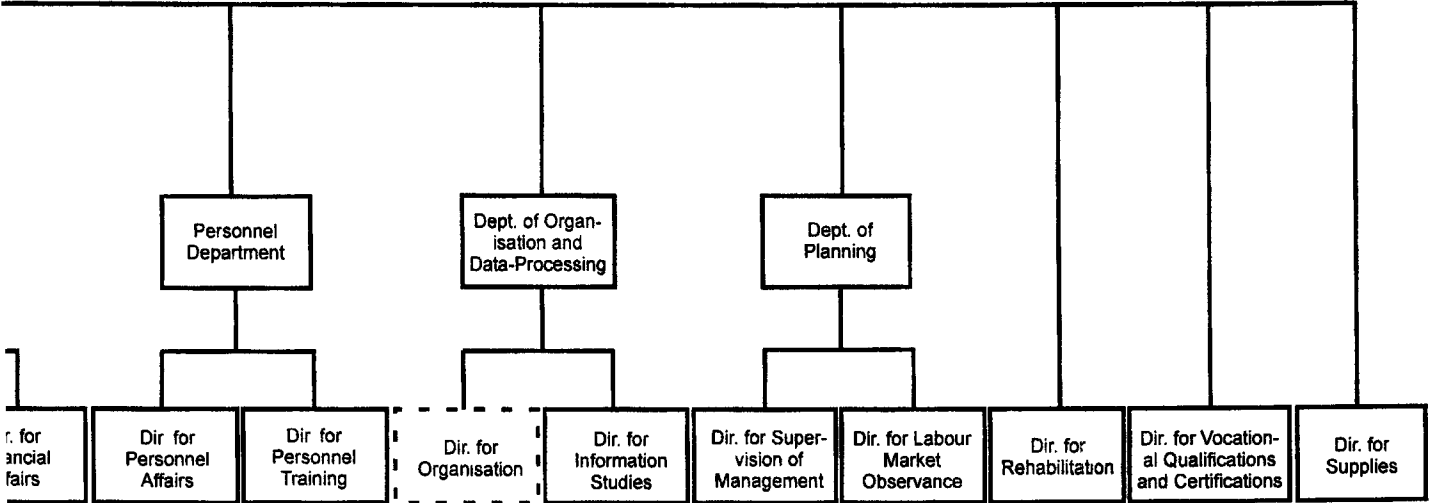
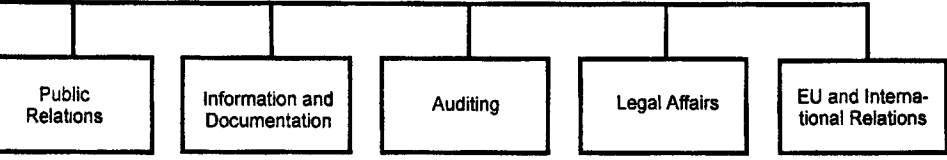
The *IEFP* has the following tasks:

- to disseminate comprehensive information concerning employment problems as a contribution to the conception and implementation of overall employment policy;
- to promote the organisation of the labour market as a priority in measures that target full employment;
- to promote information, guidance, training, vocational rehabilitation and job placement (attaching particular importance to young school-leavers and other socially disadvantaged groups), as well as job analyses and geographical and occupational mobility for workers;
- to promote, either alone or in collaboration with other national or foreign institutions, improved productivity in enterprises through various vocational training measures;
- to provide technical and financial support for initiatives targeting the maintenance or creation of jobs in firms already existing or those to be created;

Organisation Chart 2: Central Administrative Offices (IEFP)



Supervisory Committee



Responsible body:	OI-OR
Legislation:	- D.-L. no. 247/85 of 12.7.1985 - Decree no. 728-A/92 of 20.7.1992

- to participate in the co-ordination of technical co-operation with national or international organisations and with foreign countries in the fields of employment, training and vocational rehabilitation;
- to participate in the planning, drafting, definition and evaluation of overall employment policy, for which the *IEFP* is the executive body.

The *IEFP* consists of the following bodies:

At central level: the Managing Board, the Executive Board and the Supervisory Committee.

The Managing Board and the Supervisory Committee are comprised of representatives from the public administration, from the trade union confederations and the employers' associations. Members representing the workers and employers are designated by their respective groups inasmuch as they are standing members of the Economic and Social Council.

At regional level: five regional delegations and regional advisory councils comprising representatives from the respective Regional Co-ordination Committees (*CCRs*) and from the trade unions and employers' associations and chaired by the regional commissioner.

At the central level (Decree no. 728-A/92 of 20.7.1992) the *IEFP* comprises technical advisory committees, which are directly subordinate to the Executive Board, and support bodies for employment, vocational training, programme management, administration and finance, personnel, organisation and data-processing and planning* (cf. Organisation Chart 2).

- The employment division is charged with continually adapting to changing labour market trends the technical and normative instruments and legal regulations necessary for the following *IEFP* activities: jobsearch, increasing labour demand, job placement, labour market integration and the general organisation of the labour market.
- The vocational training division is responsible for planning and promoting models, techniques and schemes as well as other vocational training structures that target the best possible deployment of personnel within the framework of improving production systems, technology and workplaces.
- The programme management division is charged with the task of making optimal use of resources from EU promotion schemes and initiatives earmarked for measures in the fields of employment policy, vocational training and vocational rehabilitation. This is achieved through the co-ordination of the respective schemes and the conception of appropriate technical and financial arrangements.
- The administrative and finance division is responsible for the development, presentation and introduction of systems of administration, financing, accounting and maintenance, and of other general services necessary for the support of the *IEFP*'s various areas of activity. In addition, it ensures that these systems are in operation in the central administrative offices.
- The personnel division, through the provision of further training measures and in accordance with the institute's objectives, promotes the technical and personal capabilities of the employees of the *IEFP* and seeks their best possible deployment.
- The division responsible for organisation and data-processing is charged with the task of developing, presenting and introducing systems that are intended to lead to rationalised structures, resources and work processes and thus to improved work organisation and technological development at the *IEFP*.

* On 31.12.1995 the *IEFP* had 3,542 employees, 755 of these in its central offices and 2,787 in its regional offices.

- The planning division is responsible for the development, presentation and introduction of a system of internal planning and support for the activities of the *IEFP* and for monitoring the institute's management. The system is based on systematic evaluation of the current and expected future labour market situation and of the field of vocational training.

In addition to the above, there are special administrative offices responsible for the areas of vocational rehabilitation and the evaluation of vocational qualifications and their certification:

- The directorate for vocational rehabilitation is responsible for the planning and presentation of schemes and measures as well as technical and legislative instruments required for the activities of the *IEFP* in the field of vocational rehabilitation and in the areas of vocational and social integration and sheltered employment for the disabled.
- The directorate for vocational qualifications and certification develops systems for the evaluation of qualifications that were acquired as a result of vocational training or further training, for awarding certificates and for recognising these under the terms of the respective educational and vocational training systems.

At regional level there are 80 employment offices, 23 vocational training centres and one rehabilitation centre; they are distributed as follows:

Northern Regional Delegation:

26 employment offices and six vocational training centres.

Central Regional Delegation:

16 employment offices and five vocational training centres.

Lisbon and Tagus Valley Regional Delegation:

22 employment offices, six vocational training centres and one rehabilitation centre.

Alentejo Regional Delegation:

11 employment offices and five vocational training centres.

Algarve Regional Delegation:

Five employment offices and one vocational training centre.

Each *IEFP* vocational training centre has an advisory council comprised of representatives from the public administration and the confederations of the employers' and employees' associations; the council is chaired by the director of the respective training centre. There are another 27 vocational training centres for one specific or several branches of industry. These are public-law bodies with administrative and financial autonomy and their own assets. They are managed by an administrative council chaired by a representative of the *IEFP*.

1.3 Institute for Innovative Educational Models (*INOFOR*)

The Institute for Innovative Educational Models, for which appropriate legislation is in preparation, will act on behalf of the Ministry of Qualifications and Employment (MQE) under the supervision of the Minister. It will be responsible for planning and research in the manufacturing sector and will collect and disseminate data on new educational models.

The INOFOR was established as a consequence of the activities of the Committee for Innovative Educational Models, which was created by virtue of Council of Ministers Resolution no. 17/96 of 21.3.1996 and is charged in particular with the following tasks:

- to carry out studies on future needs in education and to compile a register of occupational profiles;
- to systematise, evaluate and develop pedagogical methods for the following target groups:
 - long-term unemployed;
 - persons undergoing retraining;
 - workers with a low level of education;
 - instructors, specialists and managers in the field of education.

1.4 Other bodies

1.4.1 The National Apprenticeship Committee (*Comissão Nacional de Aprendizagem – CNA*)

The MQE's apprenticeship system is developed by the National Apprenticeship Committee (CNA); this comprises representatives from various ministries and from the confederations of the employers' and employees' associations and is co-ordinated by the IEFP. The CNA devises and monitors educational programmes for young people. The IEFP co-ordinates and develops all activities related to training through its central administrative offices and regional and local institutions.

1.4.2 The Cross-Departmental Employment Committee (*Comissão Interministerial para o Emprego – CIME*)

The CIME has the following tasks (Resolution no. 380/80 of 7.11.1980):

- to submit proposals for defining an overall employment policy;
- to co-ordinate the implementation of the policy through the competent ministries;
- to co-ordinate all vocational training measures;
- to follow the development of employment problems;
- to draw up expert reports at the request of the Council of Ministers.

1.4.3 The Department of Studies and Planning (*Departamento de Estudos e Planeamento – DEP*)

The DEP (D.-L. no. 147/96 of 28.8.1996, Art. 8) carries out studies which contribute to the formulation of MQE policy and draws up, in collaboration with the different offices of the Ministry, draft action plans and programmes.

1.4.4 The Department of ESF Affairs (*Departamento para os Assuntos do Fundo Social Europeu – DAFSE*)

The DAFSE (D.-L. no. 37/91 of 18.1.1991) is the national office that maintains relations with the European Social Fund, and has the following functions:

- to divulge the possibilities of access to aid granted by the ESF and to develop projects in line with EU specifications;
- to forward project proposals to the European Commission;
- to negotiate the further development of measures financed by the ESF;
- to support the European Commission's monitoring measures;
- to report on measures carried out with ESF support;
- to submit guidelines for accessing ESF funds and monitoring the deployment of such funds at national level.

1.4.5 Co-ordination Committee for ESF Grants within the Framework of the EU Support Plan – 1994-1999 (*Comissão de Coordenação da Vertente Fundo Social Europeu do Quadro Comunitário de Apoio – 1994-1999*)

This committee (D.-L. no. 99/94 of 19.4.1994, Art. 11, and Decree no. 394/94 of 21.6.1994) is charged with drawing up guidelines for the implementation, administration, publication, support and evaluation of measures funded by the European Social Fund, and also for the funding guidelines of the European Regional Development Fund for those measures that fall directly within the ambit of the MQE.

1.4.6 Observatory for Employment and Vocational Training (*Observatório do Emprego e Formação Profissional – OEFP*)

The OEFP (Decree no. 180/93 of 16.2.1993) is comprised of representatives from the Government, the trade unions and the employers' associations. It monitors quantitative and qualitative employment trends, focusing on vocational qualifications in order to assess sector-specific and regional impacts and on the efficiency of employment and training policy instruments.

2. The Economic and Social Council (*Conselho Económico e Social – CES*)

The Economic and Social Council (Law no. 108/91 of 17.8.1991) is a body which fosters consultation and co-operation in matters of economic and social policy. It is comprised of representatives from the Government, trade unions and employers' associations and participates in the formulation of economic and social plans. One of its most important agencies is the Standing Committee for Social Co-operation. This committee is responsible for promoting dialogue and collaboration between the social partners. It is also involved in the definition of wage and price policy as well as employment and training policy. Among the expert commissions under the Economic and Social Council the Standing Committee for Economic and Social Policy deserves particular mention.

CHAPTER II LEGAL FRAMEWORK AND PROCEDURES

1. Sources of Law

1.1 The Constitution

The Portuguese Constitution establishes several basic rights for workers with the aim of guaranteeing the following three important objectives:

- protection of livelihood through work, incorporating job protection and material assistance in cases of involuntary unemployment, free choice of occupation, equality of access to the civil service, the right to work and the right to remuneration corresponding to the volume, type and quality of work performed;
- protection of working conditions, incorporating wage protection and the right to due conditions of health and safety at the workplace;
- free collective bargaining, incorporating the right of workers to free association and the participation of their representative structures in the elaboration of labour legislation and the establishment of labour regulations, the right of the trade unions to conclude collective agreements and the right to strike.

Constitutional Law no. 1/89 introduced an important modification at the level of economic and social organisation in creating a new body – the Economic and Social Council – which is responsible for consultation and co-operation in the field of economic and social policies.

The Council's composition, organisation and functioning is laid down by law. In view of its broad field of intervention the Council integrates Government representatives, organisations representing the workers and trade and industry as well as representatives from the autonomous regions and local authorities.

The powers retained by the autonomous regions are laid down in the Constitution.

Constitutional amendments required for the ratification of the Maastricht Treaty are regulated by Constitutional Law no. 1/92 of 25.11.1992.

1.2 The Civil Code

The Civil Code is an important source of labour law, since an employment contract, as the legal basis for the employer-employee relationship, is covered by the general legislation on contracts and obligations if it is not specifically regulated by labour legislation. The Civil Code is also the basis for regulating certain fundamental workers' rights which are protected by the Constitution.

Beyond this, the general criteria for interpretation and subsequent application of the law, as defined in the Civil Code, constitute the basis of the principle of most favourable treatment for the worker.

1.3 The employment contract

In the Portuguese system of labour law the employment contract is the basis for the individual employer-employee relationship.

Through the employment contract the worker empowers the employer to dispose and deploy his labour in return for remuneration. The rights and duties of the parties to the contract are stipulated in the employment contract. Except in those cases expressly provided for by law, no written formulation is required.

1.4 Laws and other legal sources

Employment contracts are subject to legal standards established by the competent State organs (laws, decree-laws and implementing ordinances). These do not infringe on the standards laid down by the Constitution or international agreements, which have special status among labour law sources.

Among the statutory sources of labour law there are also decrees stipulating minimum standards for working conditions. These are general administrative instruments, most of which constitute extensions of existing collective agreements, which are applied to employment contracts between non-organised workers and enterprises that do not belong to an employers' association.

1.5 Collective agreements

Collective agreements are established between labour and management in order to regulate working conditions within the industrial sectors or enterprises in question.

Collective contract is the term for agreements reached between trade unions and employers' associations. *Collective accords* are agreements reached for several enterprises between confederations of trade unions and a number of employers. *Enterprise accords* are agreements reached between trade unions and a single employer and apply to only one enterprise.

The objectives and details of collective agreements change in line with the economic and social conditions for productive activities. The collective agreement has both normative and contractual effect: in defining the contents of collectively agreed relations between labour and management it also provides workers with rights as individuals, which they can exercise within the framework of an individual employment contract.

1.6 Jurisdiction and application of the law

Under labour law professional customs are not autonomous norms which can compete with legislation; however, they can clarify certain aspects of the employer-employee relationship in the absence of compulsory or modifiable legal stipulations, collectively agreed regulations or express

demonstrations of intent by the parties. Professional customs are no more than a reflection of individual agreements; they are neither sources of law nor are they generally binding.

As regards labour law, the decisions of the Labour Tribunals can be contested before the Appeals Court, whose judgements can in turn be challenged before the Supreme Appeals Court. Only the Supreme Appeals Court is empowered to standardise judicial decisions. If the Supreme Appeals Court should reach two competing adjudications on the same fundamental question of law, under the terms of the Code of Civil Procedure a plenary decision may be obtained on the last judgement passed.

2. Summary of the Main Legislation

2.1 The employment contract

D.-L. no. 49 408 of 24.11.1969, abbreviated to *LCT* (Law on Employment Contracts), is the basic law as regards the individual employment contract.

The employment contract is defined with respect to dependent employment (cf. definition 1.3). This implies that specific types of self-employment are on the periphery of labour law. One example of this is the contract for the provision of services, which is regulated in its various ramifications under the Civil Code.

However, the principles defined by the *LCT* can apply to self-employment as recognised by law when the worker's material situation is largely equal to that of workers in dependent employment.

Fixed-term employment contracts

The main characteristics of the fixed-term employment contract as described in D.-L. no. 64-A/89 of 27.2.1989 and Law no. 38/96 of 31.8.1996 are that:

- A fixed-term contract may be concluded in certain cases laid down by law and as a rule, where enterprises have a temporary need for manpower.
- The fixed-term contract must be laid down in writing.
- Fixed-term contracts may be renewed, however the total duration may not exceed three years. In addition the conditions are indicated under which a contract may be concluded for a period of less than the minimum duration of six months.
- A fixed-term contract for a new field of work of indefinite duration or involving a new firm has a limited duration of maximum two years.
- A fixed-term contract may not be renewed more than twice.
- The worker is entitled to a terminal bonus at the conclusion of the contractual relationship, namely two days' pay for each month of the contract's duration.

Special employment contracts

There are certain (dependent) employment relationships for which the law on employment contracts has no direct application, due either to the nature of the work or the specific characteristics of the sectors in question. These have their own regulations:

Commission contracts – Professional activities which may be carried out under a commission contract are covered by D.-L. no. 404/91 of 16.10.1991. These include certain administrative duties, functions carried out by the personal secretaries to holders of such administrative posts and other functions based on a fiduciary relationship which are provided for in collective agreements.

Temporary work – D.-L. no. 358/89 of 17.10.1989 recognises the special status of this employment relationship, whereby the employer's part in the contract is equally applicable to the temporary employment agency and the user. Two contractual forms are precisely defined:

- A *temporary employment contract* is concluded between a temporary employment agency and a worker who agrees, in return for payment, to place his labour at the disposal of third parties for a certain length of time and through the temporary employment agency.
- A *contract for use of temporary labour* is concluded between a user and a temporary employment agency, the agency agreeing to place one or more temporary workers at the disposal of the user in return for payment.

Domestic work – Under D.-L. no. 235/92 of 24.7.1992 a contract of domestic work obliges a worker to carry out domestic chores in another person's household regularly and under the direction of this person in return for payment. The contract may be concluded for a maximum fixed term of one year, or for a longer duration, where the work is of a temporary nature. The contract must always be laid down in writing. Employment of domestic workers under 16 years is prohibited.

Agricultural work – The Regulatory Decree on Minimum Working Conditions for agricultural work of 8.6.1979 applies to all employer-employee relationships in enterprises (including co-operatives) that carry out agricultural, breeding or forestry activities. A contract for agricultural work may be concluded for a fixed term, for an indefinite period or for seasonal or occasional work. With the exception of the fixed-term contract it is not subject to written formulation.

Other special employment contracts – (Summary of legal instruments)

Work in the shipping sector

D.-L. no. 45 968 of 15.10.1964 defines "work in the shipping sector" and lays down the respective rights and duties of ship owners and crews.

D.-L. no. 74/73 of 1.3.1973 defines the legislation which applies to employees of the merchant navy.

Dock work

D.-L. no. 280/93 of 13.8.1993 defines the legislation which applies to dock work.

Entertainments

D.-L. no. 43 181 of 23.9.1960 defines the legal basis for professional activities in entertainments. The legislation for employment contracts in this field is currently under revision.

Decree no. 43 190 of 23.9.1960 also regulates the work of entertainers.

Professional Football

The collective agreement published in the official gazette, "*Boletim do Trabalho e Emprego*" no. 5, Series I of 8.9.1991, applies to the relations under labour law emanating from employment contracts between professional footballers and football clubs which are members of Portugal's professional football league.

D.-L. no. 305/95 of 18.11.1995 regulates the employment contracts of professional sportspersons.

2.2 Termination of the employment relationship by the employer

Under D.-L. no. 64-A/89 of 27.2.1989 a worker can be dismissed in the following cases:

- for just cause if the worker's behaviour renders prolongation of the employment relationship practically impossible;
- for internal reasons of a structural, technical or economic nature (mass dismissals or personnel reductions).

Dismissal for just cause is preceded by disciplinary proceedings which allow for the intervention of the works council. The employer must inform the employee of the concrete reasons for the intended dismissal in advance in order to give him the opportunity to defend himself. In small firms with less than 21 employees the disciplinary proceedings are simplified, though the workers still have the right to a hearing and written conveyance of the decision and its justification.

Mass dismissal is defined as dismissal of two workers (in firms with between two and 50 employees) or five workers (in firms with more than 50 employees) within a period of three months because the firm or at least one of its production units is to be closed down or staff reductions are made necessary by the reasons given above. In this case negotiations are held between the employer and the representatives of the employees in order to reach agreement concerning possible alternative measures. These would include, for example, suspension of work or reduced working hours, retraining or further training measures and premature entry into retirement or early retirement.

The Ministry of Qualifications and Employment ensures that the correct procedure is observed and pursues conciliation of the parties' interests.

A period of 60 days' notice must be observed in cases of mass dismissal. The workers concerned are entitled to a total of two days' paid leave per week and compensation amounting to one month's basic wage for every year of service, though not less than an amount equal to three months' basic pay.

The legislation also regulates termination of employment contracts due to staff reductions which are not mass dismissals. Such terminations are only possible where there is no similar job available and there is no practical possibility to continue employing the worker in the enterprise.

D.-L. no. 400/91 of 16.10.1991 regulates termination of an employment contract subsequent to the dismissal of a worker who had difficulty adapting to his workplace. Terminations on this basis are only lawful where there have been technical or organisational innovations at the workplace concerned and, following further training initiated by the employer and a suitable adjustment period, the worker has failed to adapt to these changes, so that continued employment in the enterprise is not practically possible.

In cases of unlawful dismissal the worker is entitled to choose between reinstatement or the aforesaid compensation. During the period of time between dismissal and legal judgement the worker is in all cases entitled to continued remuneration.

2.3 Remuneration

Pay protection

Remuneration is one of the main elements of the employment contract and is constitutionally protected as one of the fundamental rights of workers. The right to protection of remuneration is also laid out in the Civil Code as is a special guarantee concerning workers' claims on their employers which emanate from the employment contract or which they are entitled to on violation or termination of the employment contract.

The protection provided for in the Constitution is expressed in various stipulations in the Law on Employment Contracts, which lays down a number of rights:

- Remuneration may not be reduced – except in special cases (enterprises experiencing economic difficulties).
- Workers temporarily performing tasks that are better paid than those for which the worker was hired must receive separate remuneration for these tasks.
- Remuneration must be paid during a period of suspension due to the initiation of disciplinary proceedings.
- Deductions may not amount to more than one-third or one-sixth of the worker's wage, depending on whether a legal decision has been reached or not and excepting special cases laid down by law.

Certain aspects of Law no. 17/86 of 14.6.1986, of D.-L. no. 398/83 of 2.11.1983, of D.-L. no. 50/85 of 27.2.1985 and of D.-L. no. 282-A/84 of 20.8.1984 are particularly important as regards guaranteeing remuneration.

Law no. 17/86 governs the special legal effects resulting from delayed payment of remuneration in enterprises that are experiencing economic difficulties or have suspended operations. In particular, workers in these cases have the right to terminate the employment relationship or to temporarily suspend work. At the same time they may claim unemployment benefit. All rights of the worker emanating from the employment contract continue to apply, especially the right to remuneration until the suspension of operations as well as the interest payments on the amounts due.

This Law was amended by D.-L. no. 402/91 of 16.10.1991. The intention was to prohibit unjustified delayed application of the above regulations in cases where the prolongation of the employment relationship is in question.

The purpose of D.-L. no. 398/83, as amended by D.-L. no. 64-B/89 of 17.2.1989 and D.-L. no. 210/92 of 2.7.1992, is maintenance of enterprises and jobs. Within the framework of the measures laid down in the legislation in this respect – working time reduction and suspension of activities – the worker's right to wage compensation amounting to two-thirds of his monthly wage is also guaranteed. The wage is paid in equal parts by the employer and social security. The compensation must at least be equal to the national minimum wage and may not exceed three times this amount.

D.-L. no. 50/85 introduced a wage-protection system in line with EEC Directive 80/987/EEC of 20.10.1980. It aims at ensuring in cases of closure, bankruptcy or insolvency that employers pay due remunerations for the last four of the six months preceding the insolvency.

Fixing the national minimum wage

The Constitution sets out the general criteria for determination of remuneration. It obliges the State to fix and index a national minimum wage.

D.-L. no. 69-A/87 of 9.2.1987 specifically stipulates that the minimum wage must be annually revised and introduces a number of specific points with the aim of creating favourable framework conditions for the employment of young people and workers with limited capacities. These details are still upheld with a few minor modifications introduced by D.-L. no. 411/87 of 31.12.1987.

Accordingly, D.-L. no. 21/96 of 19.3.1996, with effect from 1.1.1996, fixed the following monthly minimum wages:

Agriculture, industry, commerce, services	ESC 54,600.
Domestic work	ESC 49,000.

Under D.-L. no. 411/87 of 31.12.1987 the following wage reductions are permitted:

for workers under 18 years of age	25%;
for apprentices and trainees under 25 years of age	20%;
for workers with reduced capacities	up to 50%.

2.4 Working time

Length of working time

D.-L. no. 409/71 of 27.9.1971, along with the amendments introduced by D.-L. no. 398/91 of 16.10.1991, regulates the temporal aspects of work required of the worker under the terms of the employment contract.

Under this legislation normal working time may not exceed eight hours per day and 44 hours per week or seven hours per day and 42 hours per week for clerical work.

While average working time may be fixed by collective agreement, it may not exceed the legally stipulated maximum limits for weekly working time. Normal working time may be extended by up to two hours per day; however, weekly working time may not exceed 50 hours, including the overtime required due an increase in the volume of work.

Daily work must be suspended for at least one hour and at most two hours such that workers do not work longer than five hours at a stretch. The following modifications may be collectively agreed: up to six working hours without interruption, a reduction of the rest period to half an hour, an extension of the rest period to over two hours or several rest periods during working hours. This regulation does not apply to workers who agree to work indefinite hours. Law no. 21/96 of 23.7.1996, enacting an agreement reached between the Government and the social partners in January 1996, prescribes the reduction of normal working time to 40 hours per week:

- The Law applies to normal working time of more than 40 hours per week.
- Rest periods count as working hours as long as the work process is not interrupted or a replacement is required for the worker.
- Working time in excess of 40 hours per week is reduced as follows:
 - by two hours to a minimum of 40 hours per week on 1 December 1996,
 - by the remaining hours in excess of 40 hours per week on 1 December 1997.

A flexible regulation of working time was introduced under the same law. This comes into effect when working time is reduced on the basis of legal stipulations and is applied as follows:

- Working time may be equal to the average working time over a reference period of four months.
- Normal working time may be extended by up to two hours per day.
- Weekly working time may not exceed a certain maximum limit of between 50 and 45 hours, corresponding to the hours worked prior to the reduction.
- In the weeks during the reference period with less than 40 working hours, daily working time may be reduced to up to two hours per day.
- A rest period of at least 12 hours is compulsory between phases of normal working time on two consecutive days.

In those industrial sectors and enterprises in which the 40-hour week is already in operation by virtue of the 1990 agreement between the Government and the social partners, which sought working-time reduction on the basis of collective agreements, negotiations with the trade unions seeking a flexible regulation of working time are planned. If no agreement is reached, the legal regulations will apply.

The above Decree-Law also regulates shift work and night work.

The length of each shift may not exceed the maximum duration of normal daily working hours and rosters may only be changed after the weekly rest day.

Night work is defined as work carried out between 8 pm and 7 am on the following day for which the worker receives a 25% increase in remuneration.

Under D.-L. no. 348/73 of 11.7.1973 this regulation does not apply to a range of activities that are carried out exclusively or primarily at night.

These include entertainers and artists and persons employed in hotels and in allied industries, as laid out in D.-L. no. 349/73.

Working-time reduction

Under D.-L. no. 409/71 normal working time may be reduced by collective agreement if increased productivity makes this possible, provided that the worker is neither financially disadvantaged as a result nor do his working conditions disimprove.

Part-time work

There are no special regulations for part-time work. Under D.-L. no. 409/71 of 27.9.1971, however, collective agreements should contain regulations for part-time work whenever they apply to activities or occupations where part-time workers may be employed. Primary consideration is to be given to workers with family responsibilities, workers with reduced capacities and workers attending an intermediate or higher-level educational facility.

Law no. 4/84 of 5.4.1984 entitles workers with one or more children under the age of 12 to work reduced or flexible hours. The conditions are laid down in D.-L. no. 135/85 and D.-L. no. 136/85 of 3.5.1985, the latter having been amended by D.-L. no. 154/88 of 29.4.1988.

Under the terms of Law no. 26/81 of 21.8.1981 school pupils and students at all levels are guaranteed the possibility of attending classes through flexible working hours or reduced working time. However, under no circumstances may the operation of the company be restricted nor any limits be placed on the rights of the workers concerned.

Under D.-L. no. 396/91 of 16.10.1991 minors may partake in part-time employment if they have reached the statutory minimum age, have not yet attained the minimum leaving certificate and are still attending school or participating in vocational training.

Overtime

Overtime is regulated by D.-L. no. 421/83 of 2.12.1983, as amended by D.-L. no. 398/91 of 16.10.1991.

Overtime is permitted if an enterprise requires extra labour which does not justify the recruitment of new employees, or if due to unforeseen circumstances overtime is an absolute necessity for the operation of the enterprise.

Excepting unforeseen circumstances overtime may not exceed the following limits:

- a) 200 hours per year;
- b) two hours per normal working day;
- c) normal daily working hours on compulsory or additional rest days or national holidays;
- d) half the normal daily working hours on half-days of additional rest.

Overtime premiums are 50% of remuneration for the first hour, 75% for every additional hour and 100% for hours worked on weekly, compulsory or additional rest days or national holidays.

In enterprises with more than ten employees the worker is entitled to a rest period of 15 minutes for every overtime hour for overtime worked on a weekday, an additional weekly rest day or a national holiday. Workers are entitled to one day's paid leave if they work overtime on a compulsory weekly rest day.

D.-L. no. 398/91 of 16.10.1991 introduced more flexible compensation regulations for overtime worked on a weekday or national holiday: employers and workers may agree to a premium of at least 100% of the hourly wage in lieu of paid leave.

In addition, since 1991 remuneration for overtime is not subject to higher social security contributions.

2.5 Health and safety at the workplace and protection for special categories

The right to working conditions which respect the dignity of the worker and enable his personal development, as laid down in the Constitution, is consistent with the norms of the Law on Employment Contracts, which impose a general duty on the employer to ensure the welfare of the worker. The employer is thus obliged to provide favourable working conditions and adequate conditions of health and safety and to prevent the risk of accidents at work or occupational illnesses.

Negligent violation of these regulations by the employer entitles the worker to terminate the employment contract and to claim compensation (D.-L. no. 64-A/89).

Basic legislation (Health and safety at the workplace)

Important new legislation concerning health and safety at work:

- D.-L. no. 109/91 of 15.3.1991, as amended by D.-L. no. 282/93 of 17.8.1993, lays down the safety regulations for work in industrial enterprises with the object of forestalling risks and conditions injurious to health. The health of the public and workers, the safety of persons and goods, health and safety at the workplace and the protection of the environment are thus to be guaranteed.
- Implementing Ordinance no. 25/93 of 17.8.1993 introduced a system of classification for the different industrial sectors according to which individual enterprises are categorised. It also lays down the stages of the procedure for issuing operating licences, which varies according to the classification of the enterprises.
- D.-L. no. 243/86 of 20.8.1986 concerns the commercial and services sector, endorsing the General Regulation on Health and Safety at Work in commercial enterprises, offices and services. It was previously in application in many offices of the public administration.
- D.-L. no. 330/93 of 25.9.1993 on manual transport of heavy goods.
- D.-L. no. 331/93 of 25.9.1993 on the use of working clothes.
- D.-L. no. 347/93 of 1.10.1993 and Decree no. 987/93 of 6.10.1993 on minimum regulations concerning the place of work.
- D.-L. no. 348/93 of 1.10.1993 and Decree no. 988/93 of 6.10.1993 on the use of special protective devices.
- D.-L. no. 349/93 of 1.10.1993 and Decree no. 989/93 of 6.10.1993 on the minimum safety and health regulations for work with appliances fitted with a detector.
- D.-L. no. 390/93 of 20.11.1993 on the risks to workers exposed to carcinogenic substances during working hours.
- D.-L. no. 398/93 of 20.11.1993, amending certain Articles of D.-L. no. 284/89 of 24.8.1989, on the health risks to workers exposed to asbestos during working hours.

- Law no. 17/95 of 9.6.1996 (as finalised by D.-L. no. 332/95 of 23.12.1995, which amended D.-L. no. 136/85 of 3.5.1985) via D.-L. no. 333/95 of 23.12.1995, which amended D.-L. no. 154/88 of 29.4.1988 (social security), and Decree no. 229/96 of 26.6.1996 on measures to improve the safety and health of pregnant women, mothers of new-born children and nursing mothers at work.
- D.-L. no. 141/95 of 14.6.1995 and Decree no. 1456-A/95 of 11.12.1995 on the labelling requirements for the safety and health of workers.
- D.-L. no. 155/95 of 1.7.1995 and Decree no. 101/96 of 3.4.1996 on the minimum requirements for safety and health on temporary or mobile shipyards.
- D.-L. no. 191/95 of 28.7.1995 on the application of the principles of safety at work to employees of the public administration.
- D.-L. no. 274/95 of 23.10.1995 on the minimum requirements concerning safety and health with a view to improving medical care on ships.
- D.-L. no. 324/95 of 29.11.1995 and Decrees no. 197/96 and 198/96 of 4.6.1996 on the protection of the safety and health of miners, both open-cast and underground.

There is a wide range of other pertinent legislation, specifically relating to the transport of dangerous goods, labelling and the storage and processing of crude oil and explosive materials (for mining and quarrying) in industry.

Decree-Laws no. 273/89 and 274/89 of 21.8.1989 and D.-L. no. 284/89 of 24.8.1989 were published in accordance with EEC Directives 78/610/EEC of 29.6.1978, 82/605/EEC of 28.7.1982 and 83/477/EEC of 19.9.1983. They established measures to protect the health of workers against the risk of exposure to vinyl chloride monomer, lead and asbestos at the workplace.

EEC Directive 88/364/EEC of 9.6.1988 was later implemented through D.-L. no. 275/91 of 7.8.1991. It guarantees the safety of workers through the prohibition of certain chemicals and/or activities.

D.-L. no. 441/91 of 14.11.1991 on measures to improve the safety and health of workers was published in accordance with EEC Directive 89/391/EEC. This legislation lays down the general legal framework for prevention of occupational risks and for establishing forms of dialogue and consultation for all parties concerned, and also provides for the introduction of the necessary structures.

The above Decree-Law gives a concrete form to the principles laid down in the agreement on safety, hygiene and health at work reached between the Government and the social partners on 19.7.1990 and supplemented on 30.7.1991. Its aim is to guarantee the application of these principles within the framework of the Single European Act.

The organisation and structure of the measures concerning safety, hygiene and health at work provided for in D.-L. no. 441/91 of 14.4.1991 were later regulated by D.-L. no. 26/94 of 1.2.1994.

The Institute for the Development and Monitoring of Working Conditions (*IDICT*) was set up under D.-L. no. 219/93 of 16.6.1993 with the aim of redefining the functions of the labour market authorities and on the basis of the aforementioned Economic and Social Agreement. This Institute has a wide range of tasks in the areas of labour relations and the monitoring of working conditions which target the promotion of safety, hygiene and health at the workplace.

Basic legislation (Prevention of and compensation for accidents at work and occupational illnesses)

There are a few basic laws relating to this issue:

Law no. 2 127 of 2.8.1965 lays down the legislation governing accidents at work and occupational illnesses and defines the circumstances under which workers and their families have the right to compensation for damages inflicted. Compensation covers benefits in kind, i.e. medical care, and monetary benefits, i.e. financial compensation for a temporary inability to work, life-long pensions in cases of permanent disability and on the death of a worker pensions for the surviving dependants.

A special fund was set up in the National Insurance Agency for Occupational Illnesses (*Caixa Nacional de Seguros de Doenças Profissionais*) in order to guarantee the payment of disability or dependent survivors' pensions where companies are unable to meet their obligations and to generally ensure the protection and regular revision of pensions.

D.-L. no. 360/71 of 21.8.1971, as amended by D.-L. no. 459/79, lays down the details relating to the compensation benefits provided for in Law no. 2 127.

It applies to all workers and self-employed persons working in commercial or industrial enterprises belonging to or acting in the interest of third parties, and to workers who are paid by the hour or for piecework and are not in a dependent employment relationship.

The protection of special categories of persons is guaranteed by various legal regulations which give concrete expression to constitutional principles and to some degree take into consideration the norms set by the International Labour Organisation.

The following special categories deserve particular mention: minors, persons with a reduced capacity to work and women.

Minors

Under the terms of D.-L. no. 396/91 of 16.10.1991 the employer is obliged to provide minors with working conditions which benefit their age and are not injurious to their physical, psychological or mental development.

The same Decree-Law also regulates the duties of the State and the employer with respect to vocational training of minors.

The regulations pertaining to work by minors adhere to the principles of EU Directive 94/33/CE of 22.6.1994:

- The minimum age for employment is currently fixed at 15 years and will be raised to 16 years in January 1997. Those pupils who began school in the 1987/88 school year (Law no. 46/86, Art. 63/1, of 14.10.1986), and were the first pupils subject to nine years' compulsory schooling, will have completed their schooling in 1996.

- Minors aged 14 years, and thus younger than the minimum age for employment, who have completed nine years' compulsory schooling (in force since 1987) may carry out light work which does not infringe on their physical or mental development. The type of activities permitted and the prescribed working conditions are laid down in Decree no. 714/93 of 3.8.1993.

These Decrees also stipulate, in connection with the legislation on the length and structure of working time, that minors may not perform night work in industrial enterprises and may not work overtime.

Workers with a reduced capacity to work

Enterprises and the State must facilitate and promote the vocational reintegration and the employment of workers who have a reduced capacity to work, irrespective of the cause (accidents at work or others).

D.-L. no. 40/83 of 25.1.1983 on sheltered employment, as amended by D.-L. no. 194/85 of 24.6.1985, obliges the employer to ensure that workers with reduced capacities are provided with guidance with regard to education and medical, psychological and social care, and to actively contribute to the personal and vocational development of the workers concerned. If required, working time must be reduced and rest periods extended. Moreover, night work and shift work are subject to approval by a team of rehabilitation specialists.

D.-L. no. 18/89 of 11.1.1989 defines the conditions under which special establishments must offer employment to severely disabled persons which provides them with the possibility of personal development and a sense of personal dignity. So-called employment centres were established by the social insurance institutions to this end. The activities carried out in such centres are either of social benefit or strictly vocational. The disabled workers may receive remuneration for their work; they also receive the net profits from the sale of their produce.

The purpose of Law no. 9/89 of 2.5.1989 is to guarantee implementation of the constitutional rights concerning prevention of disablement, treatment of disabled persons and rehabilitation of and equal opportunity for disabled workers.

Women

Law no. 4/84 of 5.4.1984, regulating protection of maternity and paternity, was amended by Law no. 17/95 of 9.6.1995 in accordance with EC Directive 92/85/CEE of 19.10.1992. It lays down a number of rights relating to health and job protection and defines the activities which are not advisable during pregnancy. According to this Law later legislation will define the activities which are prohibited or subject to certain conditions because they entail a real or potential risk for the child-bearing functions of the woman. Details are contained in Decree no. 229/96 of 26.6.1996.

D.-L. no. 136/85 (for industrial workers), as amended by D.-L. no. 332/95 of 23.12.1995, and D.-L. no. 135/85 (for workers in the public administration) of 3.5.1985 regulate the conditions under which the rights laid down in Law no. 4/84 may be exercised.

D.-L. no. 154/88 of 29.4.1988, stipulating the conditions under which maternity, paternity and adoption allowances and support for sick minors are granted, was amended by D.-L. no. 333/95 of 23.12.1995., which also laid down the respective amounts to be paid.

2.6 Collective agreements

D.-L. no. 519-C/79 of 29.12.1979, as amended by D.-L. no. 87/89 of 23.3.1989 and D.-L. no. 209/92 of 2.12.1992, regulates the collective working relationships between trade unions, employers' associations and individual employers. The standards also apply to public enterprises and enterprises run solely on public capital, provided no other definitions are laid down in their statutes. By virtue of D.-L. no. 87/89 legal representatives under private law working for the public benefit may also participate in negotiations.

Collective bargaining in the public administration is regulated by autonomous legislation (D.-L. no. 45-A/84 of 3.2.1984). This Decree-Law establishes the regulations concerning the process of negotiation and its object. It further stipulates that the agreements reached are recommendations that only have legal consequences once they have been integrated in a law or an appropriate decree.

Collective agreements may be reached at all levels of the employers' and employees' representative structures. In practice, however, collective agreements are primarily concluded between the principal trade unions and employers' associations.

Collective agreements may be negotiated at sectoral, enterprise or occupational level.

Since any alliance of trade unions or employer bodies has the right to collective bargaining, agreements reached for industrial sectors, occupational groups and geographical regions overlap to some extent.

Collective agreements regulate relations between the parties to the contract and the rights and reciprocal obligations of employers and workers. They also determine the procedures for conciliation, mediation and arbitration proceedings to resolve disputes ensuing from employment contracts. The object of collective agreements is restricted because some issues can only be regulated by law, such as leave, national holidays and absences, termination of the employment contract and fixed-term contracts; further restrictions are laid down in D.-L. no. 519-C/79. By virtue of this legislation the parties are, for example, prohibited from regulating economic matters relating to operating hours, taxation or price-making.

Minimum limits apply to the period of validity of collective agreements: they cannot be revoked within the first ten months after submission to the Ministry of Labour. This requirement is indispensable in order that the legal validity of an agreement can be verified.

The process of negotiation and the requirements that must be observed in drafting proposals and counter-proposals and in formulating the final text are subject to certain regulations. The final version of the agreement must be submitted to the Ministry of Labour prior to its publication.

Collective contracts have a minimum period of validity of one year. They remain in force until they have been amended or replaced by new contracts.

Procedures for the peaceful resolution of conflicts emanating from the negotiation or application of agreements have also been laid down.

2.7 Training, retraining and further training

Law no. 46/86 (the basic law on education) of 14.10.1986 lays down the general framework for the system of education, which encompasses schooling and vocational training.

The following additional regulations are in force:

- D.-L. no. 401/91 of 16.10.1991 lays down the basic regulations for all types of vocational training.
- D.-L. no. 405/91 of 16.10.1991 regulates in-firm vocational training, that is, training aimed specifically at dependent employees, the self-employed and the unemployed, including new entrants to the labour force.
- D.-L. no. 95/92 of 23.5.1992 regulates the certification of in-firm training and lays down further requirements relating to the practice of professions.
- D.-L. no. 70/93 of 10.3.1993 regulates the establishment and operation of vocational schools as a special form of schooling. The aim is comprehensive education for young people.
- D.-L. no. 102/84 of 29.3.1984 along with the modifications introduced by D.-L. no. 436/88 of 23.11.1988 established the apprenticeship training system. The object of such training is to facilitate the transition of young people from school to the labour force by means of an adequate vocational qualification.
- Decree no. 140/93 of 6.7.1993 regulates the organisation and operation of special training. Its specific purpose is to provide vocational qualifications for persons in particularly extreme circumstances of hardship and for marginal groups and to foster their social and vocational integration.
- D.-L. no. 165/85 of 16.5.1985 regulates training in enterprises or other public, co-operative or private establishments and sets the guidelines for technical and financial support from the *IEFP*, which can be provided in the form of accords (*acordos*) or protocols (*protocolos*).
- D.-L. no. 242/88 of 7.7.1988 lays down the rights and duties of trainees receiving public funding. It establishes a minimum of rights and duties for persons undergoing vocational training who are not, however, in dependent employment.
- Decree no. 86/92 of 5.6.1992 regulates the system whereby grants are awarded to workers who participate in training measures on their own initiative. The goal is improved employment prospects and social and vocational development for the workers.
- Decree no. 52/93 of 8.4.1993 defines norms and procedures for training and employment schemes which embrace both theory and work experience. The aim of the legislation is to acquaint workers with their working environment and to facilitate their integration into the labour market.
- Decree no. 67/91 of 25.3.1991 defines the criteria for selecting applicants wishing to access support for vocational training measures subsidised by the European Social Fund or provided by the Institute for Employment and Vocational Training (*IEFP*).
- D.-L. no. 15/94 of 6.7.1994 regulates provision of funding for employment and vocational training measures which is granted under the European Union's promotion schemes from the European Social Fund.
- Decree no. 464/94 of 28.6.1994 defines the minimum rates for vocational training allowances. These include ESF-subsidised training grants and allowances for unemployed trainees and trainees in dependent employment.
- Decree no. 465/94 of 28.6.1994 defines the minimum amounts to be covered by the ESF for the cost of training personnel and other expert staff providing in-firm vocational training.

2.8 Discrimination

The principle of equality is guaranteed in the Constitution and establishes the framework for the application of several fundamental rights, such as the right to work and the right to remuneration.

The legal framework for this principle is defined by D.-L. no. 392/79 of 20.9.1979, which prohibits discriminatory treatment of women in recruitment, vocational training, occupational development and remuneration. The *Committee for Equality in Work and Employment (CITE)*, which is to promote actions aimed at eliminating discrimination against women in matters of work and employment, was established on the basis of this legislation.

D.-L. no. 426/88 of 18.11.1988 extended the range of this legislation to include the public authorities. At the same time the functions of the *CITE* were modified. It now comprises representatives from the Ministry of Labour, the Ministry of Planning, the Government body responsible for the public sector, the Committee for the Status of Women and from trade unions and employers' associations. By virtue of this legislation the principles laid down in the Constitution were given concrete form and EEC Directives 75/117/EEC of 10.2.1975 and 76/207/EEC of 9.2.1976 were adopted into Portuguese law.

The Committee for the Equality of Women (*CIDM*) was set up in the Ministry of Labour by virtue of D.-L. no. 166/91 of 9.5.1991; its task is to ensure that in the formulation of general and sector-specific policy consideration is given to the situation of women and their right to equal opportunity.

3. Institutions and Functioning of the Labour Market

3.1 Employers' associations

Under the terms of D.-L. no. 215-C/75 of 30.4.1975 employers' associations represent employers as the parties to employment contracts. They are distinguished from associations of enterprises, whose main objective is to promote the economic interests of businesses. However, it is possible to convert an association of enterprises into an employers' association if the standard procedures for constituting such associations are observed.

Procedure for constituting employers' associations

Employers' associations acquire legal status through registration of their statutes at the Ministry of Qualifications and Employment and subsequent publication of the same in the *Boletim do Trabalho e Emprego*.

Organisational structure

The law allows for other organisational forms:

- Federation (*Federação*) – the organisation of employers' associations from one sector;
- Union (*União*) – the organisation of employers' associations at regional level;
- Confederation (*Confederação*) – the organisation of federations and/or unions and/or employers' associations:
 - Confederation of Portuguese Agriculture (*Confederação da Agricultura Portuguesa – CAP*);
 - Confederation of Portuguese Industry (*Confederação da Indústria Portuguesa – CIP*);
 - Confederation of Portuguese Trade (*Confederação da Comércio Português – CCP*).

Employers' associations, unions, federations and confederations are all empowered to conclude collective agreements and to provide various services to their members, provided that such activities are not for profit.

They are prohibited by law from producing or trading goods or services on the market.

3.2 Trade unions

D.-L. no. 215-B/75 of 30.4.1975 defines a trade union as a permanent association of workers brought together for the defence and promotion of their social and occupational interests. Membership is restricted to workers in dependent employment.

Procedure for constituting trade unions

Trade unions acquire legal status through registration of their statutes at the Ministry of Qualifications and Employment, which is obliged to publish these within 30 days in the *Boletim do Trabalho e Emprego* (Series III). The unions are registered immediately, irrespective of the legal validity of their statutes and the constitutional procedure – this is verified at a later date.

Organisational structure

- *Federation* – an association of trade unions for workers belonging to the same occupational group or sector;
- *Union* – an association of trade unions at regional level;
- *Confederation* – a national association of trade unions:
 - General Confederation of Portuguese Workers (*Confederação Geral dos Trabalhadores Portugueses – CGTP*);
 - General Union of Workers (*União Geral dos Trabalhadores – UGT*);
 - Portuguese Confederation of Technical and Scientific Employees (*Confederação Portuguesa de Quadros Técnicos e Científicos*).

Competencies

Trade unions are empowered to conclude collective agreements in the interest of the workers and to provide financial and social services to their members. In accordance with the Constitution they have the right to partake in the formulation of labour law. The right to this participation, which is also guaranteed to works councils, is stipulated in Law no. 16/79 of 26.5.1979.

The principle of trade union freedom

Trade union freedom is a special form of freedom of association which enjoys constitutional protection. It comprises a number of rights and freedoms for workers and trade unions:

- the right to form trade unions; this includes the freedom to choose the personal and geographical scope of a trade union and its free organisation, which is not subject to any legal restrictions;
- the right to trade union membership;
- the right to free internal organisation and regulations, which guarantees the right to self-administration and freedom to choose the organisational structure of the trade union (unions, federations, confederations);
- the right to engage in trade union activities in enterprises; this includes the recognition of trade union representatives and of the organisational structures of the trade union in the enterprise (shop stewards and union committees). The following additional rights are guaranteed: access for workers' representatives to workplaces, the right to convene meetings, the right of shop stewards to a job, the right to information and the right to time off for union activities;
- the right to special protection for workers' representatives through a range of measures that give due consideration to their special function in labour organisation. This constitutional right has been realised in the Law on Protection against Dismissal, the Law on Trade Unions and the Law on Works Councils.

3.3 Collective bargaining and the social partners

Collective bargaining is not only recognised as a means of regulating working conditions, but also as the preferred method of establishing collective interests.

Collective agreements are regulated by D.-L. no. 519-C1/79 of 29.12.1979, as amended by D.-L. no. 87/89 of 23.3.1989 and D.-L. no. 209/92 of 2.10.1992.

Levels of negotiation

Negotiations are held at enterprise, sectoral and occupational level, of which sectoral-level negotiations are the most frequent.

No specific level of negotiation is prescribed. The body initiating the collective negotiations (one or several unions) is free to choose its bargaining partners (employers or employers' associations) according to the level to which the results of the negotiations are to apply.

The social partners

The employers' associations and individual enterprises, on the one side, and the trade unions, on the other, are entitled to conclude collective agreements.

Public enterprises are considered as employer bodies since, although their relations with their employees are of a private legal nature, they are not entitled to membership in an employers' association.

Under the legislation relating to trade unions and employers' associations (cf. 3.1 and 3.2) the right to carry out collective bargaining is part of their legal status. Thus any trade union or employers' association established in accordance with the relevant legislation may take part in negotiations, irrespective of its size.

The only criteria for commitment to a collective agreement are trade union membership and the level of negotiation: a trade union whose membership consists of workers from a particular occupational group is the only representative body for these workers. If the trade union does not participate in the negotiations the agreements reached do not apply to its members.

The social partners are not always in a position to achieve absolutely comprehensive collective agreements. In such cases the Government may intervene with universally applicable declarations or implementing ordinances.

Universally applicable declarations ensure that working conditions as defined by collective agreement are also applied to those employers' associations and workers to whom they would not normally apply since these are not affiliated to the signatory organisations or, in the case of enterprise agreements, if they themselves are not signatories.

Decrees on minimum working conditions come into force in the absence of collective agreements due to the non-existence of trade unions or employers' associations, or in order to sanction refusal to negotiate. The latter case is becoming more rare because the social partners generally do fulfil this task.

Collective disputes

Legislation on industrial relations lays down the following as means for resolving collective conflicts of interest: conciliation, mediation and arbitration. Recourse to one or other of these mechanisms is generally optional, there is no rule of precedence and statutory regulations on the procedures are not binding. Where conflicts emerge due to violation of the principle of good faith as regards negotiations, labour relations can be regulated through implementing ordinances. The same applies where no trade unions or employers' associations exist.

Conciliation is a popular means of conflict resolution. The proceedings are conducted by the administrative offices of the Ministry of Labour. Compulsory arbitration proceedings may be prescribed if the parties fail to agree to the initiation of such proceedings within a period of two months after the breakdown of conciliation or mediation.

If the conflict concerns a public enterprise arbitration proceedings may only be ordained on the recommendation of the Economic and Social Council.

The result of conciliation or the agreement reached through mediation does not have automatic legal effect. Only arbitration has the status of an autonomous regulatory instrument; as for collective agreements, the decisions reached through arbitration must be registered and published.

3.4 Corporate bodies for worker representation

The works council

The Constitution and Law no. 46/79 of 12.9.1979 define works councils as groups of representatives of the workers of one enterprise, governed by statute which they themselves approve. Their task is to defend the workers' interests and to promote democratic worker participation in the enterprise.

The right to establish works councils is granted to all workers in dependent employment in public and private enterprises and to employees in the public administration, but not to persons with a contract for the provision of services.

Procedure for constituting works councils

Works councils are elected on the basis of lists drawn up by the permanent employees of the enterprise. Voting is direct and by secret ballot and election by proportional representation. The voting lists must be signed by 100 workers or 10% of the enterprise's total staff.

Sub-committees to works councils may be established in enterprises with geographically scattered production units. These are bound to follow the policy of the works council.

Committees may also be set up to participate in the reorganisation of production units and the drafting of labour legislation and economic and social plans for the respective sector or region.

Composition of works councils

Number of workers	Max. number of works council members
Up to 200 ^(a)	3
Between 201 and 500	5
Between 501 and 1,000	7
More than 1,000	11

(a) In enterprises with less than ten employees and a volume of annual sales no higher than ESC 30,000,000, there may be no more than two members.

Powers of the works councils

Works councils have powers relating to information, consultation and financial control. They also have powers of decision on social issues, but these powers do not extend to corporate management. The right to information is relatively broad and encompasses all information necessary for the works council to carry out its activities. However, the members of the works council may not disclose confidential information, failing which they are punishable by law and by discipline.

Consultative powers

Several measures for managing or altering corporate structures require the written opinion of the works council. These include:

- conclusion of viability agreements and similar accords;
- corporate liquidation or declaration of bankruptcy;
- alterations to working time;
- measures leading to staff reductions or a deterioration in working conditions;
- approval of the statutes and appointment of managers in public enterprises;
- conclusion of economic restructuring agreements.

If such measures are taken without prior consultation of the works council the measures are null and void.

Works councils also have the right to participate in an advisory capacity in the drafting of labour legislation and economic and social plans for the respective sector or region.

In cases of mass dismissals and lay-offs (D.-L. no. 64-A/89 and 64-B/89 of 27.2.1989) the works councils have the right to negotiate with the employer in pursuit of a solution at the level of employment policy or with regard to measures for social protection (cf. 2.2).

Powers of control

The works councils are empowered to ensure that technical and financial resources and personnel are deployed in accordance with the statutes of the enterprise.

The works councils have no legal status and, unlike trade unions, may not engage in collective bargaining. The relationship between works councils and trade unions is not clearly defined by the law, which, however, strives to preserve the autonomy of each organisation.

Trade union and inter-trade union committees

By virtue of D.-L. no. 215-B/75 workers and trade unions have the right to engage in trade union activities within the enterprise through the intermediary of shop stewards, trade union committees and inter-trade union committees.

A trade union committee is the organisation of shop stewards within an enterprise or a production unit.

An inter-trade union committee is the organisation of shop stewards of the trade union committees of an enterprise or production unit. Its membership must include members of all the trade unions represented in the enterprise. As regards trade union activities, meetings can be held at the place of work during or outside working hours.

Meetings held during working hours may not take up more than 15 hours a year. The meetings must always be called by the trade union committee if the workers are represented by one trade union, or by the inter-trade union committee if several trade unions are active in the enterprise.

Shop stewards are granted at least five hours a month, or eight hours a month if the enterprise has an inter-trade union committee, to devote to their functions. The maximum number of shop stewards is broken down as follows:

Number of trade union members in the enterprise	Number of shop stewards
Less than 50	1
Between 50 and 99	2
Between 100 and 199	3
Between 200 and 499	6
500 or more	$\frac{6 + n^* - 500}{200}$

n^* = number of workers

In the absence of a works council the right to information and consultation in cases of mass dismissals or lay-offs is transferred either to the enterprise's inter-trade union committee or trade union committee.

3.5 Size of enterprises and social obligations

The Law on Works Councils (Law no. 46/79) determines the composition of works councils, which depends on the number of workers in an enterprise (cf. overview above).

Under the terms of D.-L. no. 441/91 of 14.11.1991, a workers' representative body must be given responsibility for questions relating to safety, hygiene and health at the workplace. The representatives are elected on the basis of lists compiled by the trade unions active in the enterprise, or on the basis of lists which have been signed by at least 20% of the workers.

The number of representatives depends on the size of the enterprise:

Number of workers	Number of representatives
Less than 61	1
Between 61 and 150	2
Between 151 and 300	3
Between 301 and 500	4
Between 501 and 1000	5
Between 1001 and 1500	6
More than 1500	7

The workers' representatives may also be members of the Committee for Health and Safety at the Workplace, which is established in the enterprise in accordance with collective agreements.

Under D.-L. no. 34 446 of 17.3.1945 enterprises must also provide dining halls, and enterprises with a large number of employees must provide kitchens. The General Regulations on Health and Safety at the Workplace for commercial and services enterprises and offices, which were approved by D.-L. no. 243/86 of 20.8.1986, lay down conditions relating to the provision of dining halls, the details of which depend on the number of users.

4. Jobsearch and Benefits in the Event of Unemployment

4.1 Categories of jobseekers

Jobseekers are persons who exclusively require vocational information and orientation or who wish to participate in vocational training or special employment measures.

Jobseekers are grouped in the following five categories:

- unemployed persons looking for their first job;
- unemployed persons looking for a new job;
- persons employed in a full-time job;
- persons employed in a part-time job;
- persons participating in temporary job creation schemes for the public good.

Persons without employment who are available to start work within 30 days after registration are considered unemployed, irrespective of the nature of the employment sought. Persons looking for part-time or temporary employment, students who wish to work during their vacations and retired persons are all classified as unemployed, provided they meet the conditions laid out above.

Persons who are seeking work abroad may also register at the employment offices, although their applications are then processed separately. Persons who wish to participate in a scheme that does not specifically target jobseekers and persons exclusively looking for a place in a vocational training programme are not classified as jobseekers.

4.2 Unemployment compensation

There are two systems of compensation for unemployment (D.-L. no. 79-A/89 of 13.3.1989 as specified in D.-L. no. 418/93 of 24.12.1993 and D.-L. no. 57/96 of 22.5.1996): unemployment benefit (*subsídio de desemprego*) and unemployment assistance (*subsídio social de desemprego*), both of which are paid on a monthly basis.

Unemployment benefit

Unemployment benefit offers protection to workers who are involuntarily unemployed. The duration of benefit depends on the age of the recipient.

Conditions for entitlement

To qualify for this benefit the worker must have become unemployed against his own volition, be available for work and be registered as unemployed at his local employment office. In addition, he must have been in dependent employment for at least 540 days and have paid social security contributions as required during the two years prior to unemployment (this applies to domestic workers only if the social security contributions paid corresponded to actual remuneration).

Persons drawing a disability pension are entitled to unemployment benefit if they are declared fit for work by virtue of a medical examination subsequent to their disablement.

Beginning and duration of benefit

Unemployed persons must register at the employment office within a period of 90 days from the start of unemployment and submit an application for unemployment benefit at their local regional social security office (*Centro Regional de Segurança Social*). The benefit is payable from the date of application.

Once the qualifying conditions have been checked, the unemployed person (beneficiary) is eligible for compensation, the duration of which depends on his age on the date of application:

- 10 months – beneficiaries aged under 25 years;
- 12 months – beneficiaries aged between 25 and 29 years;
- 15 months – beneficiaries aged between 30 and 34 years;
- 18 months – beneficiaries aged between 35 and 39 years;
- 21 months – beneficiaries aged between 40 and 44 years;
- 24 months – beneficiaries aged between 45 and 49 years;
- 27 months – beneficiaries aged between 50 and 54 years;
- 30 months – beneficiaries aged 55 years and over.

If, when the period of benefit has expired (unemployment benefit and unemployment assistance) the worker has reached the age of 60 years, is still involuntarily unemployed and still fulfils all the other conditions, he is entitled to an old-age pension.

Amount of unemployment benefit

The amount of benefit is equal to 65% of the worker's average wage and is calculated by application of the formula $R/365$, where R represents the total remuneration received by the worker in the 12 months preceding the second-last month of employment (i.e. two months prior to the start of unemployment). The monthly benefit must at least be equal to the maximum legally guaranteed national minimum wage and may not exceed three times this amount. If the worker's average wage was less than the national minimum wage, his unemployment benefit may be equal to his average wage.

The rate of unemployment benefit for persons receiving a disability pension who are found fit for work is calculated in the same way as unemployment assistance. It may on no account be less than the disability pension to which they would otherwise be entitled.

The minimum wage is revised annually.

Suspension of the benefit

Entitlement to unemployment benefit is suspended during

- employment or self-employment;
- participation in a vocational training scheme if this includes financial compensation or a training allowance;
- military service or community work (conscientious objectors);
- service of a prison sentence;
- when the conditions for entitlement to maternity, paternity or adoption allowance are met.

Expiry of entitlement

Entitlement to unemployment benefit expires when

- the duration of entitlement expires;
- the worker is employed or self-employed for at least 540 consecutive days;
- the worker refuses suitable employment, community work or vocational training;
- the worker qualifies for a disability or old-age pension;
- the worker fails to appear at the employment office without just cause twice in succession or has made false declarations in order to qualify for an allowance;
- the worker fails to appear at the regional social security office to receive the benefit in person despite having been summoned, provided no sufficient reason is given within a period of eight days.

Unemployment assistance

Unemployment assistance is granted to workers in need who have exhausted their entitlement to unemployment benefit or fail to meet the qualifying conditions for unemployment benefit.

Conditions for entitlement

Unemployment assistance is granted to workers who

- are involuntarily unemployed and are available for work;
- are registered at their local employment office and were in dependent employment for at least 180 days in the 12 months prior to unemployment and paid social security contributions accordingly;
- have exhausted their right to unemployment benefit. In this case the duration of payment of unemployment assistance is reduced by 50%;
- have a per capita monthly family income of no more than 80% of the minimum monthly wage.

Duration of entitlement

Unemployment assistance is payable for the same duration as unemployment benefit. However, if the beneficiary has previously drawn unemployment benefit the duration is reduced by 50%. As of 1 July 1996, workers aged 45 or older are exempted from this regulation. For such beneficiaries who have not previously drawn unemployment benefit, the duration of benefit is 30 months. Unemployment assistance is granted for 15 months to workers aged 45 or over who were previously in receipt of unemployment benefit.

Beneficiaries aged 55 years or over, who are eligible for 30 months' payment (or 15 months in the case of previous receipt of unemployment benefit), may draw benefits until the age of 60 years and then claim an early old-age pension.

Amount of unemployment assistance

The amount of unemployment assistance payable is calculated according to the size of the worker's family and the maximum statutory national minimum wage, as detailed below:

70% of the monthly minimum wage:	no dependants
90% of the monthly minimum wage:	1 – 3 dependants
100% of the monthly minimum wage:	4 or more dependants

However, the above calculation does not apply if it results in an amount higher than the average wage, in which case the amount of unemployment assistance payable is equal to this wage. Persons who previously received a disability pension and who have exhausted their right to unemployment benefit receive an amount not higher than the disability pension to which they would otherwise be entitled.

Suspension and expiry of the entitlement

The conditions for suspension and expiry of entitlement to unemployment assistance are the same as those for unemployment benefit. Entitlement also expires when the family income increases to over 80% of the monthly minimum wage.

Guaranteed minimum income

The guaranteed minimum income was introduced by Law no. 19-A/96 of 29.6.1996. Its object is to provide individuals and their family members with means that contribute to satisfying their basic needs and facilitating their social and vocational integration.

The guaranteed minimum income consists of two elements. In addition to financial aid, it encompasses integration programmes determined on the basis of a social report.

The financial benefit is payable for one year and may be claimed anew after expiry of this period. It is non-refundable. The amount of the benefit is calculated in accordance with the social pension rate for persons who have not paid social security contributions.

The aim of the integration programmes is the social and vocational integration of the family members. They consist of a range of measures in the spheres of employment, vocational training, education, housing and other areas that can lead to social self-sufficiency.

The guaranteed minimum income is granted to persons aged over 18 years who have their permanent residence in Portugal, are extremely needy and commit themselves to participation in an integration programme, provided this is permitted by their age and health.

The monitoring body for the implementation of the guaranteed minimum income is the National Committee for the Minimum Income. This body comprises representatives from the Ministries of Qualifications and Employment, Solidarity and Social Security and Education and Health as well

as representatives from local authorities, private charitable institutions, trade unions and employers' associations.

The regional social security office with responsibility for the claimant decides whether a financial benefit is to be granted. Local monitoring committees in the municipalities are responsible for authorising, monitoring and evaluating integration programmes. They comprise representatives from regional institutions in the areas of social security, employment and vocational training, and education and health.

Social pilot projects will be developed between the date of publication of the Law and 1 July 1997, which will be regulated in detail by Decree no. 237-A/96 of 1.7.1996. The object of these projects is to generate the conditions for an effective application of the guaranteed minimum income.

Foreign workers

Foreigners who are authorised to work in Portugal and are registered in the social insurance system have the right to unemployment compensation under the same conditions as Portuguese nationals. A number of international agreements concerning social security, in particular European Union regulations, allow for accumulation of contributory periods (depending on the social security system in question: the duration for which contributions were made, the duration of employment or the duration of residence) such that entitlement to unemployment benefit can be acquired.

Under the above EU regulations unemployed persons may – in certain circumstances – for up to three months after the start of unemployment in one Member State of the EU or the European Economic Area seek work in another Member State without forfeiting their entitlement to unemployment compensation.

In addition, agreements still apply between Portugal and Spain and between Portugal and the Netherlands, according to which unemployed persons from these countries retain their right to compensation when they change their place of residence to another of the countries party to the respective agreement.

4.3 Monitoring requirements and procedures

According to the current requirements, applicants are subject to monitoring at regular intervals of not longer than three months (unemployed claimants) or two months (unemployed beneficiaries).

The employment offices and the social security institutions co-operate to this end, informing each other with respect to changes that may influence a person's entitlement to unemployment compensation.

Monitoring consists of sending a pre-paid postcard to the applicant, inviting him to indicate his current work situation and his wish to remain registered. Certain categories of jobseekers are summoned to appear in person at the employment office for a job offer, an employment or vocational training scheme or an interview; this results in more frequent monitoring. Failure to comply with one of these summons, or two in the case of a beneficiary, results in being struck off the register.

The pre-paid postcards are automatically generated by the central or local computer in the employment office by means of a data-processing system. They must be returned within two weeks to the employment office where the jobseeker is registered.

The jobseekers are also monitored by the social security institutions, since these pay the benefits to the recipients in person.

4.4 Suitable work and community work

According to the terms of D.-L. no. 79-A/89 of 13.3.1989 (Art. 5, no. 1), as specified in D.-L. no. 418/93 of 24.12.1993, employment is considered to be suitable provided that

- it can be carried out by the worker with due consideration given to his physical capabilities, schooling, vocational training and work experience;
and
- the remuneration is in accordance with legislation regarding minimum pay and other conditions relating to the occupational group are respected;
and
- the place of work is not so far removed from the place of residence that this would cause a serious burden to the worker or his family.

Art. 5, no. 2 of the same legislation introduces the concept of community work (*trabalho necessário*). This work is carried out under employment creation schemes organised by non-profit-making bodies and is beneficial to the public good. Recipients of benefits are obliged to carry out such work, provided they are physically and mentally capable and have no just cause for refusal.

5. Labour Market Supply and Demand

5.1 Legislation on placement and placement in practice

Legal framework

D.-L. no. 247/85 of 12.7.1985, which lays down the organisational and functional structure of the Institute for Employment and Vocational Training, forms the legal basis. Decree no. 728-A/92 of 20.7.1992 specifies the organisational structure of the central services.

The specifics of placement activities are defined by internal regulations. Placement is not the exclusive domain of the public labour market authorities: D.-L. no. 124/89 of 14.4.1989 regulates private placement activities with a view to adapting domestic law to the norms of ILO Convention no. 96, as ratified by Portugal.

This legislation modified the powers of private placement agencies in the placement of Portuguese workers abroad. Private placement agencies may intervene for precisely defined, fixed-term

employment in foreign enterprises on the condition that these be associates of a Portuguese enterprises or that they belong to the same group of enterprises.

On the other hand, agencies are expressly prohibited from conducting private placement activities for foreigners in Portugal who are not in possession of a residence permit.

D.-L. no. 358/89 of 17.10.1989 regulates the activities of temporary employment agencies, their contractual relations with temporary workers and employers as well as the system for casual transfer of workers.

5.2 Registration procedures

Registration as a jobseeker at an employment office is voluntary, excepting persons applying for unemployment benefit or unemployment assistance, in which cases registration is compulsory. The minimum age for registration is 14 years.

All jobseekers – whether in employment or unemployed – who approach an employment office for internal or external placement have a placement interview; this is a prerequisite for acceptance of their application.

Applicants register at the employment office in the area where they are resident. During the placement interview their personal and occupational data is recorded, providing the employment offices with a basis for placement.

Each jobseeker is given a registration number in accordance with the national classification of occupations (*CNP*). This constitutes the basis of efforts to match supply and demand.

Jobseekers are classified in five categories (cf. 4.1).

A jobseeker may be placed in another region where there is a surplus of vacancies. In this case the worker receives additional benefits in the interests of promoting geographical mobility.

5.3 Functioning of placement

The approach of the employment offices to placement is based on personal interviews aimed at co-ordinating the jobseeker's data with vacancies.

General information is provided on local and regional labour market conditions, on alternative measures for integrating people into working life and on the unemployment-protection systems that are in operation. Detailed information and counselling on career openings and/or the availability of vocational training schemes is also provided. Employment offices with the necessary capacity offer general information sessions on employment policy measures or for specific target groups. These include the long-term unemployed, for whom such information sessions are provided with a view to making their jobsearch activities more efficient.

The employment offices also disseminate information concerning employment policy measures to employers with the aim of encouraging them to make use of the employment offices' placement services and to create new jobs.

If necessary, jobseekers are examined by occupational doctors. Jobseekers who wish to be employed abroad are provided with information on appropriate vacancies. If a vacancy appears suitable the jobseeker is proposed to the respective employer. The employment office must record the result of the placement attempt in order to gain qualitative indications for future placement efforts and to keep its files up to date.

Apart from vacancies abroad, which are sent to the employment offices via the competent bodies in the Ministry of Foreign Affairs, there is no obligation to inform the offices of available vacancies. When a vacancy is reported to the employment office, it first checks the vocational requirements and ascertains whether the working conditions conform to current legislation.

As a second step, the employment office may negotiate the conditions of the vacancy.

Vacancies are classified in accordance with the *CNP*, as are jobs sought.

The employment offices are equipped with data-processing equipment and administer vacancies and jobs sought using a system that allows immediate access to data.

5.4 New placement procedures

New placement procedures are currently being introduced with a view to preventing and combating unemployment and facilitating the integration and reintegration of young jobseekers and unemployed persons, especially the long-term unemployed. The primary goal of these procedures is to encourage the unemployed to find solutions to their employment difficulties on their own initiative.

The following procedures deserve particular mention: information for the unemployed concerning application techniques in individual and group counselling sessions, vocational information, individual assistance programmes, incentives to independent jobsearch and establishment of self-help groups for the unemployed.

In group counselling sessions a number of unemployed persons are offered information and advice on their field of work. Different occupational groups are given consideration and jobsearch techniques are dealt with in detail. Counselling is fitted to suit the needs of the participants.

There are also group counselling sessions for unemployed persons experiencing similar difficulties with reintegration and information sessions relating to business start-ups and self-employment. These sessions are conducted in accordance with a model developed specifically for jobseekers.

In individual counselling sessions the jobseeker answers a questionnaire designed specifically to help in the search for employment, also in accordance with a special jobsearch model.

The provision of vocational information (D.-L. no. 59/92 of 13.4.1992) seeks to educate the population, especially the unemployed, as comprehensively as possible in order to prevent or solve problems related to employment and vocational training. The aim is to provide them with the possi-

bility of choosing a career that offers prospects for personal, vocational, entrepreneurial, social and economic development.

The individual assistance programme is designed for unemployed persons under the age of 45 who are receiving unemployment compensation and have been unemployed for nine months. Older unemployed persons may also participate on request if they are in receipt of benefits. This placement measure entails personal supervision of the unemployed person by agreement. Supervision is comprised of two elements: first, the actual possibilities of reintegration into the labour market are examined; then, employment, training or on-the-job training is proposed.

Jobsearch incentives are designed to encourage the unemployed to find employment independently or with the assistance of the employment office. They include a bonus if the jobseeker is successful and reimbursement for expenditure on advertisements.

The promotion of "Jobseeker Clubs" (*Univa e Clubes de Emprego*) is intended to facilitate, in cooperation with the employment offices, the integration or reintegration of young new entrants and the unemployed. Additionally, they provide a forum for communication between trainees and the employed through exchange of vacancies and jobs sought and through a joint analysis of employment and vocational training prospects and training oriented towards the labour market.

A framework of action for the development of a social labour market in Portugal has been laid down by virtue of Council of Ministers Resolution no. 104/96 of 9.7.1996.

The measures in this area will be developed by sheltered employment centres or workshops, employment schemes within the framework of employment and vocational training policy, private charitable institutions, local employment initiatives (*ILE*) with a social orientation, co-operatives in the manufacturing and service sectors and vocational training schemes aiming at the social and vocational qualification and integration of persons who are particularly difficult to place and socially marginalised.

Activities in the domain of community aid can also be subsumed under the social labour market, especially those involving the use of service cheques, as well as measures developed within the framework of enterprise integration.

Measures that promote local resources, involve the population and provide for financial participation and partite co-operation by several institutions are given priority in the creation and development of initiatives for the social labour market.

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1. General Measures

The specific purpose of the strategic measures designed to enhance Portugal's socio-economic development in the period 1994-1999 is to prepare the country for the new Europe, achieve competitiveness on global markets and attain a higher standard of living.

The principal goal with respect to competitiveness is to secure sustainable economic growth by the following means: better qualified human resources, improved infrastructures and, by narrowing regional economic divides, more competitive enterprises.

Priority is given to measures aimed at:

- stimulating the labour market and providing aid to young people in order to enhance Portugal's human resources and thus achieve a new status on world markets;
- establishing infrastructures and networks which will internationalise, modernise and thus stabilise the economy;
- increasing the competitiveness of enterprises in order to make Portugal an attractive location for future business ventures;
- reducing the regional divide by promoting the coastal region, the interior, the Azores and Madeira.

The specific objectives of the European Union's Support Plan for Portugal for the period 1994-1999 reflect the significance afforded to human resource development in the Regional Development Programme (1994-1999):

- to enhance the basic qualifications of the labour force by improving the quality of the education system and placing greater emphasis on the technical and vocational aspects of primary and secondary schooling;
- to gradually extend to all young people and to new labour market entrants who have left the education system without a vocational qualification the provision of initial vocational training of at least one year's duration and to pursue the integration of these persons into working life;
- to increase the number and the quality of middle and higher-level specialists and managers and to provide support for special further training schemes in Portugal and abroad; to improve communication between training centres, research institutes and enterprises through the establishment of appropriate levels of co-operation and by promoting the mobility of highly qualified specialists and managers in industry;
- to improve the quality and the level of employment through further training, job creation, preventive measures and the pursuit of alternative economic solutions for regions which are particularly severely affected by adverse developments in individual sectors or enterprises;
- to aid socially disadvantaged groups by establishing the conditions which will enable these persons to participate in employment and training schemes and to enter working life;
- to promote, as a priority, educational and vocational integration schemes which target equal opportunity and equality for women, specifically: proportional participation of women in such schemes, expanding the range of occupations open to women, facilitating their access to new economic sectors where jobs are emerging and ensuring opportunities for advancement and access to management posts;
- to improve the organisation of technology and personnel in the fields of employment and training policy and the structure and management of the education system;
- to stimulate local and regional development in the fields of employment and training.

The following table provides an overview of the most important schemes, sub-schemes and measures in the European Union's Support Plan for 1994-1999, under which some 850,000 people are to be given aid by the end of 1999.

The specific employment measures which come under the jurisdiction of the *MQE* in Portugal and the respective governing bodies in the autonomous regions (Azores and Madeira) are then presented in accordance with the MISEP system.

Note: As far as possible, data for the last three years are provided:

1992, 1993 and 1994: absolute figures.

1995 and 1996: provisional figures.

Schemes and Sub-Schemes	Number of Persons
Measures	(1994–1999)
Total	846,368
Initial qualification and labour market integration	117,219
– Apprenticeship training	40,629
– Initial job and initial qualification / other measures	76,590
– Labour market integration	–
Improvement of quality and level of employment	577,041
– Employment development	283,080
– Further vocational training	190,787
– Vocational training for the unemployed	45,691
– Vocational training due to adverse developments in individual sectors	17,983
– Training for instructors and other employees	39,500
Economic and social integration for socially disadvantaged groups	129,289
– Aid for social development	57,720
– Economic and social integration for adult long-term unemployed	27,864
– Economic and social integration for disabled persons	32,605
– Economic and social integration for socially disadvantaged groups	11,100
Regional and local development	22,819
– Support for investments, handicrafts and job creation	21,954
– Support at regional level	865

2. Employment Maintenance

- P-ii.1 Short-time working or temporary suspension of employment (*Suspensão ou redução temporária da prestação de trabalho*)

**Short-time working or temporary suspension of employment
(*Suspensão ou redução temporária da prestação de trabalho*)**

Aim

To ensure the economic viability of enterprises and to preserve jobs through short-time working or temporary total suspension of employment.

Legal Basis

- D.-L. no. 398/83 of 2.11.1983;
- D.-L. no. 64-B/89 of 27.2.1989;
- D.-L. no. 210/92 of 2.10.1992.

Contents

Short-time working or a temporary total suspension of employment can have cyclical, economic or technological causes, or be the consequence of disasters or other events. The duration varies between six and 18 months, during which time the workers are still employees of the enterprise and receive wage compensation of no less than the national minimum wage paid in equal parts by the employer and the *IGFSS*.

Financial Resources

Social security (co-participation).

Year	Mainland
1992	ESC 64,071
1993	ESC 172,146
1994	ESC 110,892
1995	ESC 51,670
1996	ESC 120,516

Institutional Support

This measure is implemented by the competent administrative offices of the *MQE* (*DGCT* and *IDICT*) and *IGFSS*.

Duration

Unlimited.

Effects

Number of persons

Year	Mainland
1992	150
1993	475
1994	177
1995	89
1996	150

3. Aid to the Unemployed

- P-iii.1 System of unemployment protection (*Sistema de protecção no desemprego*)
- P-iii.2 Employment scheme for persons in receipt of unemployment benefits (*Programa ocupacional para subsidiados*)
- P-iii.3 Employment scheme for unemployed persons in need (*Programa ocupacional para desempregados em situação de carência económica*)
- P-iii.4 Grants for integrating young people into working life (*Subsídio de inserção de jovens na vida activa*)
- P-iii.5 Guaranteed minimum income (*Rendimento mínimo garantido*)

System of unemployment protection (*Sistema de protecção no desemprego*)

Aim

To protect persons who are involuntarily unemployed through the provision of unemployment benefit (*SD*), the duration of which depends on the age of the worker. Unemployed persons in need who have exhausted their right to benefit or who do not fulfil the conditions for eligibility receive unemployment assistance (*SSD*).

Legal Basis

- D.-L. no. 79-A/89 of 13.3.1989;
- Decree no. 994/89 of 16.11.1989;
- D.-L. no. 418/93 of 24.12.1993;
- Regional D.-L. no. 26/94/M of 22.9.1994;
- D.-L. no. 57/96 of 25.5.1996.

*Contents**

1 Unemployment benefit

Workers who were in dependent employment for at least 540 days in the 24 months preceding unemployment and who paid social security contributions accordingly are entitled to unemployment benefit. The benefit is equal to 65% of the worker's average remuneration in the 12 months prior to unemployment, may not, however, exceed three times the national minimum wage. The duration of benefit depends on the age of the worker, varying between ten months for workers aged 25 years or less and 30 months for workers aged over 55 years.

2 Unemployment assistance

Unemployment assistance is granted to workers who have either exhausted their entitlement to unemployment benefit or are not yet eligible for unemployment benefit, but have been in dependent employment with regular earnings for at least 180 days within the 12 months preceding unemployment. In addition, the monthly per capita income of the worker's family may not exceed 80% of the national minimum wage.

The amount of unemployment assistance payable is 100% of the national minimum wage for workers with four or more dependants, 90% for those with between one and three dependants and 70% for workers without dependants.

* Additional details may be found in the description of legislation in Chapter II.

The duration of entitlement depends on the age of the worker. The same conditions apply as for unemployment benefit, with the following exceptions:

- a) The duration of entitlement is reduced by half if receipt of unemployment assistance is preceded by receipt of unemployment benefit;
- b) As of 1.7.1996, the duration of entitlement is 30 months for persons aged 45 years or older (or 15 months for those previously in receipt of unemployment benefit).

Workers aged over 55 years may draw unemployment assistance until the age of 61 and then enter early retirement.

Financial Resources

Social security.

(ESC 1,000s)

Year	Mainland	Azores	Madeira
1992	64,695,081	619,251	720,587
1993	106,398,777	1,074,940	1,135,939
1994	127,388,149	1,677,800	1,652,921
1995	132,985,059	1,818,537	1,995,663
1996	141,568,203	1,823,400	1,796,361

Institutional Support

Once the employment office has established that the conditions for entitlement are met, applications on the mainland for unemployment benefit and unemployment assistance are submitted to the regional social security offices (*Centros Regionais de Segurança Social*).

In the Azores the applications are submitted directly to the regional social security offices and on Madeira to the employment offices.

Duration

Unlimited.

Effects

Number of persons

Year	Mainland	Azores	Madeira
1992	129,173	1,472	1,552
1993	171,010	2,664	2,310
1994	175,144	3,038	2,634
1995	176,448	2,903	2,709
1996	177,600	2,600	2,800

**Employment scheme for persons in receipt of unemployment benefits
(Programa ocupacional para subsidiados)**

Aim

To provide temporary employment of community interest to persons in receipt of unemployment benefits.

Legal Basis

- D.-L. no. 79-A/89 of 13.3.1989;
- D.-L. no. 418/93 of 24.12.1993;
- Decree no. 145/93 of 8.2.1993;
- Decree no. 413/94 of 27.6.1994;
- Common Ordinance of 29.4.1994 (Series II);
- Decree no. 247/95 of 29.3.1995.

Contents

Following approval by the labour market authorities, these employment schemes are implemented by non-profit-making organisations.

A premium of maximum 20% of the worker's monthly unemployment compensation is paid for such work; the total amount may not, however, exceed the workers' previous wage. The *IEFP* carries the cost of remuneration, while the bodies implementing the schemes pay travel, maintenance and insurance costs.

Financial Resources

Social security and *IEFP*.

(ESC 1,000s / *IEFP* contribution)

Year	Mainland
1992	-
1993	-
1994	177,819
1995	955,816
1996	800,000

Institutional Support

The employment offices are responsible for implementing the schemes, excepting the 20% premium, which is paid by the regional social security offices.

Duration

Unlimited.

Effects

Number of persons

Year	Mainland
1992	1,946
1993	7,602
1994	18,171
1995	15,328
1996	12,225

**Employment scheme for unemployed persons in need
(*Programa ocupacional para desempregados em situação de carência económica*)**

Aim

To combat joblessness through the temporary employment of jobseekers who are either seasonal workers or in need for other reasons and do not fulfil the qualifying conditions for unemployment benefit or have already exhausted their entitlement.

Legal Basis

- Decree no. 247/95 of 29.3.1995;
- Decree no. 192/96 of 30.5.1996.

Contents

The employment has a duration of up to one year, which may be extended by an additional year under certain circumstances. However, existing jobs may not be filled under this scheme. The employment schemes provided by public or private charitable institutions are intended to serve community needs and to enable the unemployed participants to earn their living and engage in a useful social activity.

Unemployed persons who are registered as jobseekers at the employment office and have a monthly per capita income not exceeding 80% of the national minimum wage may apply for this program. The jobseekers conclude an employment contract with the provider of the scheme and receive a monthly remuneration equal to the national minimum wage. In addition, their costs for travel and board are reimbursed and they are provided with accident insurance.

The remuneration is co-financed by the provider and the *IEFP*, which contributes between 80 and 100% for the first six months and between 60 and 80% for the following six months. The *IEFP* contribution may amount to either 80 or 100% in the second period if the employed workers reside in a region with an unemployment rate above the national average or if they are from industrial sectors in crisis or under restructuring.

Financial Resources

IEFP.

(ESC 1,000s)

Year	Mainland
1992	936,819
1993	2,428,788
1994	1,409,421
1995	3,082,747
1996	3,647,232

Institutional Support

The providers of these schemes submit their projects to the local employment office.

Duration

Unlimited.

Effects

Number of persons

Year	Mainland
1992	5,574
1993	6,170
1994	8,070
1995	11,978
1996	6,717

**Grants for integrating young people into working life
(Subsídio de inserção de jovens na vida activa)**

Aim

To provide grants to help integrate young, first-time jobseekers aged between 18 and 25 years into working life.

Legal Basis

- Law no. 50/88 of 19.4.1988;
- Decree no. 382/88 of 17.6.1988;
- Common Ordinance of 2.8.1989 (Series II).

Contents

Young people who are willing and able to work are entitled to a grant, provided they fulfil the following conditions:

- they have been registered as unemployed at their local employment office for at least 6 months;
- they have completed the 9th school year or an apprenticeship or have participated successfully in an *IEFP* vocational training measure or a training measure recognised by the *IEFP*;
- they have attended neither a public nor a private educational institute in the two preceding years, nor have they participated in a vocational training measure during the same period;
- they are not drawing unemployment benefit of any kind;
- their per capita family income does not exceed 60% of the national minimum wage.

The amount of the monthly grant is equal to the pension which would be due under the non-contributory system of social security and is paid for a maximum duration of 15 months.

Young people in receipt of this grant are given priority in the allocation of places on employment or vocational training schemes.

Financial Resources

Social security.

(ESC 1,000s)

Year	Mainland	Azores	Madeira
1992	8,120	–	620
1993	8,172	–	244
1994	16,296	–	657
1995	25,276	–	1,851
1996	18,424	–	714

Institutional Support

The employment offices in co-operation with the regional social security offices.

Duration

Unlimited.

Effects

Number of persons

Year	Mainland	Azores	Madeira
1992	89	–	5
1993	72	–	5
1994	137	–	7
1995	140	–	13
1996	50	–	15

Guaranteed minimum income (*Rendimento mínimo garantido*)

Aim

To provide individuals and their families with means that contribute to satisfying their basic needs and facilitating their social and vocational integration.

Legal Basis

- Law no. 19-A/96 of 29.6.1996;
- Decree no. 237-A/96 of 1.7.1996.

Contents

The guaranteed minimum income is granted to persons aged over 18 years – or younger persons with dependent minors – who have their permanent residence in Portugal and are in extreme need. An additional condition is that they must commit themselves to participating in an integration programme, provided this is permitted by their age and health, and be available for employment, educational measures, vocational integration measures or other schemes designed to foster their and their dependant's social self-sufficiency.

The financial benefit is payable for one year and may be claimed anew after expiry of this period. It is non-refundable. The amount of the benefit is calculated in accordance with the social pension rate for persons who have not paid social security contributions.

Social pilot projects will be developed for one year – between the date of publication of the Law and 1 July 1997 – which are intended to generate the conditions for an effective application of the guaranteed minimum income.

Financial Resources

Social security;
Other ministries participating in the integration programmes.

Institutional Support

National Committee for the Minimum Income;
Local monitoring committees.

Duration

Unlimited.

4. Training, Retraining and Occupational Mobility

- P-iv.1 Apprenticeship training for young people (*Formação de jovens em regime de aprendizagem*)
- P-iv.2 Vocational preparation for young people (*Formação de jovens em regime de pré-aprendizagem*)
- P-iv.3 Vocational schools (*Escolas profissionais*)
- P-iv.4 Training/employment schemes for young people, specialists, managers and adults (*Programas de formação para jovens, quadros e adultos*)
- P-iv.5 Gradual working-time reduction for older workers to support training/employment measures (*Apoios à formação/emprego por redução gradual da duração de trabalho de trabalhadores idosos*)
- P-iv.6a Technical and financial support for co-operation in training – Accords (*Apoios técnicos e financeiros à formação em cooperação – Acordos*)
- P-iv.6b Technical and financial support for co-operation in training – Protocol centres/semi-state vocational training centres (*Apoios técnicos e financeiros à formação em cooperação – Protocolos/Centros de formação de gestão participada*)
- P-iv.7 Aid for special vocational training (*Apoios à formação profissional especial*)
- P-iv.8 Training grants for workers (*Bolsas de formação da iniciativa do trabalhador*)
- P-iv.9 Grants for fixed-term employment (*Bolsas para emprego temporário*)
- P-iv.10 Aid to firms undergoing restructuring (*Apoios às empresas em fase de mutação*)
- P-iv.11 Grant-aided additional training for persons who have completed vocational training measures (*Apoio complementar de formação aos ex-estagiários de formação profissional*)
- P-iv.12 Public vocational training centres (*Centros de formação profissional de gestão directa*)
- P-iv.13 General and vocational training courses for integration into working life (*Cursos de educação e formação profissional para inserção na vida activa*)
- P-iv.14 Vocational training workshops programme (*Programa Escolas-Oficinas*)
- P-iv.15 Promotion of vocational training and employment to conserve the cultural heritage – CPC (*Apoio à formação-emprego no âmbito da Conservação do Património Cultural – CPC*)
- P-iv.16 Practical vocational training (*Estágios profissionais*)

Apprenticeship training for young people (Formação de jovens em regime de aprendizagem)

Aim

To provide young people aged between 14 and 24 who have completed at least six years' schooling and are seeking their first job with the necessary vocational qualification for the transition from school to working life.

Legal Basis

- D.-L. no. 102/84 of 29.3.1984;
- D.-L. no. 436/88 of 23.11.1988;
- Regional Administrative Ordinance no. 9/86/M of 14.6.1986.

Contents

To establish a system of vocational training encompassing theoretical and practical aspects which provides specific vocational training as well as general education. The first is carried out in enterprises, extra-plant training centres, so-called protocol centres and recognised vocational training centres; the general training usually takes place in schools.

The young people are bound to an enterprise by an apprenticeship contract. Between the first and fourth years of their apprenticeship the trainees receive a training grant amounting to between 50% and 100% of the sum fixed annually by the competent office. The employment offices contribute between 100% (in the first year of training) and 35% (in the fourth year) to the costs of the grants.

Financial Resources

Mainland: *IEFP* and *ESF*;
Madeira: *DREFP* and *ESF*.

(ESC 1,000s)

Year	Mainland	Madeira
1992	17,717,325	191,057
1993	17,794,537	213,674
1994	14,005,983	267,514
1995	10,126,273	424,585
1996	9,336,961	467,043

Institutional Support

National Apprenticeship Committee (*CNA*);
Employment offices.

Duration

Unlimited.

Effects

Number of persons

Year	Mainland	Madeira
1992	17,910	254
1993	20,330	280
1994	17,340	284
1995	11,145	346
1996	8,284	348

Vocational preparation for young people (*Formação de jovens em regime de pré-aprendizagem*)

Aim

To enable young people aged between 15 and 21 years to complete compulsory schooling and to acquire other qualifications necessary for attending a vocational training course.

Legal Basis

- D.-L. no. 102/84 of 29.3.1984;
- D.-L. no. 383/91 of 9.10.1991;
- Resolution of the Regional Government of Madeira no. 281/89 of 1.6.1989.

Contents

The vocational preparation scheme comprises general education and specific vocational training and also gives young people an insight into working life.

Training courses have a maximum duration of 1,500 hours and a maximum weekly duration of 35 hours. The young people are bound by a contract for a vocational preparation scheme to the training institutes and receive a monthly training grant (paid by the employment offices) amounting to 40% of the sum for apprenticeships fixed annually by the competent body.

Participants who successfully complete the training course receive a certificate which corresponds to the certificate for completion of the 6th school year. This qualifies them to either continue schooling or begin an apprenticeship.

Financial Resources

Mainland: *IEFP* and *ESF*;
Madeira: *DREFP* and *ESF*.

(ESC 1,000s)

Year	Mainland	Madeira
1992	(included under P-iv.1)	26,179
1993	(included under P-iv.1)	41,503
1994	(included under P-iv.1)	9,348
1995	(included under P-iv.1)	37,305
1996	(included under P-iv.1)	41,035

Institutional Support

National Apprenticeship Committee (*CNA*);
Employment offices.

Duration

Unlimited.

Effects

Number of persons

Year	Mainland	Madeira
1992	(included under P-iv.1)	49
1993	(included under P-iv.1)	63
1994	(included under P-iv.1)	36
1995	(included under P-iv.1)	76
1996	(included under P-iv.1)	70

Vocational schools (*Escolas profissionais*)

Aim

To increase the supply of vocational training with a view to the vocational integration of young persons and in reply to needs in the field of regional and local development.

Legal Basis

D.-L. no. 70/93 of 10.3.1993.

Contents

Vocational schools are set up on the initiative of local or regional offices and/or individual sectors and financed by public or private bodies.

On the Portuguese mainland, applications are assessed according to conditions and criteria defined by the Ministry of Education in collaboration with the *MQE*. Following the approval of applications, schools are established under the terms of a "programme contract" concluded between the financing body and the Ministry of Education.

In the autonomous region of the Azores, the Regional Secretariat for Education and Culture, in agreement with the employment and vocational training authorities, defines the conditions and criteria for the assessment of applications and concludes the programme contracts with the financing body. There are five vocational schools in the Azores.

In the autonomous region of Madeira, vocational schools are established under local initiative independently of the normal educational system. The Regional Directorate for Education (*DRIGE*) and the Regional Directorate for Employment and Vocational Training (*DREFP*) are the decision-making bodies as regards the foundation of vocational schools. Both public and private institutions may apply.

Young persons with at least nine years' schooling comprise the main target group. In addition to a socio-cultural and scientific education, the participants receive primarily technical and practical training for three years, for which they obtain a certificate corresponding to completion of the 12th school year and which is recognised as a Level three vocational qualification. Vocational schools are also open to young persons who have completed no less than six years of schooling; after a three-year training course their level of qualification corresponds to nine years of schooling.

Financial Resources

Mainland

In addition to their own resources and contributions from the financing bodies, funding for vocational schools is guaranteed through the *PRODEP II* sub-scheme, which will be financed until 1999 from the structural fund of the European Union's Support Plan.

Azores

PEDRAA programme (ESF-funded) and Regional Government.

Madeira

Own resources, Regional Secretariat for Education, social security and ESF.

(ESC 1,000s)

Year	Mainland	Azores	Madeira
1991/1992	–	–	–
1992/1993	–	–	–
1993/1994	–	–	40,917
1994/1995	–	–	107,821
1995/1996	–	–	161,497

Institutional Support

Ministries with responsibility for education, labour, employment and vocational training.

Duration

Unlimited.

Effects

Number of persons

Year	Mainland	Azores	Madeira
1991/1992	13,758	–	–
1992/1993	17,095	67	–
1993/1994	22,727	146	42
1994/1995	25,932	176	105
1995/1996	26,092	626	147

Training/employment schemes for young people, specialists, managers and adults
(Programas de formação para jovens, quadros e adultos)

Aim

To provide unemployed young persons, adults, specialists and managers with vocational training leading to a qualification in order to prepare them for the requirements of the labour market and to facilitate their integration or reintegration.

Legal Basis

- Ordinance no. 52/93 of 8.4.1993;
- Decree no. 1324/93 of 31.12.1993;
- Decree no. 247/95 of 29.3.1995.

Contents

The following groups may participate in the scheme:

- young persons aged between 18 and 24 years who are registered as unemployed at the employment office, who have completed compulsory schooling and are no longer attending school;
- young persons aged under 25 years and adults aged under 35 years who have been unemployed for at least 12 months and have completed a university or equivalent education, vocational training or 12 years of schooling;
- persons who have been registered as unemployed for longer than 12 months who are available for work and are at least 25 years of age.

The trainees receive a training allowance calculated on the basis of the national minimum wage; the amount depends on the educational qualification of the trainee.

Each training measure has a duration of one year and comprises theoretical and practical training.

Participants in the scheme may be private non-profit-making organisations or firms which have an interest in training and recruiting workers. The measures commence following conclusion of a contract with the *IEFP* and the costs are carried by both parties. The *IEFP* assumes all the costs for trainees who are female, disabled or older than 45 years.

Priority consideration is given to training or employment schemes for occupations in the following fields: environment, security, health and safety at the workplace, arts and culture.

Enterprises which conclude permanent employment contracts with trainees (specialists, managers and adults) subsequent to their training receive a non-refundable financial subsidy for each job created.

Financial Resources

IEFP and ESF.

Mainland (ESC 1,000s)

Year	Young persons	Specialists and managers	Adults
1992	3,852,229	814,671	1,497,734
1993	668,599	386,994	406,127
1994	2,088,410	1,164,025	1,411,491
1995	409,816	415,405	600,106
1996	881,252	648,683	1,121,178

Institutional Support

Employment offices.

Duration

Started 1989.

Effects

Mainland (Number of persons)

Year	Young persons	Specialists and managers	Adults
1992	11,011	1,474	2,811
1993	2,963	982	1,807
1994	3,704	896	2,395
1995	933	482	1,289
1996	1,153	655	1,239

**Gradual working-time reduction for older workers to support training/
employment measures**
**(Apoios à formação/emprego por redução gradual da duração de trabalho
de trabalhadores idosos)**

Aim

To gradually reduce the working time of workers approaching retirement and thus to enable the vocational integration of unemployed persons in the form of in-plant training.

Legal Basis

Decree no. 247/95 of 29.3.1995.

Contents

Employees of enterprises who are due to reach retirement age in four years time may enter a contract with the firm to gradually reduce their working hours. During this period they pass on their vocational experience and knowledge to the unemployed persons recruited for their job within the framework of a training or employment scheme.

The employees are guaranteed payment of the basic wage and corresponding statutory contributions.

The trainee's remuneration may not exceed twice the national minimum wage of which the *IEFP* carries 100% of the costs in the first year of training, 75% in the second year, 50% in the third year and 25% in the final year.

Financial Resources

IEFP and *ESF*.

Duration

Unlimited.

P-iv.6a

**Technical and financial support for co-operation in training – Accords
(Apoios técnicos e financeiros à formação em cooperação – Acordos)**

Aim

To provide technical and financial assistance to public, private or co-operative bodies which organise vocational training schemes agreed to under accords or protocols.

Legal Basis

- D.-L. no. 165/85 of 16.5.1985;
- Ordinance no. 72/85 of 10.10.1985;
- Ordinance no. 73/85 of 10.10.1985;
- Ordinance no. 74/85 of 10.10.1985;
- Ordinance no. 16/86 of 19.2.1986.

Contents

Accords are the basis for technical or financial aid which enables the organisation of special one-off vocational training measures.

Subsidies are allocated for amounts ranging between 45%, 60% and 75% of the actual operating costs, the percentage being defined annually according to the funds available and the priority given to the respective training schemes.

The purpose of loans is the purchase of buildings required for the training schemes or to refurbish, enlarge or adapt existing buildings. Loans may not exceed 50% of the total cost of investments.

Financial Resources

IEFP and ESF.

(ESC 1,000s)

Year	Mainland
1992	–
1993	999,937
1994	2,056,754
1995	4,050,529
1996	3,080,800

Institutional Support

IEFP and other institutions.

Duration

Unlimited.

P-iv.6b

**Technical and financial support for co-operation in training – Protocol centres/semi-state vocational training centres
(Apoios técnicos e financeiros à formação em cooperação – Protocolos/centros de formação de gestão participada)**

Aim

To provide technical and financial assistance to public, private or co-operative bodies which organise vocational training schemes agreed to under protocols or accords.

Legal Basis

D.-L. no. 165/85 of 16.5.1985.

Contents

The purpose of protocols is to meet permanent vocational training needs within one or more sectors. They establish bodies under public law which enjoy administrative and financial autonomy, i.e. protocol centres or semi-state vocational training centres.

Financial Resources

IEFP and ESF.

(ESC 1,000s)

Year	Mainland
1992	11,347,212
1993	13,774,294
1994	11,817,081
1995	10,282,649
1996	10,800,000

Institutional Support

Semi-state vocational training centres.

Duration

Unlimited.

Effects

Number of persons

Year	Mainland
1992	33,796
1993	33,849
1994	40,737
1995	30,164
1996	26,552

P-iv.7

**Aid for special vocational training
(Apoios à formação profissional especial)***Aim*

To provide persons in particularly extreme circumstances or who belong to marginal groups with a vocational qualification and to facilitate their socio-vocational integration.

Legal Basis

Ordinance no. 140/93 of 6.7.1993.

Contents

The distinctive feature of special vocational training is that it is adapted to the needs of the target groups.

Vocational integration is achieved through the following specific measures:

- theoretical and practical training;
- work experience or supplementary training in enterprises;
- in-plant training.

Applications for aid are submitted to the competent employment office. Technical and financial assistance is provided by the *IEFP*.

The implementing bodies may be private charities or associations, co-operatives or other organisations which work with marginal groups, and other organisations, welfare initiatives and local authorities.

The employment offices, *IEFP* vocational training centres and the administrative offices of the regional social security offices may function both as implementing bodies and as training institutes.

Financial Resources

IEFP and ESF.

Institutional Support

Employment offices.

Duration

Unlimited.

Training grants for workers
(Bolsas de formação da iniciativa do trabalhador)

Aim

To improve the employment prospects of persons in employment and of the unemployed through full-time or part-time training.

Legal Basis

- Ordinance no. 86/92 of 5.6.1992;
- Decree no. 247/95 of 29.3.1995.

Contents

In the allocation of the grants priority is given to workers employed in sectors, regions or individual enterprises undergoing a crisis and to workers with low qualifications.

Workers who are employed are not required to interrupt their employment in order to participate in the training scheme; they continue to receive their wage for the duration of the training. Unemployed persons receive a grant during training amounting to 50% or 100% of the national minimum wage, depending on whether they are supporting dependants or drawing an unemployment benefit.

Financial Resources

IEFP and ESF.

(ESC 1,000s)

Year	Mainland
1992	-
1993	1,781,622
1994	2,224,283
1995	1,032,082
1996	389,000

Institutional Support

Employment offices.

Duration

Unlimited.

Effects

Number of persons

Year	Mainland
1992	–
1993	4,768
1994	2,871
1995	493
1996	263

**Grants for fixed-term employment
(Bolsas para emprego temporário)**

Aim

To enable workers in employment to participate in off-the-job training schemes.

Legal Basis

Decree no. 247/95 of 29.3.1995.

Contents

Workers participating in a training scheme are replaced by unemployed persons who have already undergone training. The unemployed are recruited by means of grants for fixed-term employment.

For the duration of the fixed-term replacement, the enterprise carries the cost of the basic wage and legal and collectively agreed obligations. 30% of the costs are reimbursed by the *IEFP*.

Financial Resources

IEFP and ESF.

(ESC 1,000s)

Year	Mainland
1996	10,000

Institutional Support

Regional *IEFP* administrative offices.

Duration

Started January 1995.

Effects

Number of persons

Year	Mainland
1996	25

P-iv.10

**Aid to firms undergoing restructuring
(Apoios às empresas em fase de mutação)***Aim*

To provide training for workers threatened by unemployment which will enable the continuation of their employment in the respective firm or their reintegration into the labour market.

Legal Basis

Decree no. 247/95 of 29.3.1995.

Contents

The vocational training measures are carried out within the framework of special training schemes which are the subject of agreements between the enterprises and the *IEFP* employment offices.

Financial Resources

IEFP and ESF.

Institutional Support

Employment offices.

Duration

Unlimited.

P-iv.11

Grant-aided additional training for persons who have completed vocational training measures
(Apoio complementar de formação aos ex-estagiários de formação profissional)

Aim

To supplement training acquired in public or semi-state institutions with in-plant training; to encourage employers to create additional jobs.

Legal Basis

- Ordinance no. 109/86 of 12.12.1986;
- Ordinance no. 47/87 of 6.5.1987;
- Decree no. 5/87 of 21.1.1987 (*JORAM* no. 3 – Series I);
- Decree no. 21/88 of 3.5.1988 (*JORAM* no. 64 – Series I).

Contents

Former participants in vocational training measures are provided with an allowance for a duration of up to six months. The amount depends on the family income of the worker and varies between 70% and 100% of the national minimum wage.

Financial Resources

Mainland: *IEFP* and *ESF*;
 Madeira: *DREFP*.

(ESC 1,000s)

Year	Mainland	Madeira
1992	181,308	1,391
1993	172,792	1,366
1994	195,614	4,663
1995	134,458	5,796
1996	315,988	6,666

Institutional Support

Employment offices.

Duration

Unlimited.

Effects

Number of persons

Year	Mainland	Madeira
1992	1,053	9
1993	932	9
1994	890	29
1995	683	33
1996	1,077	35

Public vocational training centres
(Centros de formação profissional de gestão directa)

Aim

To enable participants, aged 18 years and older, to gain technical and practical knowledge in order to adapt their qualification, further training or vocational retraining to the requirements of the labour market.

Legal Basis

D.-L. no. 247/85 of 12.7.1985.

Contents

The training courses last between six and 12 months, during which time the trainees receive – among other benefits – a training allowance. The minimum requirement for participation in these courses is the ability to read and write; for specialised courses the trainee must have completed the 9th or 11th school year or equivalent education.

Financial Resources

IEFP and ESF.

(ESC 1,000s)

Year	Mainland
1992	5,321,188
1993	6,913,675
1994	7,276,530
1995	6,582,206
1996	9,605,752

Institutional Support

Employment offices and *IEFP* vocational training centres.

Duration

Unlimited.

Effects

Number of persons

Year	Mainland
1992	17,331
1993	19,656
1994	12,161
1995	8,084
1996	10,268

P-iv.13

**General and vocational training courses for integration into working life
(*Cursos der educação e formação profissional para inserção na vida activa*)**

Aim

To provide young people with vocational preparation or training leading to a qualification of at least one year's duration prior to their entry into working life.

Legal Basis

Decree no. 1272/95 of 25.10.1995.

Contents

An extension of existing training provisions to the following young, first-time jobseekers:

- Young people aged 15 years who have not completed the 9th school year, provided they have completed the 6th school year or equivalent education. They are awarded a European Union Level 1 leaving certificate on completion of the training course.
- Young people who have completed the 9th school year or equivalent education, provided they have no vocational training and do not intend to proceed to advanced education. They are awarded a European Union Level 2 vocational qualification on completion of the training course.

The preparation courses (EU Level 1) comprise no less than 600 and no more than 800 hours. The qualification courses (EU Level 2) comprise between 1,200 and 1,600 hours.

Training grants are awarded to the participants in accordance with their economic situation.

Financial Resources

Ministry of Education, Ministry of Qualifications and Employment and participating training establishments.

Institutional Support

Ministry of Education;
IEFP;
Co-ordination Committee.

Duration

Unlimited.

Vocational training workshops programme (Programa Escolas-Oficinas)

Aim

To provide young, first-time jobseekers and persons registered as long-term unemployed at the employment office with vocational training in the traditional handicraft professions and in activities related to the environment with a view to enabling them to enter dependent employment or self-employment.

Legal Basis

Decree no. 414/96 of 21.8.1996.

Contents

The duration of the training programme is one year, comprising four months' (560 hours) theoretical training and eight months' (1,120 hours) practical training. Trainees who wish to enter self-employment or start a business on completion of training may additionally attend an *IEFP* course on business management.

Public and private institutions which fulfil the required conditions, crafts associations or co-operatives, production workshops owned and managed by a craftsperson, individual craftspersons and family businesses may act as providers.

The trainees receive a monthly training grant, an allowance for board and travel, accident insurance and the right to holiday leave. Participants who wish to become self-employed on completion of the training course and who present a business plan to this end receive aid in the form of a subsidy amounting to 12 times the monthly minimum wage. In addition, for the duration of one year they may be reimbursed for the costs of rent for premises, renovation and overhauling equipment.

The *IEFP* finances the training. The training establishments additionally receive a financial contribution towards redemption payments for plant equipment and towards the purchase of raw materials. In accordance with the relevant legislation, they also receive funding should they enter employment contracts with participants and are assisted in the marketing of the end product of the training.

Institutional Support

IEFP.

Duration

Unlimited.

P-iv.15

Promotion of vocational training and employment to conserve the cultural heritage – CPC
(Apoio à formação-emprego no âmbito da Conservação do Património Cultural – CPC)

Aim

To facilitate access to the labour market for the long-term unemployed aged 25 years and older and young, first-time jobseekers aged 20 years and older through vocational training measures enabling them to either find stable employment or become self-employed.

Legal Basis

- IEFP programme;
- Decree no 247/95 of 29.3.1995.

Contents

Provision of technical and financial assistance to ensure, over a period of up to two years, vocational preparation of a level sufficient to undertake various activities linked to the cultural heritage.

A non-refundable grant equal to 12 times the national minimum wage is provided for new jobs created. The grant may be increased by 20% when the recipients are at least 44 years of age and have been unemployed for longer than 12 months.

In certain circumstances a loan amounting to 12 times the national minimum wage may be granted for every new job created.

Financial Resources

IEFP and ESF.

(ESC 1,000s)

Year	Mainland
1992	955,701
1993	933,595
1994	555,081
1995	82,959
1996	222,200

Institutional Support

Employment offices.

Duration

Unlimited.

Effects

Number of persons

Year	Mainland
1992	777
1993	852
1994	125
1995	87
1996	114

Practical vocational training (*Estágios profissionais*)

Aim

To enable young people with higher-level schooling or other training leading to a qualification to supplement their education with practical vocational training.

Legal Basis

Decree no. 247/95 of 29.3.1995.

Contents

The practical vocational training of maximum one year's duration is carried out in either public or private institutions. Trainees with higher-level schooling receive a training grant equal to twice the monthly minimum wage; those with other training receive 1.3 times the monthly minimum wage. The trainees enter into a training contract with the provider.

The training grant is financed in equal parts by the *IEFP* and the provider.

Financial Resources

IEFP and ESF.

(ESC 1,000s)

Year	Mainland
1995	8,672
1996	995,716

Institutional Support

Employment offices.

Duration

Started May 1995.

Effects

Number of persons

Year	Mainland
1995	58
1996	591

5. Job Creation

- P-v.1 Local employment initiatives (*Iniciativas locais de criação de empregos – ILE*)
- P-v.2 Subsidies for permanent employment contracts (*Apoio financeiro à contratação por tempo indeterminado*)
- P-v.3 Support for recipients of unemployment benefits to enter self-employment (*Criação do próprio emprego por desempregados titulares de prestações de desemprego – CPE*)
- P-v.4 Support for entry into self-employment (*Apoio à criação do próprio emprego – ACPE*)
- P-v.5 Support for business start-ups (*Apoio à criação de empresas – NACE*)
- P-v.6 Technical support for small enterprises (*Apoio técnico às pequenas empresas*)

Local employment initiatives
(Iniciativas locais de criação de empregos – ILE)

Aim

To stimulate the creation of initiatives to generate local jobs which are economically and socially viable and stimulate local development.

Legal Basis

- D.-L. no. 189/96 of 8.10.1996;
- Ordinance no. 25/95 of 4.9.1995 (*JORAM* no. 166, Series I).

Contents

Technical and financial aid is provided. Financial aid is given in the form of non-refundable subsidies – amounting to 18 times the national minimum wage – and interest-free loans, the total amount of which may not exceed 18 times the national minimum wage. The loans must be repaid within a period of no more than seven years. This term includes a maximum period of two years during which repayments may be suspended in the event of financial difficulties. The target group for these subsidies are unemployed persons, young, first-time jobseekers and workers threatened by unemployment. The subsidies are increased by 20% when young people, recipients of the guaranteed minimum income or long-term unemployed persons are hired. When businesses are started by women or jobs are created for women, the subsidies are increased by an additional bonus of 20% of 12 times the national minimum wage. Only one bonus may be claimed at a time.

Financial Resources

Mainland: *IEFP* and *ESF*;
 Madeira: *DREFP* and *ESF*.

(ESC 1,000s)

Year	Mainland	Madeira
1992	1,326,014	124,287
1993	4,833,270	120,172
1994	3,819,896	149,865
1995	4,008,129	133,913
1996	5,200,000	150,390

Institutional Support

Employment offices.

Duration

Unlimited.

Effects

Number of persons

Year	Mainland	Madeira
1992	2,432	127
1993	3,045	102
1994	2,293	111
1995	3,050	101
1996	–	115

**Subsidies for permanent employment contracts
(*Apoio financeiro à contratação por tempo indeterminado*)**

Aim

To create incentives for private enterprises to offer permanent employment contracts for jobs created within the framework of investment projects to young, first-time jobseekers and persons registered at the employment office as long-term unemployed.

Legal Basis

- D.-L. no. 89/95 of 6.5.1995;
- D.-L. no. 34/96 of 18.4.1996;
- Resolution no. 799/95 of 17.7.1995 (*JORAM* no. 139 – Series I);
- Resolution no. 816/96 of 15.7.1996 (*JORAM* no. 76 – Series I).

Contents

Enterprises with up to 50 employees which create new jobs, for which they recruit on permanent contracts young, first-time jobseekers aged between 16 and 30 years or long-term unemployed persons, may receive financial aid in the form of a non-refundable subsidy equal to 12 times the monthly minimum wage.

The subsidy may also be granted to enterprises with over 50 employees when they recruit unemployed persons aged over 45 years who have been registered at the employment office for more than 18 months.

The subsidised enterprises enter into an obligation not to shed any jobs for a period of at least four years.

Financial Resources

Mainland: *IEFP* and *ESF*;

Madeira: Regional Directorate for Employment and Vocational Training, *ESF*.

(*ESC* 1,000s)

Year	Mainland	Madeira
1994	363,850	–
1995	4,096,065	22,260
1996	6,407,266	167,100

Institutional Support

Mainland: employment offices and regional social security offices;

Madeira: Regional Directorate for Employment and Vocational Training.

Duration

Unlimited.

Effects

Number of persons

Year	Mainland	Madeira
1994	444	–
1995	6,213	35
1996	8,234	250

**Support for recipients of unemployment benefits to enter self-employment
(Criação do próprio emprego por desempregados titulares de prestações de
desemprego – CPE)**

Aim

To enable recipients of unemployment benefits to create their own livelihood.

Legal Basis

- D.-L. no. 79-A/89 of 13.3.1989;
- D.-L. no. 418/93 of 24.12.1993;
- Decree no. 476/94 of 1.7.1994;
- Decree no. 247/95 of 29.3.1995.

Contents

Recipients are given the total amount of their unemployment benefits as a financial aid to creating their own livelihood. An additional non-refundable grant for planning, setting up and operating the project is also provided. The maximum amount of the grant is 12 times the national minimum wage. It may be increased by 20% when the beneficiaries are at least 45 years of age and have been unemployed for longer than 12 months.

The viability of each project must be proven.

Financial Resources

Mainland: social security and *IEFP*;
Madeira: social security and *DREFP*.

(ESC 1,000s)

Year	Mainland	Azores	Madeira
1992	1,941,482	–	3,670
1993	2,977,878	3,601	8,731
1994	3,336,207	7,860	7,760
1995	4,434,984	–	–
1996	5,349,295	–	10,000

Institutional Support

Employment offices and regional social security institutions.

Duration

Unlimited.

Effects

Number of persons

Year	Mainland	Azores	Madeira
1992	1,847	–	10
1993	4,240	3	13
1994	3,232	3	12
1995	4,041	–	–
1996	4,400	–	13

Support for entry into self-employment (Apoio à criação do próprio emprego – ACPE)

Aim

To assist in the creation of self-employment. Aid is provided to young persons aged between 18 and 25 years and to long-term unemployed persons who are qualified for independent professions, including handicrafts.

Legal Basis

- *IEFP* programme;
- Decree 9/90 of 31.1.1990 (*JORAM* no. 14, Series I);
- Decree no. 247/95 of 29.3.1995.

Contents

Candidates must have proof of their vocational qualification for the activity which they propose to develop and they must present projects which are clearly viable from economic, regional and sectoral points of view.

Both technical and financial aid is provided, including a non-refundable installation grant corresponding to 12 times the national minimum wage and assistance in drawing up the enterprise proposal at the end of a six-week training course in organisation and management.

The grant may be increased by 20% when the recipients are at least 45 years of age and have been unemployed for longer than 12 months.

In certain circumstances a loan amounting to 12 times the national minimum wage per job created may be granted.

Candidates who propose self-employment in the handicraft sector receive assistance in marketing their product in the form of agreements with non-profit-making associations which receive financial compensation in exchange.

Financial Resources

Mainland: *IEFP* and ESF;
Madeira: *DREFP* and ESF.

(ESC 1,000s)

Year	Mainland	Madeira
1992	233,204	545
1993	513,643	2,323
1994	460,485	4,226
1995	452,985	8,236
1996	688,910	23,333

Institutional Support

Employment offices.

Duration

Unlimited.

Effects

Number of persons

Year	Mainland	Madeira
1992	790	1
1993	438	4
1994	411	7
1995	450	13
1996	546	15

Support for business start-ups
(Apoio à criação de empresas – NACE)

Aim

To encourage the creation of small enterprises either by individuals aged 18 years or older or by corporations or co-operatives.

Legal Basis

- IEFP programme;
- D.-L. no. 445/80 of 4.10.1980.

Contents

Projects are selected according to their technical, economic and financial viability. The following forms of aid are available through the IEFP:

- financial aid equal to 12 times the national minimum wage for every job created. The grant is increased by 20% for each job taken by a woman in traditionally male-dominated professions. If the majority promoter of the investment is a woman involved in the management of the enterprise, the grant is also increased by 20%;
- free use of buildings for a duration of 3 years;
- technical training and follow-up supervision.

In addition to the above forms of aid, up to 60% of the total amount of investment is financed by a State credit institution.

Financial Resources

IEFP and ESF;
 State savings bank (*Caixa Geral de Depósitos*).

(ESC 1,000s)

Year	Mainland
1992	411,000
1993	–
1994	71,739
1995	122,426
1996	199,500

Institutional Support

Employment offices.

Duration

Unlimited.

**Technical support for small enterprises
(*Apoio técnico às pequenas empresas*)***Aim*

To establish a counselling network with the aim of giving small enterprises access to employment and training schemes.

Legal Basis

- Decree no. 469/93 of 4.5.1993;
- Ordinance no. 22/93 of 19.5.1993 (Series II).

Contents

Technical support consists primarily of collaboration established under protocols between universities, research institutes and interested enterprises and associations.

The aim is to determine the actual need for vocational training in small enterprises. Plans adapted to the process of economic development in the enterprise are to be drawn up on the basis of these findings.

Financial Resources

IEFP and *ESF*.

Institutional Support

Directorate General for Employment and Vocational Training (*DGEFP*).

Duration

Started May 1993.



6. Special Categories of Workers

Youth

- P-vi.1 Job creation for young people through exemptions from compulsory social security contributions (*Criação de emprego de jovens por dispensa de contribuições para a Segurança Social*)

Women

- P-vi.2 Employment and vocational training for women (*Emprego e formação profissional de mulheres*)

Disabled

- P-vi.3 Reduction of social security contributions to facilitate the vocational integration of disabled persons (*Redução de contribuições para a integração profissional de pessoas deficientes*)
- P-vi.4 Support for the socio-vocational integration of disabled persons (*Apoios à integração socioprofissional de pessoas deficientes*)
- P-vi.5 Sheltered employment scheme (*Programa sobre emprego protegido*)
- P-vi.6 Vocational preparation schemes for disabled persons (*Programas de preparação profissional de pessoas deficientes*)
- P-vi.7 Public Vocational Rehabilitation Centre (*Centro de reabilitação profissional de gestão directa*)
- P-vi.8 Semi-state Vocational Rehabilitation Centre (*Centro de reabilitação profissional de gestão participada*)

Long-term unemployed

- P-vi.9 Exemption from compulsory social security contributions to promote the recruitment of the long-term unemployed (*Apoio à contratação de trabalhadores desempregados de longa duração por dispensa de contribuições para a Segurança Social*)
- P-vi.10 Integration programme to combat long-term unemployment (*Programa integrado de combate ao desemprego de longa duração*)
- P-vi.11 Other measures

Job creation for young people through exemptions from compulsory social security contributions
(Criação de emprego de jovens por dispensa de contribuições para a Segurança Social)

Aim

To create permanent employment for young, first-time jobseekers aged between 16 and 30 years.

Legal Basis

- D.-L. no. 89/95 of 6.5.1995;
- D.-L. no. 34/96 of 18.4.1996.

Contents

Employers are exempted from paying social security contributions for a period of 36 months when they recruit young people aged between 16 and 30 years. In the event of recruitment on a fixed-term contract, the contributions are reduced by 50%. The qualifying condition for these benefits is that the number of employees in the firm must have increased in comparison to the final month of the previous calendar year. The 50% reduction is in force until 31.12.1996.

Financial Resources

(ESC 1,000s)

Year	Mainland	Azores	Madeira
1992	10,511,480	14,911	107,093
1993	10,733,310	51,615	158,791
1994	10,194,961	32,431	186,636
1995	9,659,453	-	167,002
1996	9,152,070	13,000	149,400

Institutional Support

Regional social security offices (*Centros Regionais de Segurança Social*).

Duration

Unlimited.

Effects

Number of persons

Year	Mainland	Azores	Madeira
1992	51,055	180	785
1993	47,859	131	855
1994	42,369	88	980
1995	43,139	272	749
1996	43,800	110	560

Employment and vocational training for women (Emprego e formação profissional de mulheres)

Aim

To promote vocational training for unemployed women so as to facilitate their integration or reintegration into the labour market, with special consideration given to socially disadvantaged groups. Priority is given to measures for women which target new occupational fields, traditionally male-dominated professions and business start-ups.

In addition, support is provided for the establishment of women's "Exchange and Counselling Networks" with a view to fostering co-operation between different educational centres for women and exchange of information and experience.

Legal Basis

- IEFP programme;
- D.-L. no. 445/80 of 4.10.1980.

Contents

The schemes target women of all ages and aim to assist in the elaboration of career plans and in the personal development of the women as a supplement to basic vocational training.

Vocational preparation measures and additional training schemes, which vary in length between 120 and 280 hours, are conducted either directly by the IEFP or by other bodies: enterprises, private charitable institutions, women's organisations, employers' associations, trade unions and non-profit-making private bodies.

Financial Resources

IEFP and ESF.

(ESC 1,000s)

Year	Mainland
1992	119,178
1993	123,804
1994	66,366

Institutional Support

IEFP.

Duration

This scheme has been incorporated within the various measures under the EU Support Plan (1994–1999) since 1994.

Effects

Number of persons

Year	Mainland
1992	200
1993	572
1994	-

P-vi.3

Reduction of social security contributions to facilitate the vocational integration of disabled persons
(Redução de contribuições para a integração profissional de pessoas deficientes)

Aim

To create jobs for disabled workers.

Legal Basis

- D.-L. no. 299/86 of 19.9.1986;
- D.-L. no. 125/91 of 31.3.1991.

Contents

The social security contributions of employers who hire disabled workers on permanent contracts are reduced by approximately 50%.

Financial Resources

(ESC 1,000s)

Year	Mainland	Azores	Madeira
1992	32,715	–	–
1993	45,627	–	–
1994	61,703	125	–
1995	80,396	–	–
1996	104,750	–	–

Institutional Support

Regional social security offices (*Centros Regionais de Segurança Social*).

Duration

Unlimited.

Effects

Number of persons

Year	Mainland	Azores	Madeira
1992	381	–	–
1993	465	5	–
1994	556	–	–
1995	951	7	–
1996	1,050	–	–

**Support for the socio-vocational integration of disabled persons
(Apoios à integração socioprofissional de pessoas deficientes)**

Aim

To encourage disabled persons to become self-employed and to assist enterprises which recruit disabled persons.

Legal Basis

- D.-L. no. 247/89 of 5.8.1989;
- Ordinance no. 99/90 of 6.9.1990.

Contents

Disabled persons who become self-employed may receive financial aid in the form of non-refundable subsidies; if required, they may also obtain interest-free loans.

Enterprises receive financial assistance for:

- recruitment of disabled persons on permanent employment contracts;
- recruitment of disabled persons with a reduced capacity to work. Aid is provided in the form of financial compensation for the period of adaptation or readaptation for a maximum duration of four years;
- elimination of architectural obstacles when adapting buildings to the functional needs of disabled workers;
- recruitment of disabled persons who require individual supervision and assistance during the integration period.

Financial Resources

Mainland: *IEFP* and ESF;

Madeira: Regional Directorate for Special Education.

(ESC 1,000s)

Year	Mainland	Madeira
1992	311,216	11,645
1993	1,155,654	14,361
1994	583,030	21,057
1995	542,336	25,075
1996	658,938	40,090

Institutional Support

Mainland: central, regional and local *IEFP* administrative offices;

Madeira: Regional Directorate for Special Education.

Duration

Unlimited.

Effects

Number of persons

Year	Mainland	Madeira
1992	2,125	23
1993	1,218	44
1994	471	51
1995	557	51
1996	434	53

P-vi.5

Sheltered employment scheme (*Programa sobre emprego protegido*)

Aim

To foster the personal development of young and adult disabled persons who, because of their limitations, have difficulty finding and/or keeping suitable employment on the normal labour market by providing them with permanent and paid employment which offers them the prospect of on-the-job training and, whenever possible, transition towards normal work.

Legal Basis

- D.-L. no. 40/83 of 25.1.1983;
- D.-L. no. 194/85 of 24.6.1985.

Contents

The scheme is open to disabled persons of legal working age who, due to their handicap, cannot be directly integrated into the normal labour market and who fulfil the conditions defined under Article 2 of D.-L. no. 40/83 of 25.1.1983.

Financial Resources

IEFP and *ESF*.

(ESC 1,000s)

Year	Mainland
1992	171,405
1993	373,407
1994	217,134
1995	225,956
1996	979,900

Institutional Support

Central, regional and local *IEFP* administrative offices.

Duration

Unlimited.

Effects

Number of persons

Year	Mainland
1992	1,065
1993	1,133
1994	419
1995	936
1996	571

Vocational preparation schemes for disabled persons
(Programas de preparação profissional de pessoas deficientes)

Aim

To introduce young disabled persons who are completing their final years of compulsory schooling to vocational activities and to provide disabled persons older than 16 years with the knowledge and capabilities necessary for obtaining a vocational qualification. Further, to help the physically disabled to use their vocational experience in order to adapt to work.

Legal Basis

- Decree no. 388/79 of 31.12.1979;
- D.-L. no. 247/89 of 5.8.1989.

Contents

- Technical and financial installation aid for non-profit-making private bodies and public institutions for workshops, equipment and the recruitment of supervisors for schemes aimed at young persons aged 12 years and older.
- Technical and financial support for institutions (private bodies with co-operation agreements) which conduct vocational training measures and readaptation schemes.
- Technical and financial support for institutions which provide vocational guidance for disabled persons.

Financial Resources

IEFP and *ESF*.

(ESC 1,000s)

Year	Mainland
1992	5,226,199
1993	5,518,531
1994	5,795,788
1995	5,693,689
1996	7,090,690

Institutional Support

Central, regional and local *IEFP* administrative offices.

Duration

Unlimited.

Effects

Number of persons

Year	Mainland
1992	5,827
1993	5,155
1994	4,816
1995	5,258
1996	5,396

Public Vocational Rehabilitation Centre
(Centro de reabilitação profissional de gestão directa)

Aim

To provide disabled persons aged 18 years and older with skills which will enable them to carry out professional activities, or the necessary knowledge and abilities to obtain a vocational qualification so as to find a job and advance in their profession.

Legal Basis

D.-L. no. 247/85 of 12.7.1985.

Contents

Provision of vocational guidance and technical training in the agricultural, industrial and service sectors, and schemes which promote sheltered employment.

Financial Resources

IEFP and ESF.

(ESC 1,000s)

Year	Mainland
1992	(included in P-vi.6)
1993	373,293
1994	421,987
1995	416,128
1996	500,915

Institutional Support

Lisbon and Tagus Valley regional delegations/IEFP.

Duration

Unlimited.

Effects

Number of persons

Year	Mainland
1992	(included in P-vi.6)
1993	176
1994	204
1995	222
1996	501

Semi-state Vocational Rehabilitation Centre
(Centro de reabilitação profissional de gestão participada)

Aim

To provide young disabled persons who have completed compulsory schooling with skills which will enable them to carry out professional activities, or the necessary knowledge and abilities to obtain a vocational qualification so as to find a job and advance in their profession.

Legal Basis

- D.-L. no. 165/85 of 16.5.1985;
- Decree no. 641/86 of 29.10.1986.

Contents

Educational and vocational training measure (including apprenticeships) and employment schemes. Development of measures in the fields of technology and research.

Financial Resources

IEFP and ESF.

(ESC 1,000s)

Year	Mainland
1992	(included in P-vi.6)
1993	373,000
1994	330,700
1995	290,089
1996	331,500

Institutional Support

Rehabilitation centre;
 IEFP.

Duration

Unlimited.

Effects

Number of persons

Year	Mainland
1992	(included in P-vi.6)
1993	322
1994	251
1995	131
1996	288

Exemption from compulsory social security contributions to promote the recruitment of the long-term unemployed
(Apoio à contratação de trabalhadores desempregados de longa duração por dispensa de contribuições para a Segurança Social)

Aim

To create incentives for enterprises to recruit the long-term unemployed through exemptions from compulsory social security contributions.

Legal Basis

- Decree no. 89/95 of 6.5.1995;
- D.-L. no. 34/96 of 18.4.1996.

Contents

Enterprises that recruit long-term unemployed jobseekers on a permanent contract of employment are exempted from payment of social security contributions for 36 months. In the event of recruitment on a fixed-term contract, the contributions payable are reduced by 50% for the duration of the contract. The qualifying condition for these benefits is that the number of employees in the firm must have increased in comparison to the final month of the previous year. The 50% reduction of social security contributions is in effect until 31.12.1996.

Institutional Support

Regional social security offices (*Centros Regionais de Segurança Social*).

Duration

Unlimited.

**Integration programme to combat long-term unemployment
(Programa integrado de combate ao desemprego de longa duração)**

Aim

To promote the creation of jobs for the long-term unemployed through investigation of job offers, individual vocational training schemes and new forms of vocational integration.

Legal Basis

IEFP programme under the instant employment scheme.

Contents

Enhancement of vocational orientation and support schemes through information sessions, job-search methods and more detailed orientation measures.

Selected measures for enterprises with the potential for job creation, activities to encourage the foundation of small businesses, measures to enhance skills and the establishment and promotion of an idea pool.

Development in public and semi-state vocational training centres and enterprises of vocational training measures that particularly target the long-term unemployed and have a corresponding orientation with respect to content, pedagogical methods, different educational levels and the goal of placement.

Financial Resources

IEFP.

Institutional Support

IEFP.

Duration

Unlimited.

P-vi.11

Other measures*Aim*

To integrate immigrants, ethnic minorities and other disadvantaged groups in available employment schemes.

(Council of Ministers Resolution no. 38/93 of 15.5.1993; Common Ordinance of 12.10.1993 [Series II]; Common Ordinance of 2.4.1993 [Series II] and Ordinance no. 140/93 of 6.7.1993).

7. Working Time

- P-vii.1 Regulation of overtime (*Regulamentação de condições de prestação de trabalho suplementar*)
- P-vii.2 Early retirement for the elderly unemployed (*Reforma antecipada para trabalhadores idosos desempregados*)
- P-vii.3 Early retirement for civil servants (*Reforma antecipada para funcionários públicos*)
- P-vii.4 Early retirement for fishermen (*Reforma antecipada para pescadores*)
- P-vii.5 Early retirement agreements between workers and employers (*Pré-reforma*)
- P-vii.6 Old-age pension for miners (*Reforma para trabalhadores da indústria mineira*)
- P-vii.7 Old-age pension for dock workers (*Reforma para trabalhadores portuários*)
- P-vii.8 Old-age pension for ships' crews – excepting fishermen (*Reforma para trabalhadores marítimos – excepto pescadores*)
- P-vii.9 Career breaks (*Interrupção da carreira profissional*)
- P-vii.10 Part-time work (*Trabalho a tempo parcial*)
- P-vii.11 Shift work (*Trabalho por turnos*)

Regulation of overtime
(Regulamentação de condições de prestação de trabalho suplementar)

Aim

To enable enterprises to cope with increased workloads when additional hirings are not justified or would jeopardise the viability of the enterprise.

Legal Basis

- D.-L. no. 421/83 of 2.12.1983;
- D.-L. no. 398/91 of 16.10.1991.

Contents

Overtime, i.e. time worked outside normal working hours, may not, with a few exceptions, exceed an annual limit of 200 hours or a daily limit of two hours. Overtime bonuses vary between 50% and 100% of normal remuneration.

Institutional Support

IDICT and DGCT.

Duration

Unlimited.

Early retirement for the elderly unemployed
(Reforma antecipada para trabalhadores idosos desempregados)

Aim

To enable older workers in receipt of unemployment benefits to enter retirement before the normal retirement age.

Legal Basis

- D.-L. no. 79-A/89 of 13.3.1989;
- Decree no. 994/89 of 16.11.1989;
- D.-L. no. 418/93 of 24.12.1993.

Contents

Workers drawing unemployment benefits may enter early retirement at the age of 60, provided they fulfil the other qualifying conditions.

Financial Resources

(ESC 1,000s)

Year	Mainland	Azores	Madeira
1992	1,196,692	1,238	19,536
1993	2,592,621	2,206	42,842
1994	5,492,963	2,590	54,904
1995	9,820,938	71,461	88,124
1996	17,375,815	80,000	141,400

Institutional Support

Regional social security offices (*Centros Regionais de Segurança Social*).

Duration

Unlimited.

Effects

Number of persons

Year	Mainland	Azores	Madeira
1992	2,451	4	56
1993	4,285	6	87
1994	7,594	7	113
1995	12,445	71	154
1996	12,000	80	210

P-vii.3

**Early retirement for civil servants
(Reforma anticipada para funcionarios públicos)**

Aim

To enable civil servants and public employees to enter retirement before the normal retirement age after 36 years of service.

Legal Basis

- D.-L. no. 116/85 of 19.4.1985;
- D.-L. no. 247/92 of 7.11.1992.

Contents

Civil servants and employees of central, regional and local authorities can request their retirement on completion of 36 years of service, regardless of their age, and are then entitled to a full pension.

Financial Resources

State budget.

Institutional Support

Administrative offices of the central, regional and local authorities and General Retirement Fund.

Duration

Unlimited.

Early retirement for fishermen (*Reforma antecipada para pescadores*)*Aim*

To enable fishermen to enter retirement before the normal retirement age.

Legal Basis

Administrative Ordinance no. 40/86 of 12.9.1986.

Contents

In view of the strenuous work involved, the minimum age limits were fixed at 50 and 55 years, respectively, for persons with 30 or 40 years of service.

Financial Resources

Social security.

(ESC 1,000s)

Year	Mainland	Azores	Madeira
1992	2,368,098	64,642	80,638
1993	2,226,168	79,010	84,611
1994	2,374,786	80,224	91,196
1995	2,474,570	82,584	88,263
1996	2,578,550	85,000	85,400

Institutional Support

Regional social security offices (*Centros Regionais de Segurança Social*).

Duration

Unlimited.

Effects

Number of persons

Year	Mainland	Azores	Madeira
1992	3,503	163	205
1993	3,508	174	188
1994	3,359	165	177
1995	3,190	166	160
1996	3,000	160	150

Early retirement agreements between workers and employers (Pré-reforma)

Aim

To enable workers aged 55 years and older and employers to reach agreement on voluntary early retirement measures.

Legal Basis

D.-L. no. 261/91 of 25.7.1991.

Contents

The worker's hours may be reduced or he may be relieved from his duties while his employment contract is upheld. Both employer and worker then pay either lower social security contributions or none at all. Remuneration during the period of early retirement must be equal to at least 25% of the worker's last wage and may not exceed this wage. As a rule, under these agreements enterprises and workers must pay social security contributions at the rate of 14.6% (instead of 23.75%) and 7% (instead of 11%), respectively.

If early retirement agreements are reached as a result of restructuring measures for economic reasons, the enterprises may apply to the *IEFP* for a contribution to the remuneration paid during this period. This grant is provided for six months, with the possibility of a six-month extension, and may not exceed the national minimum wage. In addition, the enterprises may apply for a one-year exemption from social security charges.

Financial Resources

Social security and *IEFP*.

Institutional Support

Regional social security offices (*Centros Regionais de Segurança Social*) and employment offices.

Duration

Unlimited.

Effects

Number of persons

Year	Mainland	Azores	Madeira
1992	2,657	21	55
1993	3,000	22	70
1994	3,854	16	66
1995	4,082	—	85
1996	5,400	20	80

Old-age pension for miners
(Reforma para trabalhadores da indústria mineira)

Aim

To enable miners to enter retirement before the normal retirement age. This pension may also be granted to auxiliary workers who are employed exclusively or primarily underground.

Legal Basis

D.-L. no. 195/95 of 28.7.1995.

Contents

In view of the strenuous work involved, the normal minimum retirement age of 65 years is reduced by one year for every two years of service underground. The minimum age limit for an old-age pension is 50 years. The age limit may be reduced by up to five years in the event of extraordinary economic circumstances.

The amount of pension payable is calculated in accordance with the general social insurance regulations and additionally includes a bonus of 2.2% for every two years worked in this area. However, the bonus may not exceed 80% of the average remuneration taken as the basis of assessment for calculating pensions.

Financial Resources

Social security.

(ESC 1,000s)

Year	Mainland	Azores	Madeira
1992	935,930	329	1,326
1993	991,310	355	1,419
1994	1,087,058	376	1,434
1995	1,129,357	396	799
1996*	1,173,300	400	750

* Provisional

Institutional Support

Social security institutions.

Duration

Unlimited.

Effects

Number of persons

Year	Mainland	Azores	Madeira
1992	1,658	1	3
1993	1,643	1	3
1994	1,596	1	3
1995	1,556	1	2
1996*	1,520	1	3

* Provisional

Old-age pension for dock workers (*Reforma para trabalhadores portuários*)

Aim

To enable dock workers to enter retirement before the normal retirement age.

Legal Basis

- D.-L. no. 116/90 of 5.4.1990;
- D.-L. no. 21/91 of 10.10.1991 (Azores);
- D.-L. no. 41/91 of 21.1.1991 (Madeira).

Contents

In view of the strenuous work involved, the minimum age for entitlement to an old-age pension – under certain conditions and with additional benefits – is fixed at 55 years. As an exceptional case, since 1990 workers aged 40 years and older may enter early retirement when difficulties in adapting to new technology are encountered.

Financial Resources

Source: Social security.

(ESC 1,000s)

Year	Mainland	Azores	Madeira
1992	5,634,768	202,170	665,998
1993	5,759,430	223,146	678,348
1994	5,790,931	207,723	666,925
1995	5,801,980	209,477	679,261
1996*	5,813,100	211,250	691,800

*Provisional

Institutional Support

Social security institutions.

Duration

Started 1990.

Effects

Number of persons

Year	Mainland	Azores	Madeira
1992	3,012	209	190
1993	2,864	201	180
1994	2,699	187	171
1995	2,531	177	164
1996*	2,400	175	155

* Provisional

**Old-age pension for ships' crews – excepting fishermen
(Reforma para trabalhadores marítimos – excepto pescadores)**

Aim

To enable ships' crews to enter retirement before the normal retirement age.

Legal Basis

- Decree of 2.1.1976;
- Decree no. 804/77 of 31.12.1977.

Contents

Ships' crews (oceanic and coastal shipping and cabotage) are entitled to an old-age pension from the age of 55 years upwards when they have been to sea for 15 years.

Financial Resources

Social security.

(ESC 1,000s)

Year	Mainland	Azores	Madeira
1992	2,165,314	7,472	13,445
1993	2,360,654	15,064	12,630
1994	2,634,192	13,698	7,730
1995	2,621,050	11,323	7,924
1996	2,607,970	11,340	8,124

Institutional Support

Social security institutions.

Duration

Unlimited.

Effects

Number of persons

Year	Mainland	Azores	Madeira
1992	1,765	9	17
1993	1,735	12	15
1994	1,691	10	12
1995	1,575	9	10
1996	1,460	10	10

Career breaks
(Interrupção da carreira profissional)

Aim

To enable workers to take career breaks in order to care for young children.

Legal Basis

- Law no. 4/84 of 5.4.1984;
- D.-L. no. 135/85 of 3.5.1985;
- D.-L. no. 136/85 of 3.5.1985;
- D.-L. no. 154/88 of 29.4.1988.

Contents

Workers (whether male or female) have the right, on expiry of maternity leave, to take a career break lasting between six and 24 months in order to care for their children.

Institutional Support

Public and private sectors.

Duration

Unlimited.

Part-time work
(Trabalho a tempo parcial)

Aim

To enable certain categories of workers to engage in part-time employment.

Legal Basis

- D.-L. no. 409/71 of 27.9.1971;
- Law no. 26/81 of 21.8.1981;
- Law no. 4/84 of 5.4.1984;
- D.-L. no. 135/85 of 3.5.1985;
- D.-L. no. 136/85 of 3.5.1985.

Contents

Workers with children aged under 12 years, workers who are attending school or a higher-level educational institute in addition to working and workers with reduced capacities have the right to part-time employment, for which they are paid by the hour.

Institutional Support

Public and private sectors.

Duration

Unlimited.

Shift work
(Trabalho por turnos)*Aim*

To enable – without infringing on the rights of the workers – the execution of work processes which, in view of their exceptional nature, must be carried out without interruption.

Legal Basis

- D.-L. no. 409/71 of 27.9.1971;
- D.-L. no. 65/85 of 6.2.1985.

Contents

The circumstances under which shift work is permitted and the conditions that must be observed in its organisation are legally defined.

Whenever operating times exceed the maximum limits of normal working hours, shifts are organised of various members of staff, with due consideration to the interests of the workers.

The duration of each shift is laid down in law; however, collective agreements may fix shifts of a shorter duration. The roster may only change after the weekly day of rest.

The law stipulates that shift workers who work at night are paid a premium amounting to 25% of their normal hourly wage.

Institutional Support

IDICT and *DGCT*.

Duration

Unlimited.

8. Placement

- P-viii.1 *UNIVA – Institutions to promote integration into working life (UNIVA – Unidades de inserção na vida activa)*
- P-viii.2 *Job clubs (Clubes de emprego)*
- P-viii.3 *Individual assistance plan (Plano individual de acompanhamento)*
- P-viii.4 *Jobsearch assistance (Apoio à auto-colocação)*
- P-viii.5 *Jobsearch aid – payment of advertising fees (Incentivos à colocação – Pagamento de anúncios)*
- P-viii.6 *Incentives for geographical mobility (Incentivos à mobilidade geográfica)*
- P-viii.7 *Temporary employment agencies (Empresas de trabalho temporário)*

**UNIVA – Institutions to promote integration into working life
(UNIVA – Unidades de inserção na vida activa)**

Aim

To set up so-called *UNIVAs* in order to contribute to labour market integration and to generate links between vocational training and working life. The *UNIVAs* help young, first-time and other jobseekers to become integrated in the labour market and promote other activities that facilitate labour market integration.

Legal Basis

Ordinance no. 27/96 of 3.8.1996.

Contents

So-called *UNIVAs* may be set up in any non-profit-making institution: tuition centres, public and semi-state vocational training centres, institutions under the public administration, and welfare, vocational and other associations.

The establishment of a *UNIVA* is dependent on the approval of the *IEFP*. Certain conditions must be met and, in particular, a suitable manager must be available.

The *UNIVAs* carry out various activities with the aim of labour market integration and collaborate to this end with the *IEFP* employment offices.

UNIVAs receive technical and financial support from the *IEFP*. Financial aid is for adapting existing infrastructures and for the purchase of equipment and office supplies. In addition, certain duties may be carried out in exchange for remuneration.

Financial Resources

IEFP and ESF.

(ESC 1,000s)

Year	Mainland
1993	76,500
1994	63,384
1995	90,678
1996	226,351

Institutional Support

Employment offices.

Duration

Unlimited.

*Effects*Number of *UNIVAs*

Year	Mainland
1993	84
1994	51
1995	59
1996	94

Job clubs **(Clubes de emprego)**

Aim

To contribute, through the establishment of "job clubs", to solving the training and employment problems of the unemployed and especially the long-term unemployed. Job clubs provide unemployed persons with individual supervision through the organisation of supportive activities directly involving the parties concerned.

Legal Basis

- Decree no. 295/93 of 13.3.1993;
- Decree no 247/95 of 29.3.1995.

Contents

Job clubs may be set up by the *IEFP*, semi-state vocational training centres, the social partners and all non-profit-making public, private and co-operative institutions. Job clubs carry out various activities in the field of labour market integration in collaboration with the employment offices of the *IEFP*.

They receive financial and technical assistance from the *IEFP*, which also offers support in the field of vocational training. The purpose of the financial aid is to help job clubs to build up infrastructures and purchase equipment. In addition, the *IEFP* contributes to the running costs of the job clubs.

Financial Resources

IEFP and ESF.

(ESC 1,000s)

Year	Mainland
1993	27,968
1994	64,078
1995	31,202
1996	39,300

Institutional Support

Employment offices.

Duration

Unlimited.

Effects

Number of job clubs

Year	Mainland
1993	51
1994	61
1995	32
1996	51

P-viii.3

**Individual assistance plan
(*Plano individual de acompanhamento*)***Aim*

To prevent those unemployed persons aged under 46 years and in receipt of benefits from becoming long-term unemployed.

Legal Basis

Decree no. 247/95 of 29.3.1995.

Contents

Following an advisory interview concerning the prospects for reintegration into the labour market, unemployed persons who are entitled to benefits, have been unemployed for nine months and are under 46 years of age may reach a written agreement with the employment office to receive individual assistance.

This agreement is implemented by means of an employment scheme, a vocational training scheme or a combination of the two which is suited to the age and the skills of the unemployed person.

Firms which recruit workers on permanent employment contracts under this programme may receive a financial subsidy equal to 12 times the national minimum wage for every new job created.

Unemployed persons aged under 45 years who are in receipt of benefits may also participate in the programme on a voluntary basis.

Financial Resources

IEFP and *ESF*.

Institutional Support

Employment offices.

Duration

Started November 1993.

P-viii.4

Jobsearch assistance (Apoio à auto-colocação)

Aim

To give long-term unemployed persons who have been unemployed for at least two years an incentive to look for work on their own initiative. They receive a bonus on finding employment.

Legal Basis

Decree no. 247/95 of 29.3.1995.

Contents

Unemployed persons who find employment for at least three years receive a bonus equal to three times the national minimum wage.

Financial Resources

IEFP and ESF.

(ESC 1,000s)

Year	Mainland
1994	3,879
1995	15,168
1996	28,478

Institutional Support

Employment offices.

Duration

Started November 1993.

Effects

Number of persons

Year	Mainland
1994	–
1995	91
1996	166

P-viii.5

**Jobsearch aid – payment of advertising fees
(*Incentivos à colocação – Pagamento de anúncios*)**

Aim

To assume the costs incurred in advertising for employment and thus to encourage the long-term unemployed to solve their own employment problems.

Legal Basis

Decree no. 247/95 of 29.3.1995.

Contents

The costs of up to ten advertisements per jobseeker are covered, with a maximum annual limit of ESC 50,000.

Job clubs advance jobseekers advertising costs under the terms of protocols concluded with the *IEFP* employment offices.

Financial Resources

IEFP and ESF.

(ESC 1,000s)

Year	Mainland
1994	–
1995	156
1996	15,500

Institutional Support

Employment offices.

Duration

Unlimited.

Incentives for geographical mobility (*Incentivos à mobilidade geográfica*)

Aim

To promote the geographical mobility of the unemployed and workers who are under-employed or work part-time and are willing to accept a vacancy which implies a change of residence (except in the districts of Lisbon and Oporto).

Legal Basis

- D.-L. no. 206/79 of 4.7.1979;
- Ordinance no. 302/79 of 28.9.1979;
- Decree no. 715/85 of 24.9.1985;
- D.-L. no. 225/87 of 5.6.1987;
- Decree no. 474/87 and 475/87 of 5.6.1987;
- D.-L. no. 301/87 of 4.8.1987;
- Decree no. 247/95 of 29.3.1995.

Contents

The following financial support is available:

- reimbursement of travel expenses;
- daily grant for the probation period equal to 1/20th of the national minimum wage;
- removal grant for the worker and his family;
- fitting-out grant equal to 10 times the national minimum wage;
- three-year accommodation subsidy amounting to 30% of rental costs or a loan in the first year, 20% in the second year and 10% in the third year. Since 1995 the monthly subsidies have been raised by 10%. Other incentives related to the education of the children, the spouse's job and fiscal benefits are also provided for.

Financial Resources

IEFP and *ESF*.

(ESC 1,000s)

Year	Mainland
1994	3,180
1995	2,485
1996	14,500

Institutional Support

Employment offices.

Duration

Unlimited.

Effects

Number of persons

Year	Mainland
1994	–
1995	5
1996	21

P-viii.7

Temporary employment agencies (*Empresas de trabalho temporário*)

Aim

To regulate the activities of temporary employment agencies, their contractual relationship with temporary workers and employers as well as the system of casual transfer of workers.

Legal Basis

- D.-L. no. 358/89 of 17.10.1989 (Art. 16, as amended by Law no. 39/96 of 31.8.1996);
- Ordinance of 11.11.1989 (Series II).

Contents

The activities of temporary employment agencies are subject to administrative authorisation. Contracts for use of temporary labour may be concluded in the following cases:

- replacement of absent workers;
- temporary or exceptional increase of the volume of work;
- precisely defined and fixed-term duties;
- seasonal work;
- intermittent need for manpower;
- need for manpower for projects of limited duration.

In addition to acquiring official authorisation, the enterprises must lodge a deposit equal to 150 times the monthly national minimum wage so as to ensure their responsibility as regards the payment of wages and other costs.

Institutional Support

Mainland: *IEFP* and the Labour Inspectorate (*IDICT*);
Azores: Regional Directorate for Employment.

Duration

Unlimited.

Effects

145 mainland enterprises have received official authorisation.

9. Other Measures

- P-ix.1 Aid to workers affected by sectoral restructuring (*Apoio a trabalhadores abrangidos por reestruturações sectoriais*)
- P-ix.2 Miscellaneous

**Aid to workers affected by sectoral restructuring
(*Apoio a trabalhadores abrangidos por reestruturações sectoriais*)**

Aim

To guarantee special measures of social protection to workers in sectors undergoing restructuring or to regions suffering from the economic and social consequences of restructuring.

Legal Basis

- D.-L. no. 251/86 of 25.8.1986;
- D.-L. no. 260/87 of 16.5.1987;
- D.-L. no. 402/90 of 21.12.1990;
- Council of Ministers Resolutions nos. 8/91 of 16.3.1991 and 33-A/94 of 17.5.1994;
- Decree no. 735/91 of 31.7.1991;
- D.-L. no. 291/91 of 10.8.1991;
- D.-L. no. 86/92 of 7.5.1992;
- Decree no. 129/96 of 23.4.1996.

Contents

The following special employment measures and means of social protection have been established for workers whose job has been altered or abolished as a result of sectoral restructuring: provision of information, career guidance, technical and financial support for employment and vocational training schemes, assistance towards occupational and geographical mobility, wage compensation or wage replacement, extended claim to unemployment benefits, increased children's allowance, early retirement, etc.

Various sectors were officially defined as undergoing restructuring through the publication of special Decrees concerning the fulfilment of legal requirements. These include the following industries: wool, ship-building, iron and steel, metal, textiles and clothing, leather, mining and crystal manufacturing.

Financial Resources

ECSC (co-participation);
Social security;
IEFP.

Institutional Support

Employment offices in collaboration with the regional social security offices.

Duration

Unlimited.

Miscellaneous

Aim

Special measures for the support of customs officials (D.-L. no. 25/93 of 5.2.1993 and D.-L. no. 46/95 of 3.3.1995).

CHAPTER IV INFORMATION AND RESEARCH

In Portugal the National Statistical Office (*INE*) is responsible for the statistical system at national level, i.e. for producing and co-ordinating statistics and subsequently disseminating the data.

The other main body with responsibility for statistics concerning the labour market and the employment situation is the Department of Statistics of the Ministry of Qualifications and Employment (*DE/MQE*). Among other tasks, the Department is required:

- to produce qualitative and quantitative statistics on the basis of surveys of enterprises or of workers; to generate statistics based on official documentation or to provide assistance to those institutions engaged in the compilation of statistics;
- to co-ordinate the statistical work carried out by the various administrative offices of the Ministry of Qualifications and Employment;
- to carry out research on methods of statistical analysis, statistical terminology and the utilisation of electronic data-processing;
- to set up and manage statistical data banks containing information gained from the Department of Statistics itself or other institutions;
- to analyse and process the statistical data;
- to participate in drafting criteria for the presentation of the administrative activities of the various offices of the Ministry;
- to co-ordinate the development of international relations in statistical activities which fall under the jurisdiction of the Ministry;
- to provide, on request, all international organisations enjoying relations with the National Statistical Office with statistical data;
- to assist the administrative offices of the Ministry in questions concerning methodology in statistical activities;
- to guarantee that links are preserved with the National Statistical Office for those areas that fall under the jurisdiction of the administrative offices of the Ministry of Qualifications and Employment and to fulfil the functions required of the Department within the framework of the national statistical system.

In order to ensure that the system of statistics is co-ordinated at national level, agreements to this end were reached between the mainland bodies responsible for the organisation of statistics and their counterparts in the Azores and on Madeira.

Table 1 provides an overview of statistical surveys, listed according to the intervals at which they were carried out by various bodies (mainland, Azores and Madeira).

Table 1A lists the principal publications related to the surveys presented in Table 1.

Tables 2, 3 and 4 provide a number of basic labour market indicators for the period 1991–1995 on the mainland, in the Azores and on Madeira.

Table 1: Statistical surveys in the fields of labour, employment and social security – by interval

Intervals	INE	MESS		
		Department of Statistics	IEFP	IGFSS
Monthly	Monthly economic surveys: – trade – manufacturing industry	Labour dispute statistics (official sources)	Labour market statistics (job supply and demand, placement, registered unemployment and vocational counselling) Forecast: – successfully completed vocational training measures	Social security statistics (unemployment compensation, support for children, young people, families and communities, protection of invalids, those requiring rehabilitation, old-age pensioners, the working population and the functioning of employment policy)
Quarterly	Family employment survey	Employment structure survey Wages Accidents at work (official sources) Wages according to occupations (building trade)	Administrative statistics on vocational training Counselling statistics (IOP) Surveys of successfully completed vocational training Surveys of successfully completed apprenticeships	
Half-yearly		System of admonitory indicators Working time survey		Social security statistics
Yearly	Demographic statistics Surveys in Portuguese enterprises Surveys of wages in agriculture	Personnel: employment, enterprise structure, working time, remuneration, collective agreements (official sources) * Socio-economic accounts (official sources) * Survey of available vocational training measures	Annual labour market report	Annual social security statistics Social security accounts Social security statistical yearbook
2 years	Survey of working conditions			

Table 1 (cont'd)

Intervals	INE	MESS		
		Department of Statistics	IEFP	IGFSS
3 years		Establishment of vocational training needs in enterprises		
4 years		Survey of personnel costs		
10 years	General surveys: – Population and households – Agriculture – Industry – Trade and services – Transport enterprises			
Irregular		Survey of social conditions at the workplace Establishment of vocational training needs Survey of impact of ESF-funded training measures Survey of working-time management Survey of vocational training structures Survey of methods of vocational training Survey of the vocational training needs of long-term unemployed Survey of bodies organising vocational training measures Survey on reintegration of adult long-term unemployed Survey on vocational training for the disabled National general survey on disabled persons Enterprise survey of impact of vocational training measures Occupational illnesses (official sources) Social security (official sources)	Statistical indicators from the employment offices	

Table 1A: Statistical publications in the fields of labour, employment and social security – by publisher and interval

Intervals	INE	MESS		
		Department of Statistics	IEFP	IGFSS
Monthly	Monthly Statistics Bulletin Monthly Economic Surveys: – Trade – Manufacturing industry	Statistical report	Monthly statistics Monthly labour market statistics Employment offices: monthly statistics Forecast: successfully completed vocational training measures	Social security statistics: – Personal information – Financial information (Cf. Table 1 – monthly statistical publications)
Quarterly	Family employment survey	Employment structure Average wages Strikes Accidents at work Wages according to occupations (building trade) System of admonitory indicators	Administrative statistics on vocational training Counselling statistics (IOP) Surveys of successfully completed vocational training Surveys of successfully completed apprenticeships	Social security statistics: – personal information Social security accounts Social Security Statistical Yearbook
Yearly	Statistical Yearbook Demographic statistics Statistics on social protection, unions and employers' associations Statistics on agriculture Statistics on fisheries Statistics on industry Statistics on wages Statistics on health Surveys of wages of agricultural workers General statistics on Portugal	Personnel Social accounts Strikes Accidents at work Implementation of vocational training measures Social Statistical Yearbook Impact of vocational training on enterprises	Annual labour market report	Social security statistics: – personal information Social security accounts Social Security Statistical Yearbook
2 years		Survey of working conditions		
3 years		Vocational training needs in enterprises		
4 years		Personnel costs		

Table 1A (cont'd)

Intervals	INE	MESS		
		Department of Statistics	IEFP	IGFSS
10 years	General surveys: – Population and households – Agriculture – Industry – Trade and services – Transport enterprises			
Irregular	Social statistics Regional statistics	Vocational training structure Methods of vocational training Vocational training needs of the long-term unemployed Bodies providing vocational training measures Survey on reintegration of adult long-term unemployed Survey on reintegration of disabled persons Survey on vocational training for disabled persons National general survey on disabled persons Impact of vocational training measures in enterprises Evaluation of working conditions Social conditions at the workplace Employment and vocational training in the building trade Occupational illnesses Regional employment indicators	Statistical indicators from the employment offices	

Table 2: Labour market indicators

Mainland	(1,000s or %)				
	1991	1992	1993	1994	1995
Total population	9,815.3	9,345.1	9,350.4	9,350.4	9,356.5
Young people (aged under 25 years)	3,422.7	3,238.4	3,183.9	3,117.6	3,062.0
Working-age population (15-64 years)	7,938.7	7,631.4	6,376.1	6,460.7	6,467.5
Working population	4,864.7	4,527.6	4,503.5	4,563.7	4,550.6
Men	2,712.2	2,515.0	2,479.6	2,503.1	2,491.4
Women	2,152.5	2,012.6	2,023.9	2,060.6	2,059.2
Employment rate (%)	49.6	48.5	48.2	48.8	48.6
Men	57.4	56.3	55.4	55.8	55.4
Women	42.3	41.3	41.5	42.3	42.4
Employed population	4,630.8	4,340.7	4,255.2	4,251.5	4,225.1
Primary sector (%)	17.2	11.3	11.3	11.5	11.3
Secondary sector (%)	33.8	33.1	32.9	32.8	32.3
Tertiary sector (%)	49.0	55.6	55.8	55.7	56.4
Employment/population (%)	47.2	46.4	45.5	45.5	45.2
Unemployment rate (%)	4.2	4.2	5.5	6.8	7.2
Men	2.8	3.5	4.7	6.0	6.4
Women	5.8	4.9	6.5	7.8	8.0
Youth unemployment	80.8	78.3	91.6	104.3	160.3
Youth unemployment rate (%)	9.2	10.1	12.7	14.7	14.8

Source: *INE* – employment survey (annual averages).

Note: Comparisons with statistics from preceding years must take into consideration that in 1992 the *INE* introduced a new series of employment surveys using new methods.

Table 3: Labour market indicators

Azores	(1,000s or %)				
	1991	1992	1993	1994	1995
Total population	256.6	235.5	236.2	236.3	236.8
Young people (aged under 25 years)	116.3	100.2	103.2	99.3	96.9
Working-age population (15-64 years)	157.1	146.1	151.6	152.7	150.6
Working population	101.1	94.3	95.8	94.3	94.3
Men	70.4	63.0	63.6	62.1	62.4
Women	30.7	31.3	32.2	32.2	31.9
Employment rate (%)	39.4	40.0	40.5	40.0	39.9
Men	54.7	55.6	53.9	53.4	53.3
Women	24.0	25.6	27.2	26.9	26.7
Employed population	96.7	89.4	89.7	88.2	86.9
Primary sector (%)	22.2	18.2	18.7	19.8	20.4
Secondary sector (%)	24.5	24.8	25.0	24.1	22.6
Tertiary sector (%)	53.3	57.0	56.3	56.2	57.0
Employment/population (%)	37.7	38.0	38.0	37.3	36.7
Unemployment rate (%)	4.3	3.6	4.7	6.5	7.9
Men	1.9	1.7	2.4	4.3	5.1
Women	9.9	7.4	9.1	11.0	13.4
Youth unemployment	2.7	1.9	2.1	3.3	2.5
Youth unemployment rate (%)	10.3	8.6	9.5	16.7	17.6

Source: SREA – employment survey (annual averages).

Table 4: Labour market indicators

Madeira	(1,000 or %)				
	1991	1992	1993	1994	1995
Total population	284.1	252.6	252.9	252.9	253.5
Young people (aged under 25 years)	119.8	99.5	103.1	103.2	101.0
Working-age population (15-64 years)	182.8	164.8	166.9	167.1	167.8
Working population	135.9	116.8	117.5	114.9	109.4
Men	70.0	62.9	64.4	63.3	59.5
Women	65.9	53.9	53.1	51.6	49.9
Employment rate	47.8	46.3	46.4	45.5	43.2
Men	53.4	52.7	52.8	52.2	50.3
Women	43.0	40.5	40.5	39.3	36.9
Employed population	129.9	113.0	112.8	109.5	103.9
Primary sector (%)	21.0	14.1	14.7	14.1	13.2
Secondary sector (%)	32.5	34.5	33.5	33.8	30.9
Tertiary sector (%)	46.5	51.4	51.8	52.1	55.9
Employment/population (%)	45.7	44.7	44.6	43.3	41.0
Unemployment rate	4.4	3.3	3.9	4.7	5.0
Men	3.0	2.9	3.5	3.4	3.9
Women	5.8	3.6	4.5	6.3	6.4
Youth unemployment	2.9	2.0	2.4	2.6	2.3
Youth unemployment rate (%)	10.3	9.2	10.6	11.8	12.6

Source: DRE – employment survey (annual averages).

**P–A THE AUTONOMOUS REGION
OF THE AZORES**

I. INSTITUTIONS

As described in Chapter I, the archipelago of the Azores is an autonomous region with its own governmental bodies, namely the Regional Legislative Assembly and the Regional Government of the Azores.

The Regional Government consists of a President and seven Regional Secretaries. The Regional Directorates, which are responsible for the implementation of policy measures defined by the Regional Government, are directly subordinate to the Regional Secretaries.

The Regional Secretariat for Youth Affairs, Employment, Trade, Industry and Energy (*SRJECIE*) has three Regional Directorates under its charge: the Regional Directorate for Employment, the Regional Directorate for Youth Affairs and the Regional Directorate for Trade, Industry and Energy. The Regional Directorate for Employment (*DRE*) is responsible for the fields of employment and vocational training and also matters concerning labour relations, labour supervision and health and safety at the workplace.

The framework law on measures to promote employment and new businesses ("*Lei-Quadro*" – Regional Ordinance no. 16/82/A of 9.8.1982) defines the principle functional areas of the Regional Directorate for Employment (*DRE*): creation, maintenance and restoration of jobs, enterprises experiencing economic difficulties, enterprises in crisis sectors or those undergoing restructuring, reinstatement of workers, handicrafts and co-operatives, the non-structured sector of the economy and local or regional employment initiatives. These and other vocational training measures designed to meet the needs of the labour market receive institutional support under the terms of the legislation laid down by the Regional Secretariat for Youth Affairs, Employment, Trade, Industry and Energy (*SRJECIE*) (Regional Ordinance no. 14/90/A of 3.4.1990, as amended by Regional Ordinance no. 6/93/A of 20.3.1993) and from Regional Ordinance no. 17/95/A of 25.9.1995. In addition to the *SRJECIE*, the following institutions are also charged with responsibility in these fields: the Regional Centre for the Promotion of Handicrafts (*CRAA*), the Regional Office for the Promotion of the Co-operative Sector (*IRASC*) and the Office for Funding of Employment Measures (*GGFE*).

The administrative offices of the Regional Directorate for Employment (*DRE*), which hold responsibility for employment and vocational training and are regulated by Regional Ordinance no. 17/95/A of 25.9.1995, are located throughout the entire territory of the Azores. They include the following institutions:

- The Azores Vocational Training Centre on the island of St. Miguel. This is the main agency which provides human-resource training for the labour market and its services are open to candidates from all the islands of the Azores. Trainees reside in the vocational training centre.
- The Directorate for Promotion of Employment and Vocational Training, consisting of two departments:
 - the Department of Employment Programmes;
 - the Department of ESF Affairs.

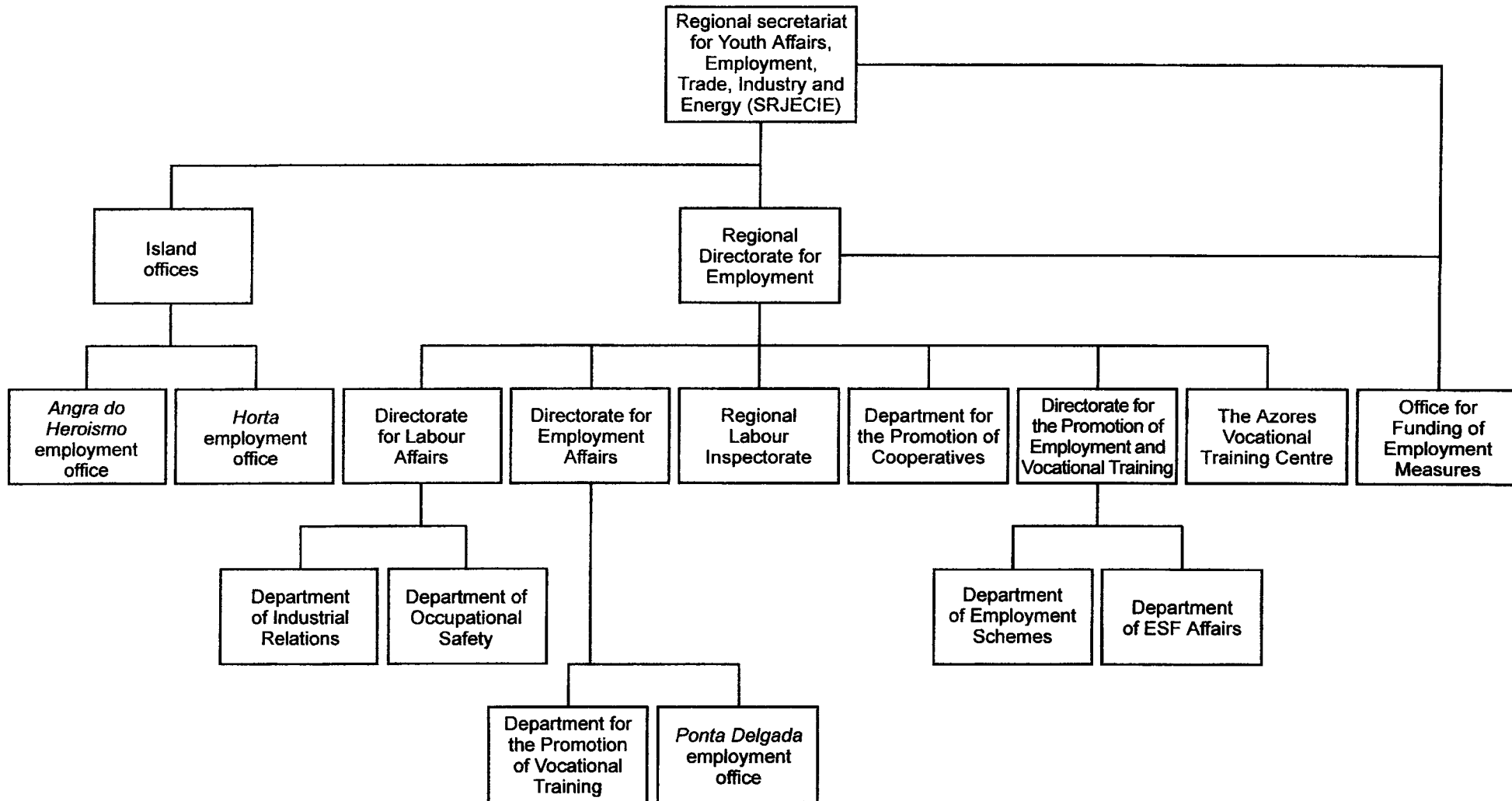
- The Directorate for Employment Affairs, consisting of one department and one employment office:
 - the Department of Employment Promotion;
 - the Ponta Delgada employment office (responsible for the islands of St. Miguel and Santa Maria).
- The Directorate for Labour Affairs, consisting of two departments:
 - the Department of Industrial Relations;
 - the Department of Occupational Safety.

The administrative offices on the islands are directly subordinate to the Regional Secretariat. These include the other two employment offices in the Azores:

- Angra do Heroísmo (responsible for the islands of St. Jorge, Graciosa and Terceira);
- Horta (responsible for the islands of Faial, Pico, Flores and Corvo).

The Office for Funding of Employment Measures (*GGFE*), which is defined in its statute as an autonomous financial institution, works in close co-operation with the Regional Directorate for Employment (*DRE*).

Regional Secretariat for Youth Affairs, Employment, Trade, Industry and Energy (SRJECIE)



II. LEGAL FRAMEWORK AND PROCEDURES

1. Sources of Law

The legislative powers of the autonomous regions are defined in the Constitution, empowering the regions to independently pass laws on matters of specific interest to them. They may also apply national legislation by means of ordinances, provided that the national bodies do not have the exclusive right to do so themselves (cf. Chapter II).

In the areas of labour and employment, the process of regionalisation launched after the 1976 Constitution came into force authorised the Governments of the autonomous regions (that of the Azores by D.-L. no. 243/78 of 19.8.1978) to exercise a set of powers over their respective territories which were previously reserved for the bodies and administrative offices subordinate to the Government of the Republic.

In the autonomous region of the Azores, the general laws of the Republic apply in these areas, the regional bodies being consulted on their contents during the drafting phase, in accordance with the Constitution. Generally, the validity of the laws in the autonomous regions thus ensues, or the regions are empowered to adapt the laws – under observance of the aforementioned general principles – to their specific needs.

However, the application of these laws is the sole responsibility of the regional authorities, which act in accordance with their own criteria as determined by local realities. Thus, relationships with the social partners and other bodies concerned in the process of administering labour and employment as well as the resolution of labour relations issues – at the individual and collective levels – come under the jurisdiction of the competent administrative bodies of the autonomous regions.

1.1 Summary of the main legislation

The legislation in force in the Azores, and in particular labour law, is to a large extent national legislation. However, in exercising its own powers (as described above) the region has drafted some specifically regional legislation, the most important being:

- Regional Ordinance no. 24/79/A of 7.12.1979 to regulate agricultural work.
- Regulatory Decree on Agricultural Work (*Jornal Oficial*, Series IV, no. 12 of 23.6.1988), as amended by Decree (published in *JO*, Series IV, no. 25 of 29.12.1994), defining the basic principles concerning agricultural work with a view to improving working conditions in this sector.
- Regional Ordinance no. 4/86/A of 11.1.1986, by virtue of which overtime regulations – with certain adaptations – are deemed valid in the Azores. This legislation takes the specific characteristics of the region into consideration, i.e. the small scale of enterprises, the low level of unemployment and the scattered population, all of which justify 'de-bureaucratisation' as well as greater flexibility in overtime regulations.
- Regional Ordinance no. 24/88/A of 19.5.1988, by virtue of which a regional conciliation and arbitration board for labour law issues was established.

- Regional Ordinance no. 17/86/A of 16.8.1986, as amended by Regional Ordinance no. 14/90/A of 7.8.1990, by virtue of which regulations concerning violations of stipulations under labour law, as defined in D.-L. no. 491/85 of 26.11.1985, are deemed valid for the Azores with certain adaptations.

There is also a Regional Committee for Equality at Work and in Employment in the Azores – established by virtue of D.-L. no. 84/81 of 23.4.1981 – which has the same objectives as its national counterpart.

2. Institutions and Functioning of the Labour Market

As is the case for the rest of labour legislation, national legislation is in force in the Azores as regards representative associations, the system of collective bargaining and worker representation in enterprises.

Nevertheless, there are some differences regarding the application of the law which have ensued as a result of the transfer of competence in the regionalisation process.

For example, the constitution, changes to the statutes and the dissolution of regional representative associations must be concluded in association with the Regional Secretariat for Youth Affairs, Employment, Trade, Industry and Energy (*SRJECIE*).

There are currently 72 trade union associations in the Azores, of which 23 are regional trade unions and 49 delegations of national unions.

There are seven regional employers' associations.

The most important regional economic sectors – hotels and restaurants, building, trade, administration, transport, food products and beverages – have their own regional associations, which negotiate collective agreements at regional level and intervene as social partners in the various aspects of labour relations.

Collective agreements reached at national level are applied in the region by means of 'Extensionary Decrees' (*Portarias de Extensão*) in economic sectors where collective bargaining at regional level is not possible, provided that the socio-economic conditions in the respective sectors are similar.

The competent regional bodies may – like the administrative offices of the Ministry of Qualifications and Employment at national level – intervene in negotiations at regional level.

III. MEASURES

1. General Principles

2. Employment Maintenance and Job Creation (cf. P-A, Chapter III, 5.)

3. Aid to the Unemployed

- P-A-iii.1 Employment scheme for persons in receipt of unemployment benefits ("*CTTS*" – *Programa ocupacional para subsidiados*)
- P-A-iii.2 Employment scheme for seasonal workers ("*PODS*" – *Programa ocupacional/sazonais*)
- P-A-iii.3 Employment scheme for the unemployed ("*OTD*" – *Programa de ocupação de trabalhadores desempregados*)
- P-A-iii.4 "*MEFE-1*" employment scheme – special measures to promote employment ("*MEFE-1*" – *Medidas especiais de fomento do emprego – medida ocupacional*)
(cf. P-iii.1) System of unemployment protection (*Sistema de protecção no desemprego*)

4. Training, Retraining and Occupational Mobility

- P-A-iv.1 The Azores Vocational Training Centre (*Centro de Formação Profissional dos Açores*)
- P-A-iv.2 "*MEFE-2*" vocational preparation scheme – special measures to promote employment ("*MEFE-2*" – *Medidas especiais de fomento do emprego – medida formação profissional pré-qualificante*)
- P-A-iv.3 "*PEDRAA-II*" special scheme for the development of the autonomous region of the Azores ("*PEDRAA-II*" – *Programa específico de desenvolvimento da região autónoma dos Açores*)

5. Job Creation and Business Start-ups

- P-A-v.1 Employment incentives (*Incentivos ao emprego*)
- P-A-v.2 Local and regional employment initiatives ("*ILE*" – *Iniciativas locais e regionais de criação do emprego*)
- P-A-v.3 Promotion scheme for permanent employment ("*PAC*" – *Programa de apoio à contratação*)

6. Special Categories of Workers

Youth

- P-A-vi.1 Employment and training promotion scheme (*Programa emprego/formação*)
- P-A-vi.2 Labour market integration for young people ("*IMT*" – *Integração no mercado de trabalho*)

Disabled

- P-A-vi.3 Self-employment for the disabled (*Instalação por conta própria*)
- P-A-vi.4 Support for the socio-vocational integration of the disabled – wage-cost subsidies (*Apoios financeiros à integração sócio-profissional de deficientes – Compensação aos empregadores*)
- P-A-vi.5 Support for the socio-vocational integration of disabled workers – adaptation of workplaces and removal of architectural obstacles (*Apoios financeiros à integração sócio-profissional de deficientes – Adaptação postos de trabalho e eliminação de barreiras arquitectónicas*)

7. Placement

P-A-vii.1 Promotion of geographical mobility (*Estímulos à mobilidade geográfica*)

8. Handicrafts

P-A-viii.1 Vocational training aid for craft workers (*Formação profissional de artesãos*)

1. General Principles

The Medium-Term Plan for the Autonomous Region of the Azores (1992-1996) lays down the economic, social and cultural objectives which are to be pursued in the region within the framework of political and financial autonomy.

The above plan is continually updated to match current developments; it reflects the potential of the region and enables the realisation of the following goals:

- independent decision-making by the region for the region;
- to internationalise Azorian society and implement reforms towards stability and security;
- to build trust in the economic potential of the Azores;
- new forms of co-operation at national and European level;
- to promote solidarity, unity and the preservation of the Azorian identity.

The progress achieved thus far is an indisputable indication of the potential of the Azores, which has been revealed through the region's autonomy and in the course of permanent dialogue with bodies at national and community level. This dialogue provided the region with moral and institutional support for the implementation of innovative and lasting measures which open the way to new challenges.

In pursuing the challenges that emerged as a result of the development and reform of Azorian society since 1976 and of the changes at national and European level, the stability and trust prevailing in the Azores were extremely important. Consequently, the development of the region was also welcomed by the population.

The adjustment of the productive sector to the demands of the European Union, the continuing internationalisation of the Azorian economy, increased mobility and social solidarity and also the mitigation of imbalances prevailing between the individual islands all reflect the success of the policy of development and the socio-economic modernisation of the region.

Forms of social concertation also contributed to social and political stability. In the same context, the strengthening of economic and social solidarity with the help of financial aid from the structural funds is also significant.

Thus a comprehensive strategy targeting qualified human resources was developed in the Azores. Particular emphasis was placed on vocational training, vocational counselling and education, with efforts made to observe ethical principles and to foster human relationships. Co-operation with the most important emigrant communities was another aspect covered. In addition, a policy of developing relationships and co-operating with the island states where Portuguese is the official language, such as Cape Verde and St. Thomas, was pursued.

As is known, the unfavourable economic situation in the European Union finally had a socio-economic impact on the autonomous region of the Azores. This situation was aggravated by the islands' geographic position – far removed from the major European centres, the scattered population and its decrease to less than 250,000. Thus, the region suffered from a lack of human resources in important areas of development. The economy of the region is consequently much more sensitive to market swings.

The economic difficulties manifest themselves most evidently in fluctuations in the employment rate.

It is therefore not surprising that the unemployment rate is unusually high in the Azores. In addition to the general impact of the world recession on the employment situation in the region, the consequences of the recession at national level have become evident in the Azores in the form of

a significant decline in public building activities. This is particularly noticeable because the public sector plays an important role in the economy of the Azores.

However, in this regard it must be taken into account that the introduction of employment schemes for the unemployed and new labour market entrants has led to an increase in registrations at the employment offices. Thus the unemployment rate in the region can now be better observed.

One can suppose that the unemployment rate has in fact remained largely stable because the increase in registered unemployment is a result not only of the aforementioned decline in public building but is also caused by the newly registered people who were not sought out by the employment offices previous to the introduction of the new employment schemes.

On the basis of this knowledge, the Regional Secretariat for Youth Affairs, Employment, Trade, Industry and Energy (*SRJECIE*) can devise provisions which target the situation more directly and can take policy steps which have yielded satisfactory results in the past. Existing schemes were adapted and at the same time new schemes were implemented which have achieved the pursued objectives: a balance between vacancies and jobs sought; better qualified human resources with a view to stabilising employment and securing the viability of enterprises; promotion of industry when firms are being set up or jobs created.

In this respect, priority was given to three aspects:

1. All schemes and measures directly or indirectly target the creation of permanent jobs.
2. The vocational training policy pursued should provide the working-age population with the necessary preparation for their integration into the development process.
3. Employment schemes that provide young people of working age and difficult-to-place unemployed with work experience in the public or private sector are given priority.

The latter aspect served two purposes: on the one hand, the trainees were to be better prepared for their professions; on the other, the employers were to be encouraged by the performance of the trainees to offer new jobs.

P-A-iii.1

**Employment scheme for persons in receipt of unemployment benefits
("CTTS" – Programa ocupacional para subsidiados)**

Aim

Fixed-term employment of community interest for persons in receipt of unemployment benefits.

Legal Basis

- Regional Administrative Ordinance no. 50/83/A of 15.11.1983;
- Regional Administrative Ordinance no. 33/84/A of 29.9.1984.

Contents

The employment schemes are organised by non-profit-making bodies following approval by the Regional Secretariat for Youth Affairs, Employment, Trade, Industry and Energy (*SRJECIE*). The bodies implementing the schemes pay the difference between unemployment benefit or unemployment assistance and the valid wage for the occupation concerned for work performed. In exceptional cases the *SRJECIE* may agree on request to carry these costs.

Financial Resources

Office for Funding of Employment Measures (*GGFE*).

Institutional Support

Employment offices.

Duration

Unlimited.

Effects

Year	Number of persons
1992	n.a.
1993	n.a.
1994	300
1995	315
1996	320

**Employment scheme for seasonal workers
("PODS" – Programa ocupacional/sazonais)**

Aim

Fixed-term winter employment of community interest for special categories (fishermen and agricultural workers).

Legal Basis

Annual scheme sanctioned by Government Council Resolution.

Contents

The schemes are revised annually in accordance with the prevailing socio-economic situation in certain regions. Workers who are temporarily out of work are employed for two to three months. Remuneration depends on the age of the worker and is calculated according to an annually updated scale.

Financial Resources

Office for Funding of Employment Measures (GGFE).

Year	ESC 1,000s
1992	52,500
1993	66,300
1994	139,000
1995	a)

a) In 1995 the scheme was replaced by the "MEFE-1" employment promotion scheme (cf. P-A-iii.4).

Institutional Support

Regional Directorate for Employment (DRE);
Municipal authorities.

Duration

Every winter.

Effects

Year	Number of persons
1992	383
1993	466
1994	550
1995	a)

a) In 1995 the scheme was replaced by the "MEFE-1" employment promotion scheme (cf. P-A-iii.4).

**Employment scheme for the unemployed
("OTD" – Programa de ocupação de trabalhadores desempregados)**

Aim

To provide employment of community interest for persons who have been registered as unemployed for at least one year or to entrust them with activities which foster job creation in the future. The scheme also aims to contribute to the development of local and regional initiatives which are of socio-economic interest.

Legal Basis

An *SRJECIE* scheme sanctioned by Government Council Resolution, as published in *Jornal Oficial*.

Contents

The scheme targets workers who have been unemployed for at least one year and are over 25 years of age. Persons who are younger may be considered as candidates if they are in receipt of unemployment benefit. The scheme has a duration of seven consecutive months and is implemented in projects of social and community interest. The following bodies may operate the scheme:

- a) bodies and administrative offices of the public authorities;
- b) municipal authorities;
- c) cultural and charitable institutions;
- d) private non-profit-making organisations;
- e) private enterprises.

Financial Resources

Office for Funding of Employment Measures (*GGFE*).

Year	ESC 1,000s
1992	40,000
1993	49,214
1994	a)

- a) In 1994 the scheme was replaced by the "*MEFE-1*" employment promotion scheme (cf. P-A-iii.4).

Institutional Support

Regional Secretariat for Youth Affairs, Employment, Trade, Industry and Energy (*SRJECIE*);
Regional Directorate for Employment (*DRE*).

Duration

7 months.

Effects

Year	Number of workers
1992	117
1993	139
1994	a)

a) In 1994 the scheme was replaced by the "MEFE-1" employment promotion scheme (cf. P-A-iii.4).

**"MEFE-1" employment scheme – special measures to promote employment
("MEFE-1" – *Medidas especiais de fomento do emprego – medida ocupacional*)**

Aim

The purpose of this employment scheme is to provide the long-term unemployed, seasonal workers and first-time jobseekers who are registered as unemployed with an opportunity to carry out work of community interest. The work experience they obtain by means of the scheme is intended to facilitate their integration into the labour market. At the same time, it is hoped that their labour will encourage employers to create new jobs. Participants in the scheme no longer receive unemployment benefit.

Legal Basis

- Government Council Resolution no. 125/93 of 11.11.1993;
- Ordinance no. 68/94 of 17.2.1994.

Contents

The number of persons employed under the scheme is defined annually on the basis of the prevailing socio-economic and employment situation.

The number of seasonal workers who participate each winter in the scheme is also yearly defined by Government Resolution; the same applies to the rate of financial assistance paid to every unemployed person working in social projects.

Financial Resources

Office for Funding of Employment Measures (*GGFE*).

Institutional Support

Regional Secretariat for Youth Affairs, Employment, Trade, Industry and Energy (*SRJECIE*) via the Regional Directorate for Employment (*DRE*).

Duration

Determined by Order of the Regional Secretariat.

Effects

1994/1995:

General employment schemes

– ESC 300,000,000 – 680 persons.

Employment schemes for seasonal workers

– ESC 150,000,000 – 600 persons.

1995/1996:

General employment schemes

– ESC 350,000,000 – 720 persons.

Employment schemes for seasonal workers

– ESC 170,000,000 – 650 persons.

1996/1997:

General employment schemes

– ESC 770,000,000 – 1,750 persons.

Employment schemes for seasonal workers

– ESC 175,000,000 – 700 persons.

**The Azores Vocational Training Centre
(Centro de Formação Profissional dos Açores– CFPA)**

Aim

To organise vocational training measures incorporating retraining, further training and advanced training or qualifying measures for workers in the region, and to promote the dual training system (apprenticeships).

Legal Basis

- D.-L. no. 243/78 of 19.8.1978;
- Regional Administrative Ordinance no. 14/90/A of 5.4.1990;
- Azores Regional Government Council Resolution no. 55/94 of 7.4.1994.

Contents

The centre currently has nine different training courses on offer in the following sectors: building, motor vehicle mechanics, metal processing, hotels, data-processing, foodstuffs, administration and trade, art and aesthetics, electro-technology, electronics and telecommunications.

The trainees receive a monthly allowance of ESC 26,000. They are insured against accidents at work, receive free board and are entitled to free travel. Participants who do not live on St. Miguel are reimbursed for their travel costs to and from the centre, whether by sea or by air, at the beginning and end of the training course.

Financial Resources

Regional Secretariat for Youth Affairs, Employment, Trade, Industry and Energy (SRJECIE) and the European Social Fund.

Institutional Support

Regional Secretariat for Youth Affairs, Employment, Trade, Industry and Energy (SRJECIE) via the Regional Directorate for Employment (DRE).

Candidates are selected by the employment offices.

Duration

Unlimited.

Effects

The centre has places for 300 trainees annually and is used to its full capacity.

P-A-iv.2

"MEFE-2" vocational preparation scheme – special measures to promote employment
("MEFE-2" – Medidas especiais de fomento do emprego – medida formação profissional pré-qualificante)

Aim

Given a particularly unstable labour market, the purpose of this scheme is to provide young, unemployed first-time jobseekers aged between 18 and 25 years with an opportunity to prepare for a profession and thus to integrate them into the labour market.

Legal Basis

Regional Secretariat for Youth Affairs, Employment, Trade, Industry and Energy (SRJECIE) scheme, by Government Council Resolution no. 125/93 of 11.11.1993, specifically regulated by Ordinance no. 68/94 of 17.2.1994.

Contents

The scheme consists of vocational preparation courses comprising general and specific subjects and work experience in the form of simulated on-the-job work situations.

The courses run for 560 hours and have either a socio-cultural, scientific or technical/practical emphasis. Special training in one subject is also available on each course.

Institutional Support

Regional Secretariat for Youth Affairs, Employment, Trade, Industry and Energy (SRJECIE) via the Regional Directorate for Employment (DRE).

Financial Resources

Budget of the autonomous region of the Azores;
ESF co-participation.

Duration

Unlimited.

Effects

1994: ESC 160,000,000 – 320 trainees;
1995: ESC 153,600,000 – 256 trainees.

"PEDRAA-II" special scheme for the development of the autonomous region of the Azores
("PEDRAA-II" – Programa específico de desenvolvimento da região autónoma dos Açores)

Aim

The purpose of this regional development scheme, which is in operation on all of the islands of the Azores, is to improve the standard of living, to strengthen the economy and to achieve better qualified human resources.

Financial aid from the European Union is allocated under the scheme. The EU grants are channelled through the sub-scheme – "Qualifications for Human Resources" – for the areas of education, vocational training and employment promotion.

Legal Basis

- Regional Development Plan 1994-1999;
- EU Resolution;
- National and regional legislation concerning the ESF contained in the EU Support Plan 1994-1999.

Contents

The vocational training part of the *PEDRAA-II* "Qualifications for Human Resources" sub-scheme comprises the following measures:

1. Vocational training, consisting of three measures:
 - Training for production – to qualify unskilled workers and young, first-time jobseekers; basic education for workers with little schooling.
 - Vocational training in schools – to improve school education by means of extra-curricular activities in vocational subjects and in Sport and Art.
 - Vocational training for civil servants – to improve the services provided by civil servants.
2. Employment promotion: enterprises are to be encouraged to create new jobs in order to be able to continue to employ available manpower and thus contribute to stabilising employment and reducing social imbalances resulting from unemployment.

Financial Resources

ESF.

Measure 1 – vocational training

(ESC 1,000s)

Year	Azores
1994	1,228,425
1995	3,284,979
1996	2,530,667

Measure 2 – employment promotion

(ESC 1,000s)

Year	Azores
1994	135,053
1995	169,159
1996	105,487

Institutional Support

Regional Directorate for Employment (*DRE*) in its function as co-ordinating body for the management of the ESF funds made available for the scheme.

Duration

1994–1999.

Effects

Measure 1 – vocational training

Number of persons

Year	Azores
1994	10,430
1995	12,303
1996	11,222

Measure 2 – employment promotion

Number of persons

Year	Azores
1994	251
1995	279
1996	129

Employment incentives (*Incentivos ao emprego*)

Aim

Incentives for creating permanent jobs, for maintaining existing jobs, for re-employment projects and the restoration of lost jobs and selective aid for co-operatives and handicrafts.

Legal Basis

- Regional Administrative Ordinance no. 1/87/A of 6.1.1987;
- Ordinance no. 139/90 of 31.7.1990.

Contents

Under this employment scheme loans or subsidies amounting to up to 14 times the national minimum monthly wage may be provided for every job created. This amount can be increased by 20% or 50% for sectors in need of investments or for regions where the labour market situation is particularly unfavourable.

Additional subsidies may be provided for the recruitment of disabled persons (100% subsidy), first-time jobseekers (75% subsidy) or members of socially disadvantaged groups – especially women and the long-term unemployed (50% subsidy).

Financial Resources

Office for Funding of Employment Measures (*GGFE*).

Institutional Support

The Regional Secretariat for Youth Affairs, Employment, Trade, Industry and Energy (*SRJECIE*) is the decision-making body regarding aid.

Applications for aid are submitted to the Regional Directorate for Employment (*DRE*), which also procures the opinions of the Regional Secretariats responsible for the sectors in question. When an investment sum is significant, the opinion of the Regional Secretariat for Finance and Planning (*SRFP*) is compulsory.

Duration

Started February 1987 for an unlimited period.

Effects

1992:

Job maintenance and creation:

– ESC 46,200,000 – 79 jobs;

Special subsidies: ESC 53,500,000.

1993:

Job maintenance and creation:

– ESC 61,500,000 – 141 jobs;

Special subsidies: ESC 18,000,000.

1994:

Job maintenance and creation:

– ESC 96,228,000 – 140 jobs.

1995:

Job maintenance and creation:

– ESC 100,000,000 – 150 jobs;

Special subsidies: ESC 30,000,000.

1996:

Job maintenance and creation:

– ESC 85,816,000 – 150 jobs.

Local and regional employment initiatives
("ILE" – iniciativas locais e regionais de criação do emprego)

Aim

To provide support for the implementation of entrepreneurial projects whose viability has been proven. Both individual and collective projects may be supported, especially if they are to be carried out in removed locations or under-developed areas where it is more difficult to create jobs and set up businesses.

Legal Basis

Regional Administrative Ordinance no. 31/91/A of 1.10.1991.

Contents

Projects which meet the following conditions are eligible for support:

- Enterprises must be able to provide evidence of suitable management personnel and the enterprise's viability.
- They must take the local development process into account, blend in with the social environment and give consideration to the needs of the population.
- They must provide new employment, i.e. they must contribute to the reduction of existing or anticipated unemployment.

Maximum financial support amounts to 36 times the statutory minimum wage, two-thirds of which are a subsidy and one-third a loan.

Financial Resources

Office for Funding of Employment Measures (GGFE).

Institutional Support

Regional Secretariat for Youth Affairs, Employment, Trade, Industry and Energy (SRJECIE) via the Regional Directorate for Employment (DRE).

Duration

Unlimited.

Effects

1992:

ESC 37,200,000 – 32 new jobs.

1993:

ESC 55,789,000 – 33 new jobs.

1994:

ESC 130,000,000 – 70 new jobs.

1995:

ESC 155,294,000 – 85 new jobs (absolute figures).

1996:

ESC 120,000,000 – 80 new jobs (provisional figures).

**Promotion scheme for permanent employment
("PAC" – Programa de apoio à contratação)**

Aim

To create permanent jobs for persons registered as unemployed at the employment office.

Legal Basis

D.-L. no. 49/92 of 20.2.1992.

Contents

A subsidy amounting to 12 monthly salaries (not exceeding the statutory monthly minimum wage for the occupation in question) may be paid for every new job actually created. The subsidy can be increased by 20% when women are recruited.

Financial Resources

Budget of the autonomous region of the Azores;
ESF.

Institutional Support

Regional Secretariat for Youth Affairs, Employment, Trade, Industry and Energy (SRJECIE) via the Regional Directorate for Employment (DRE).

Duration

Until 1994 (to be replaced by the "PROFORME" scheme).

Effects

1992:
ESC 116,062,000 – 256 new jobs.

1993:
ESC 110,000,000 – 183 new jobs.

1994:
ESC 120,000,000 – 200 new jobs.

Employment and training promotion scheme (*Programa emprego/formação*)

Aim

To provide employment for young, first-time jobseekers aged between 16 and 25 years by supporting enterprises offering suitable vocational training.

Legal Basis

- Decree no. 10/85 of 15.2.1985 (JO no. 7, Series I);
- Ordinance no. 39/86 of 18.3.1986 (JO no. 15, Series I);
- Decree no. 82-A/86 of 16.12.1986 (JO no. 50, Series I);
- Ordinance no. 3/87 of 27.1.1987 (JO no. 2, Series I).

Contents

Aid takes the form of a wage-cost subsidy which is granted to public, private or co-operative enterprises according to the following scheme:

- The company receives a subsidy of 75% of the basic wage for the occupation in question for young women, and 50% for young men for the first six-month contract.
- The subsidy is equal to seven monthly salaries if the young people are employed on a permanent contract.

Financial Resources

Office for Funding of Employment Measures (GGFE).

Institutional Support

Regional Secretariat for Youth Affairs, Employment, Trade, Industry and Energy (SRJECIE) via the Regional Directorate for Employment (DRE) and Employment offices.

Duration

Until December 1994 (to be replaced by the "PROFORME" scheme, which was initiated by virtue of Regional Government Resolution no. 149/94, as regulated by SRJECIE Decree no. 1/95 of 12.1.1995).

Effects

1992:
ESC 66,300,000 – 409 recruitments.

1993:
ESC 96,900,000 – 522 recruitments.

1994:
ESC 100,000,000 – 600 recruitments.

Labour market integration for young people ("IMT" – *Integração no mercado de trabalho*)

Aim

The purpose of this scheme is to provide young, first-time jobseekers with work experience in jobs of community interest which are created to this end. At the same time, the young people are encouraged to actively participate in the search for employment while receiving assistance in the assessment of their vocational prospects.

Legal Basis

Regional Secretariat for Youth Affairs, Employment, Trade, Industry and Energy (SRJECIE) scheme, sanctioned by Government Council Resolution, as published in *JO*.

Contents

The scheme targets young, first-time jobseekers aged between 18 and 24 years and covers activities carried out within the framework of community projects.

Only public bodies may implement this scheme, i.e. regional or municipal authorities and charitable institutions.

Financial Resources

Office for Funding of Employment Measures (GGFE).

Institutional Support

Regional Secretariat for Youth Affairs, Employment, Trade, Industry and Energy (SRJECIE) via the Regional Directorate for Employment (DRE).

Duration

Until 1993. In 1994 the scheme was replaced by the "MEFE-1" employment promotion scheme (cf. P-A-iii.4).

Effects

1992:
ESC 65,746,000 – 309 employees.

1993:
ESC 83,228,000 – 365 employees.

P-A-vi.3

**Self-employment for the disabled
(Instalação por conta própria)***Aim*

To enable disabled persons to enter self-employment.

Legal Basis

- Decree no. 58/85 of 3.9.1985 (JO no. 32, Series I);
- Decree no. 51/89 of 3.8.1989 (JO no. 32, Series I);
- Decree no. 11/91 of 26.2.1991 (JO no. 9, Series I).

Contents

Financial support to cover expenses which are strictly necessary for setting up disabled persons in self-employment. Aid is provided for the acquisition and maintenance of equipment or installations.

A subsidy amounting to 18 times, or a loan amounting to 50 times the statutory minimum wage is provided.

Financial Resources

Office for Funding of Employment Measures (GGFE).

Institutional Support

Regional Secretariat for Youth Affairs, Employment, Trade, Industry and Energy (SRJECIE) via the Regional Directorate for Employment (DRE).

Duration

Started September 1985 for an unlimited period.

Effects

1992:
ESC 4,648,800 – 4 disabled persons.

1993:
ESC 4,255,600 – 3 disabled persons.

1994:
ESC 1,300,000 – 1 disabled person.

1995:
ESC 4,400,000 – 3 disabled persons.

**Support for the socio-vocational integration of the disabled –
wage-cost subsidies (*Apoios financeiros à integração
sócio-profissional de deficientes – Compensação aos empregadores*)**

Aim

To create incentives for employers to recruit disabled persons.

Legal Basis

- Decree no. 58/85 of 3.9.1985 (*JO* no. 32, Series I);
- Decree no. 51/89 of 3.8.1989 (*JO* no. 32, Series I);
- Decree no. 11/91 of 26.2.1991 (*JO* no. 9, Series I).

Contents

To provide financial aid for enterprises which employ disabled persons. The subsidy is payable during the settling-in or readjustment period for a minimum of 12 months. It amounts to 50% of the basic wage of an able-bodied worker in the same occupational group, plus social security contributions. The subsidy is payable for a further 12 months if the fixed-term contract is converted into a permanent contract. If the disabled person is immediately employed on a permanent contract the subsidy is granted for 24 months.

Financial Resources

Office for Funding of Employment Measures (*GGFE*).

Institutional Support

Regional Secretariat for Youth Affairs, Employment, Trade, Industry and Energy (*SRJECIE*) via the Regional Directorate for Employment (*DRE*).

Duration

Started September 1985 for an unlimited period.

Effects

1992:

ESC 90,200 – 1 subsidised job.

1993:

ESC 8,656,264 – 6 subsidised jobs.

1994:

ESC 18,700,000 – 38 subsidised jobs.

1995:

ESC 6,153,000 – 16 subsidised jobs (absolute figures).

1996:

ESC 3,760,000 – 12 subsidised jobs (provisional figures).

P-A-vi.5

**Support for the socio-vocational integration of disabled workers – adaptation of workplaces and removal of architectural obstacles
(Apoios financeiros à integração sócio-profissional de deficientes – Adaptação postos de trabalho e eliminação de barreiras arquitectónicas)**

Aim

To provide financial support for enterprises which must adapt workplaces, equipment or installations to the functional needs of the disabled workers employed in the firm or those to be recruited.

Legal Basis

- Decree no. 58/85 of 3.9.1985 (JO no. 32, Series I);
- Decree no. 51/89 of 3.8.1989 (JO no. 32, Series I);
- Decree no. 11/91 of 26.2.1991 (JO no. 9, Series I).

Contents

Subsidies for adapting workplaces, eliminating architectural obstacles or adjusting equipment or installations to the functional needs of disabled workers are limited to a maximum of 20 statutory minimum wages.

Financial Resources

Office for Funding of Employment Measures (GGFE).

Institutional Support

Regional Secretariat for Youth Affairs, Employment, Trade, Industry and Energy (SRJECIE) via the Regional Directorate for Employment (DRE).

Duration

Started September 1985 for an unlimited period.

Effects

1993:
ESC 3,962,000 – 1 subsidised industrial enterprise.

1995:
ESC 5,000,000 – 2 subsidised enterprises.

**Promotion of geographical mobility
(*Estímulos à mobilidade geográfica*)***Aim*

To create incentives for unemployed persons to take up jobs which imply a change of residence from one island to another.

Legal Basis

Regional Administrative Ordinance no. 18/87/A of 11.6.1987.

Contents

The following financial support is given:

- reimbursement of travel expenses;
- a grant towards living expenses during the trial period amounting to 1/10 of the national minimum wage;
- a grant towards the removal expenses of the worker and his family;
- a grant for furniture and accommodation equal to the national minimum wage for employment contracts with a duration of at least 6 months and twice that amount for contracts with a duration of at least one year;
- additional family allowance of 1/5 of the national minimum wage for each child aged under five years, provided that both parents change residence;
- an allowance for the purchase or building of accommodation amounting to ten times the national minimum wage.

Financial Resources

Office for Funding of Employment Measures (*GGFE*).

Institutional Support

Regional Secretariat for Youth Affairs, Employment, Trade, Industry and Energy (*SRJECIE*) via the Regional Directorate for Employment (*DRE*).

Duration

Started July 1987 for an unlimited period.

P-A-viii.1

**Vocational training aid for craft workers
(Formação profissional de artesãos)***Aim*

To support small-scale local development projects in the handicrafts sector by training instructors and craft workers.

Legal Basis

- EU Resolution no. C(92)3283 of 18.9.1992;
- Decrees no. 61/93 and 62/93 of 23.12.1993.

Contents

The scheme belongs to the "POSEIMA-handicrafts" scheme, which was initiated by the European Commission in view of the Azores' island structure and distant location.

Support is provided to local initiatives run by small firms and individual craftspersons because it is supposed that crafts in the Azores are a potentially viable economic sector which may promote employment and are thus worthy of support and development.

Financial Resources

EU "POSEIMA-handicrafts" scheme.

Institutional Support

Regional Secretariat for Youth Affairs, Employment, Trade, Industry and Energy (SRJECIE).

Duration

1992-1994.

Effects

During the course of the scheme 48 training projects were approved and carried out. The EU provided ESC 7,397,000 in funding, which was supplemented by resources from the persons/firms implementing the scheme.

IV. INFORMATION AND RESEARCH

In the autonomous region of the Azores, the regional authorities are charged with the task of compiling statistics as a basis for information and research activities. These statistics include data concerning labour, employment and social security, the latter being a particularly important sub-group in relation to the two former areas.

The regional authorities work in collaboration with their national counterparts. In accordance with agreements reached with the national bodies which produce statistical publications, the regional bodies provide them with statistical information pertaining to their area of jurisdiction. The relevant bodies are the National Institute for Statistics (*INE*), the *MQE* Department of Statistics and the Institute for the Financial Management of Social Security (*IGFSS*).

In addition, the various administrative offices of the Regional Secretariat for Youth Affairs, Employment, Trade, Industry and Energy (*SRJECIE*) produce so-called annual reports with limited circulation covering the topics "Labour Market", "Labour Relations", "Personnel", "Labour Disputes" and "Youth Objectives in the Azores".

The following are some of the publications produced by the Regional Directorate for Studies and Planning under the Regional Secretariat for Finances and Planning. These are in general circulation and are utilised by the Departments of the regional administration:

- Demography, Employment and Unemployment in the Azores;
- AZORES – Demographic Forecast;
- AZORES – Working Population;
- The Social and Economic Situation (annual publication).

P-M THE AUTONOMOUS REGION OF MADEIRA

I. INSTITUTIONS

The Madeira archipelago is an autonomous region endowed with its own governmental bodies: the Regional Legislative Assembly and the Regional Government, consisting of a President and Regional Secretaries.

The Regional Secretariat for Education (*SRE*) is the regional government department which, alongside other functions, is directly involved in the fields of employment and vocational training (cf. organisation chart).

The Regional Directorate for Employment and Vocational Training (*DREFP*) is one of the divisions of the Regional Secretariat for Education and has the task of implementing the employment and vocational training policy defined by the Regional Government. Its responsibilities and powers are laid down in Ordinance no. 17/93/M of 17.6.1993.

The *DREFP* has the following tasks:

- to participate in formulating employment and vocational training policy and drafting relevant legislation;
- to compile, analyse and disseminate data concerning problems existing in the fields of employment and vocational training and to foster discussion of these issues with a view to defining priorities;
- to devise schemes which foster job creation and labour market integration and vocational training-cum-employment schemes which take both the current and prospective labour market situation and the characteristics of the social and occupational groups which enjoy priority into account;
- to provide various services such as job placement, career guidance and vocational information and to disseminate up-to-date labour market data;
- to represent the unemployed within the framework of the Socio-Economic Plan by fostering their integration into the labour market and participating in applying and improving the provisions for social protection of the unemployed;
- to participate in and to promote relationships, collaboration and other associations with national and international institutes in questions of employment and vocational training.

The Regional Directorate for Employment and Vocational Training (*DREFP*) is also the only contact on Madeira for the Department of ESF Affairs (*Departamento para os Assuntos do Fundo Social Europeu*) and is thus responsible for ensuring that ESF-financed employment and vocational training measures are successfully implemented in the region.

The *DREFP* has the same responsibilities and enjoys the same powers at regional level as the "António Sérgio Institute for the Co-operative Sector" (*Instituto António Sérgio do Sector Cooperativo*) at national level (regulated by D.-L. no. 240/87 of 12.6.1987).

The *DREFP* has the following subordinate bodies and administrative offices:

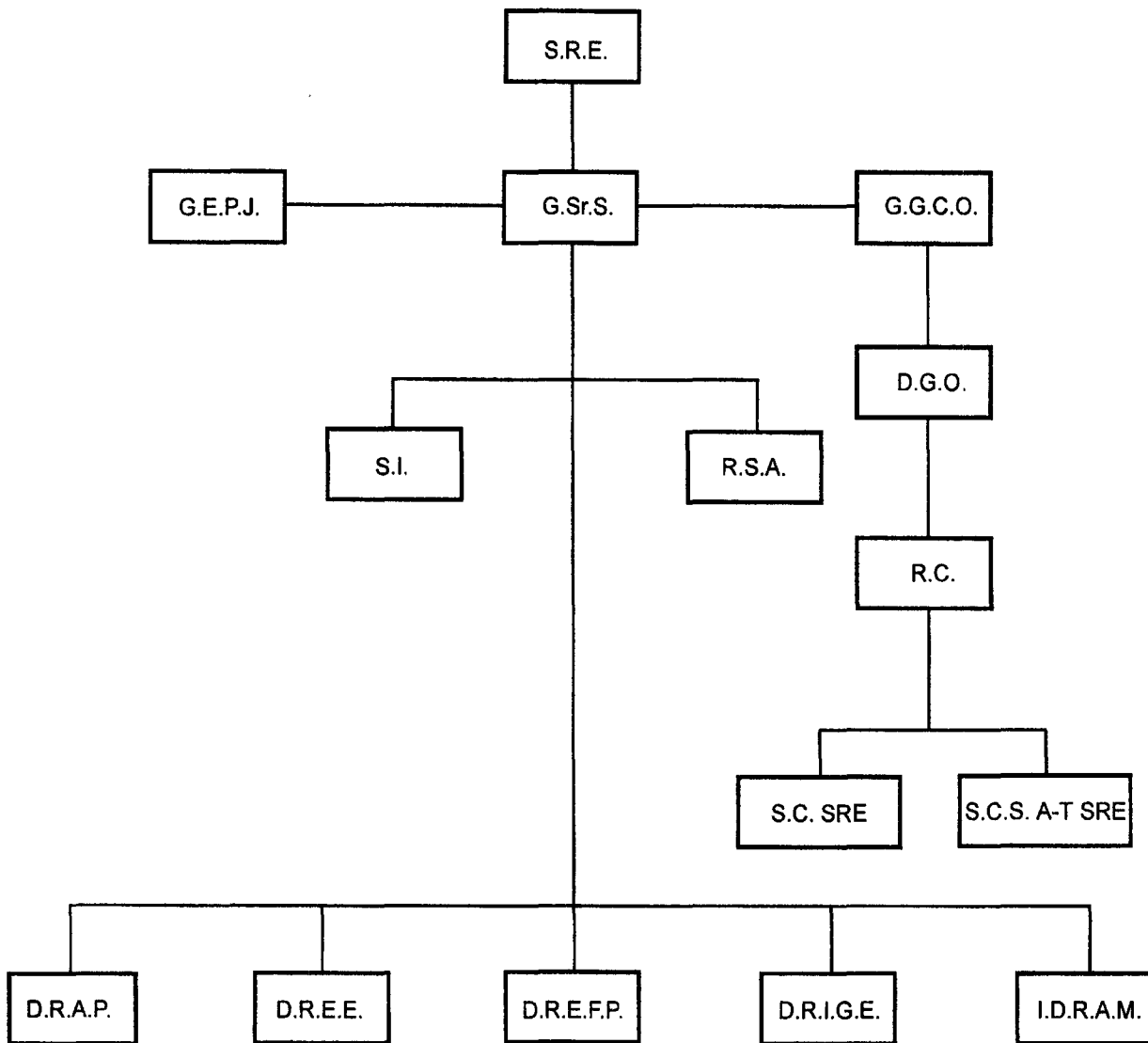
- a) Administrative Council;
- b) Planning and promoting bodies;
- c) Directorate for Vocational Training;
- d) Directorate for ESF Affairs;
- e) Directorate for Administration, Financing and Assets;
- f) Directorate for Employment.

The *DREFP* employs 165 persons.

The Regional Directorate for Special Training (*DREE*) is another division of the Regional Secretariat for Education (*SRE*). Among other functions, the *DREE* is responsible for the rehabilitation and the social and vocational integration of disabled persons and it operates a vocational training centre to this end.

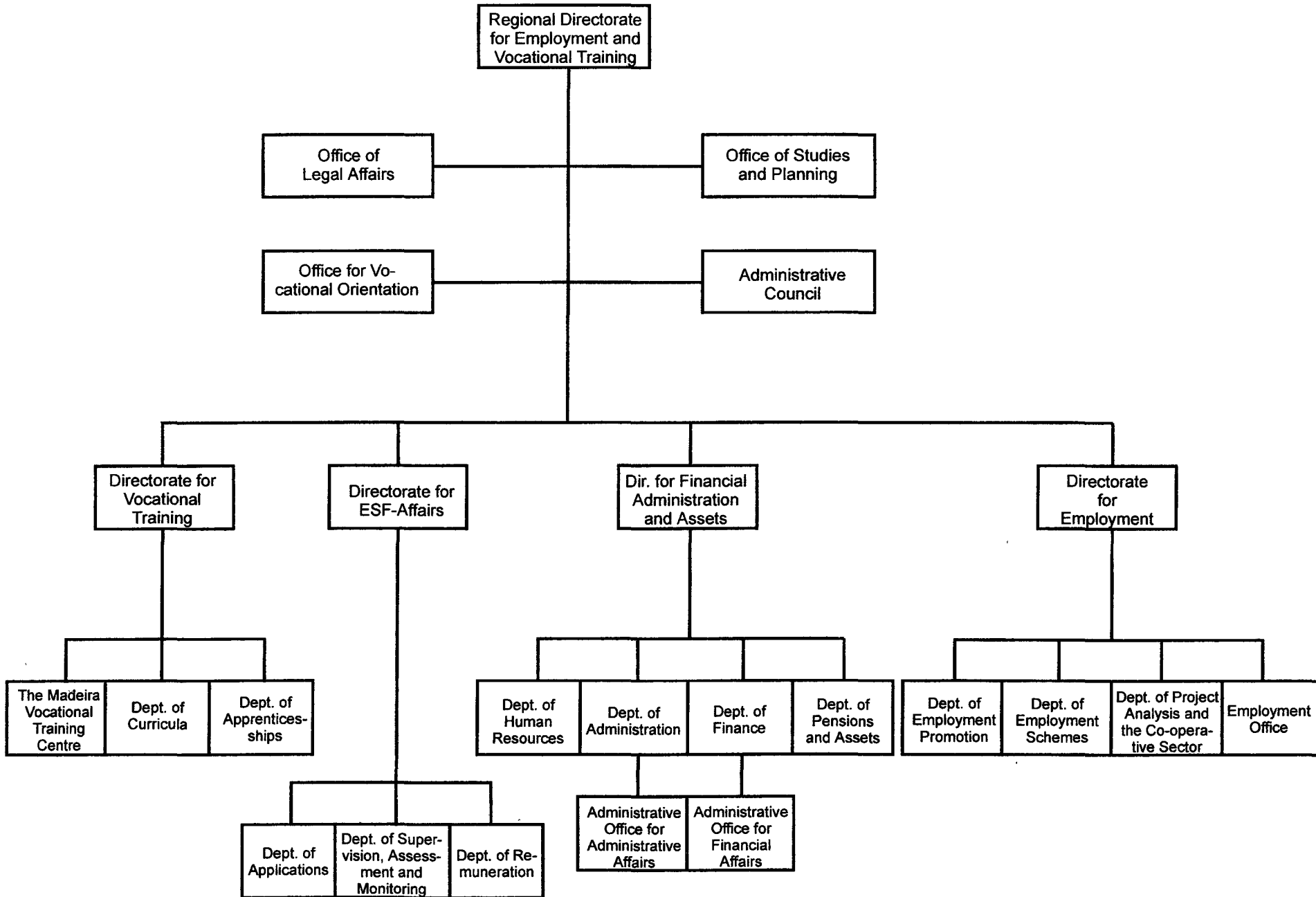
The Regional Secretariat for Government Affairs and Communication operates a centre (*Centro das Comunidades Madeirenses*) which provides assistance to migrant workers and also assists in recruiting manpower for abroad.

Regional Secretariat for Education



- S.R.E. Regional Secretariat for Education (*Secretaria Regional de Educação*)
- G.Sr.S. Secretary's Office (*Gabinete do Senhor Secretário*)
- G.E.P.J. Office for Legal Studies and Testimonials (*Gabinete de Estudos e Pareceres Jurídicos*)
- S.I. Data-processing Service (*Serviço de Informática*)
- R.S.A. Department of Administrative Affairs (*Repartição de Serviços Administrativos*)
- G.G.C.O. Office for Budget Administration and Regulation (*Gabinete de Gestão e Controlo Orçamental*)
- D.G.O. Budget Department (*Divisão de Gestão Orçamental*)
- R.C. Accounts Department (*Repartição de Contabilidade*)
- S.C. SRE SRE Accounts Department (*Secção de Contabilidade da SRE*)
- S.C.S.A-T SRE Accounts Department of the Self-administering SRE Offices (*Secção de Contabilidade de Serviço Auto-Tutelados da SRE*)
- D.R.A.P. Regional Directorate for Administration and Personnel (*Direcção Regional de Administração e Pessoal*)
- D.R.E.E. Regional Directorate for Special Training (*Direcção Regional de Educação Especial*)
- D.R.E.F.P. Regional Directorate for Employment and Vocational Training (*Direcção Regional de Emprego e Formação Profissional*)
- D.R.I.G.E. Regional Directorate for Education (*Direcção Regional de Invocação e Gestão Educativa*)
- I.D.R.A.M. Madeira Institute of Sports (*Instituto do Desporto da Madeira*)

Regional Directorate for Employment and Vocational Training



II. LEGAL FRAMEWORK AND PROCEDURES

1. Sources of Law

The legislative powers of the autonomous regions are defined in Article 229 of the Portuguese Constitution, which empowers them to legislate independently on matters of specific interest to the regions whilst respecting the Constitution and the general laws of the Republic of Portugal. These powers may also be granted by the Republican Assembly for affairs in which the sovereign bodies are not responsible. The regions are also empowered to implement general laws of the Republic by means of ordinances, provided that the national bodies do not have the exclusive right to do so themselves.

In the areas of labour and employment, the process of regionalisation which was launched after the 1976 Constitution came into force authorised the Governments of the autonomous regions (that of Madeira by D.-L. no. 294/78 of 22.9.1978) to exercise a set of powers over their respective territories which were previously reserved for the bodies and administrative offices subordinate to the Government of the Republic. The initial scope of the powers was gradually extended to other fields by means of laws governing the structure of the regional administrative offices for labour and employment and by subsequent transfers of responsibilities.

In the autonomous region of Madeira the general laws of the Republic apply in these areas, the regional bodies being consulted during the drafting phase – in accordance with the Constitution – on their contents.

Consequently, the powers of the autonomous regions are generally laid down in the laws. However, it frequently proves necessary to adapt legislation to the organisational structure of the regional administrative offices.

Nevertheless, the application of these laws is the sole responsibility of the regional offices, which act in accordance with their own criteria as determined by local realities. Thus, relationships with the social partners and other bodies concerned in the process of administering labour, employment and vocational training as well as in resolving labour relations issues – at the individual and collective levels – come under the jurisdiction of the competent administrative bodies of the autonomous regions.

1.1 Summary of the main legislation

Under the terms of the Public Administration Regulations, which were amended by Law no. 13/91 of 5.6.1991, specific regional questions can be regulated separately.

These also include the fields of employment and vocational training, which are thus subject to regional legislation. The region of Madeira has a range of special laws which respect the needs of the region and in whose drafting the aforementioned general principles and legislation of the EU were observed.

Legislation concerning employment

- Decree no. 9/90, as published in the *Jornal Oficial da Região da Madeira (JORAM)*, Series I, no. 14 of 31.1.1990 – support for young and adult long-term unemployed to enter self-employment;
- Decree no. 476/94, as published in the *Diário da República (DR)*, Series B, no. 150 of 1.7.1994, as adapted for the region by Decree no. 396/94, published in *JORAM*, Series I, no. 180 of 28.12.1994 – support for recipients of unemployment benefits to enter self-employment;
- Ordinance no. 25/95, as published in *JORAM*, Series I, no. 166 of 4.9.1995 – local employment initiatives;
- Order of the Regional Secretary for Education, Youth Affairs and Employment, as published in *JORAM*, Series II, no. 53 of 29.4.1991; Joint Order of the Regional Secretary for Finance and the Regional Secretary for Education, as published in *JORAM*, Series II, no. 98 of 27.8.1993; Order of the Regional Secretary for Education no. 58/93, as published in *JORAM*, Series II, no. 147 of 30.12.1993; and Joint Order of the Regional Secretary for Finance and the Regional Secretary for Education, as published in *JORAM*, Series II, no. 26 of 6.2.1996 – training and support for the activities of development providers with a view to creating jobs and promoting vocational training at local level;
- Ordinance 27/07, as published in *DR*, Series II of 11.8.1979, adapted for the region by virtue of the Common Ordinance published in *JORAM*, Series I, no. 10 of 15.4.1982 – support for the co-operative sector with a view to job creation;
- Decrees nos. 14/90 and 303/90, as published in *JORAM*, Series I, no. 39, Supplement of 13.3.1989 and Series I, no. 214 of 31.12.1990, respectively; Order no. 378, as published in *JORAM*, Series II, no. 147 of 30.8.1990 – promotion of permanent employment contracts for young and adult long-term unemployed;
- D.-L. no. 34/96 of 18.4.1996, as adapted for the region of Madeira by virtue of Resolution no. 816/96, published in *JORAM*, Series I, no. 76 of 15.7.1996 – promotion of the recruitment of young, first-time jobseekers and the long-term unemployed;
- Ordinance no. 2/96, as published in *JORAM*, Series I, no. 16 of 16.2.1996 – vocational training and integration scheme for the unemployed;
- Decrees nos. 5/87 and 21/88, as published in *JORAM*, Series I, no. 3 of 22.1.1987 and *JORAM*, Series I, no. 64 of 3.5.1988, respectively – additional training in various establishments for persons who have successfully completed vocational training measures, with a view to subsequent job creation in these establishments;
- Decree no. 179/94, as published in *JORAM*, Series I, no. 102 of 2.9.1994 – employment for workers in receipt of benefits;
- Ordinance no. 3/96, as published in *JORAM*, Series I, no. 22 of 1.3.1996 – employment scheme for the unemployed;
- Ordinance no. 4/96, as published in *JORAM*, Series I, no. 22 of 1.3.1996 – job clubs;
- Ordinance no. 5/96, as published in *JORAM*, Series I, no. 22 of 1.3.1996 – institutions to promote integration into working life (*UNIVAs*).

Legislation concerning vocational training

Vocational training on Madeira is regulated by national legislation on training and co-operation in the educational sector (with a few exceptions concerning the bodies and administrative offices charged with implementing the laws). A tripartite regional committee for training was set up on Madeira under the first of these laws.

As regards legislation concerning ESF-financed vocational training measures, adaptations were made with respect to the Autonomous Region of Madeira's Employment Scheme (*POPRAM II*), which was sanctioned in association with the EU Support Plan for 1994-1999.

Sources of law:

- D.-L. no. 15/94 of 6.7.1994, which regulates the dispensation of financial aid from the European Social Fund for employment and vocational training measures within the framework of EU support schemes, was adapted for the region by virtue of Decree no. 203-A/94, as published in *JORAM*, Series I, no. 117 of 23.9.1994.
- Ordinance no. 464/94 of 28.6.1994, which defines the minimum rates for vocational training allowances, and Ordinance no. 465/94 of 28.6.1994, which defines the minimum costs carried by the ESF for instructors, were adapted for the region by virtue of Ordinances no. 18/94 and 19/94, as published in *JORAM*, Series I, no. 118 of 26.9.1994.

The Regional Council for Employment and Vocational Training – an advisory body to the Regional Government agency responsible for implementing employment and vocational training policy – was established under Regional D.-L. no. 5/94/M, as published in *DR*, Series A, no. 72 of 26.3.1994.

The Council has the following responsibilities:

- to supervise and evaluate the implementation of measures and schemes;
- to analyse the regional labour market, especially general indicators – such as quality and stability – and specific indicators – such as demand and supply – in order to be able to define training needs and necessary innovations and reforms;
- to detect and monitor existing or foreseeable crises;
- to draw up reports on issues concerning general and/or specific employment and vocational training policy, either on its own initiative or on the request of the regional government.

Legislation concerning labour

As indicated above, the legislation in force on Madeira, especially labour legislation, conforms to national legislation. Thus, there are no exceptional regulations concerning employment contracts, working time, health and safety at the workplace or collective bargaining.

As regards collective agreements, D.-L. no. 365/89 of 19.10.1989 empowers the governments of the autonomous regions to issue decrees supplementing mainland collective agreements to be applied solely to their respective territories.

As regards remuneration and the national minimum wage, the monthly minimum wage on Madeira has been some 2% higher than the statutory national minimum wage since 1987.

As regards discrimination, there is a Regional Committee for Equality at Work and in Employment, which has similar aims to those of its national counterpart and is regulated by Regional D.-L. no. 4/96/M of 15.3.1996.

As regards social concertation, the region is represented on the Economic and Social Council. However, a special regional body charged with responsibility for this area has been established by virtue of Regional Ordinance no. 7/94/M.

There are special stipulations under labour law concerning embroidery under homework contracts, which constitutes a large proportion of the homework carried out on Madeira. These regulations contain adaptations of national legislation on homework to the specific characteristics of this particular type of work and have been in application on Madeira, together with other regional regulations, for many years, even since before the existence of homework legislation at national level. Law no. 43/96 of 3.9.1996 guarantees unemployment assistance at regional level for embroiderers who work at home. Work is in progress on corresponding regulations. In addition, there is a registration system in operation on Madeira for enterprises and their employees outside the plant which is unique at national level and is regulated by Regional D.-L. no. 8/93/M of 14.7.1993.

2. Institutions and Functioning of the Labour Market

As is the case for the rest of labour legislation, on Madeira national legislation is in force as regards representative associations, the system of collective bargaining and worker representation in enterprises.

Nevertheless, there are some differences regarding the application of the law which have ensued as a result of the transfer of competence in the regionalisation process.

For example, the constitution, changes to the statutes and the dissolution of regional representative associations must be concluded in association with the competent regional offices.

There are 43 trade union associations on Madeira, of which 25 are regional trade unions and 18 delegations of national unions.

There are 13 employers' associations; of which 11 are regional associations and two delegations of national associations.

The most important regional economic sectors – hotels and restaurants, building, trade and services, transport, embroidery, etc. – have their own regional associations, which negotiate collective agreements at regional level and intervene as social partners in the various aspects of labour relations.

The competent regional bodies may – like the *MQE* at national level – intervene in collective bargaining and may also regulate working conditions using administrative means.

III. MEASURES

1. General Principles

2. Employment Maintenance

3. Aid to the Unemployed

- P-M-iii.1 Employment scheme for persons in receipt of unemployment benefits (*Programa ocupacional para subsidiados*)
- P-M-iii.2 Employment scheme for the unemployed / 96 (*Programa ocupacional de desempregados / 96*)
- (cf. P-iii.1) System of unemployment protection (*Sistema de protecção no desemprego*)
- (cf. P-iii.4) Grants for integrating young people into working life (*Subsídio de inserção de jovens na vida activa*)

4. Training, Retraining and Occupational Mobility

- P-M-iv.1 The Madeira Vocational Training Centre (*Centro de Formação Profissional da Madeira*)
- P-M-iv.2 Training and vocational integration for the unemployed (*Formação e inserção profissional de desempregados*)
- (cf. P-iv.1) Apprenticeship training for young people (*Formação de jovens em regime de aprendizagem*)
- (cf. P-iv.2) Vocational preparation for young people (*Formação de jovens em regime de pré-aprendizagem*)
- (cf. P-iv.3) Vocational schools (*Escolas profissionais*)
- (cf. P-iv.11) Grant-aided additional training for those who have completed vocational training measures (*Apoio complementar de formação aos ex-estagiários de formação profissional*)

5. Job Creation

- P-M-v.1 Subsidies for permanent employment contracts (*Apoio à contratação por tempo indeterminado*)
- P-M-v.1a Subsidies for fixed-term employment contracts (*Apoio à contratação temporária*)
- P-M-v.2 Aid towards the activities of development providers (*Apoio à actividade dos agentes de desenvolvimento*)
- (cf. P-v.1) Local employment initiatives (*Iniciativas locais de criação de empregos – ILE*)
- (cf. P-v.2) Subsidies for permanent employment contracts (*Apoio financeiro à contratação por tempo indeterminado*)
- (cf. P-v.3) Support for recipients of unemployment benefits to enter self-employment (*Criação do próprio emprego por desempregados titulares de prestações de desemprego – CPE*)
- (cf. P-v.4) Support for entry into self-employment (*Apoio à criação do próprio emprego – ACPE*)

6. Special Categories of Workers

Youth

- (cf. P-vi.1) Job creation for young people through exemptions from compulsory social security contributions (*Criação de emprego de jovens por dispensa de contribuições para a Segurança Social*)

Disabled

- P-M-vi.1 The Regional Vocational Training Centre for the Disabled (*Centro Regional de Formação Profissional de Deficientes*)
- (cf. P-vi.4) Support for the socio-vocational integration of disabled persons (*Apoios à integração sócio-profissional de pessoas deficientes*)

Long-term unemployed

- P-M-vi.2 Employment for adult long-term unemployed (*Ocupação de adultos desempregados de longa duração*)

7. Placement

- P-M-vii.1 UNIVA – Institutions to promote integration into working life (*UNIVA – Unidades de Inserção na Vida Activa*)
- P-M-vii.2 Job clubs (*Clubes de emprego*)

1. General Principles

The development programme for the autonomous region of Madeira is defined in the Medium-Term Plan (1994-1999) as part of the Regional Development Plan for Portugal (1994-1999).

The current development model for the region has five main goals:

- to strengthen the economic potential;
- to improve the level of education and the employment situation;
- to raise the wage level and the quality of life of the population;
- to protect the environment;
- to reduce regional economic divides.

Employment and vocational training policy have a significant role to play in this context because human resources are particularly important in the pursuit of the above goals.

Consequently, the objectives defined in this regard under the EU Support Plan, which are to be realised on Madeira by means of the "POPRAM II" (*Programa Operacional Plurifundos*) employment scheme, are as follows:

- to proceed with and to improve vocational training by continually adapting workers' qualifications to the needs which ensue from the modernisation of the regional economy;
- to raise qualifications by means of vocational training measures for workers in and out of employment;
- to improve the structure of employment and vocational training and the conditions for entering employment;
- to facilitate the participation of jobseekers in vocational training measures which will enable their integration into working life;
- to devise employment and training schemes for social groups which have proven particularly difficult to integrate into the labour market;
- to promote new economic activities which will generate jobs in regions with a high rate of unemployment or under-employment, and to advance socio-economic development at local level;
- to provide support for schemes and measures targeting technical and scientific development in the region.

The following table provides an overview of the most important schemes, sub-schemes and measures contained in the EU Support Plan for 1994-1999, under which some 34,000 people are to be given aid by the end of 1999.

The specific employment and vocational training measures available only on Madeira are then presented in accordance with the MISEP system. General measures which also obtain on the mainland are described in Chapter III.

Schemes / Sub-schemes Measures	Numbers of persons (1994-1999)	
Total		34,304
Vocational training		
– Measure 1.2.1	Vocational training for young people in school	4,077
– Measure 1.2.2	Vocational training for young people outside school	3,288
– Measure 1.2.3	Vocational training for workers from all economic sectors except tourism	15,036
– Measure 1.2.4	Vocational training for workers in the tourist sector	3,327
– Measure 1.2.5	Vocational training for the unemployed	800
– Measure 1.2.6	Vocational training for instructors	2,822
– Measure 1.2.7	Vocational training for the disabled	460
– Measure 1.2.8	Vocational training for emigrants	120
– Measure 1.2.9	Vocational training for marginal groups	300
– Measure 1.2.10	Development in technology and research	60
Employment development		
– Measure 1.3.1	Aid for placement and entry into self-employment	1,560
– Measure 1.3.2	Aid for local employment initiatives	960
– Measure 1.3.3	Integration and temporary employment for the unemployed	1,410
– Measure 1.3.4	Training and support for development organisations	84

P-M-iii.1

Employment scheme for persons in receipt of unemployment benefits (*Programa ocupacional para subsidiados*)

Aim

Temporary employment of community interest for persons in receipt of unemployment benefits.

Legal Basis

- D.-L. no. 79-A/89 of 13.3.1989 (Article 5, nos. 2 and 3);
- D.-L. no. 418/93 of 24.12.1993;
- Common Ordinance of 29.4.1994 – Series II;
- Decree no. 179/94 of 2.9.1994 (*JORAM*, Series I, no. 102).

Contents

These employment schemes are organised by non-profit-making organisations following approval by the labour market authorities.

The workers receive no extra pay for their labour; expenditure on travel and food alone is reimbursed by the bodies running the schemes.

Financial Resources

Social security (cf. P-iii.1).

Institutional Support

Regional Directorate for Employment and Vocational Training (*DREFP*) of the autonomous region of Madeira.

Duration

Unlimited.

Effects

Number of persons

Year	Autonomous Region of Madeira
1992	315
1993	490
1994	741
1995	1,031
1996	1,080

Employment scheme for the unemployed / 96
(Programa ocupacional de desempregados / 96)

Aim

Employment of community interest for the unemployed with a view to subsequent job creation.

Legal Basis

Ordinance no. 3/96 (*JORAM*, Series I, no. 22 of 1.3.1996).

Contents

The aim of the scheme is to offer the unemployed at least six months' work experience in order to facilitate their search for regular employment or their subsequent entry into self-employment.

Participants in this scheme receive a monthly allowance equal to the national minimum wage in force in the region.

Financial Resources

Regional Directorate for Employment and Vocational Training (*DREFP*) and ESF.

(in 1,000s ESC)

Year	Autonomous Region of Madeira
1996	69,219

Institutional Support

Regional Directorate for Employment and Vocational Training (*DREFP*) of the autonomous region of Madeira.

Duration

Annual scheme.

Effects

Number of persons

Year	Autonomous Region of Madeira
1996	165

P-M-iv.1

The Madeira Vocational Training Centre (Centro de Formação Profissional da Madeira)

Aim

To integrate young people aged between 16 and 24 years into the labour market by providing them with a vocational qualification and improving their socio-cultural skills.

To provide workers in the autonomous region of Madeira with further vocational training which conforms to the needs of the regional labour market.

Legal Basis

Regional Administrative Ordinance no. 17/93/M of 17.7.1993.

Contents

The training courses leading to a qualification for young people have a duration of between six and 12 months. Ordinance no. 89/89 of 29.8.1989 defines the amount of the training allowance the trainees receive during this period. The Ordinance was adapted for the autonomous region of Madeira by Order no. 515 of 15.11.1989 of the Regional Secretariat for Youth Affairs and Employment.

The qualifying conditions for the courses vary: depending on the course in question, candidates must have completed either compulsory schooling or the 12th school year.

Financial Resources

Regional Directorate for Employment and Vocational Training (*DREFP*) and ESF.

(ESC 1,000s)

Year	Autonomous Region of Madeira	
	Further vocational training	Young people: initial qualification
1992	43,454	110,513
1993	103,809	169,772
1994	–	155,184
1995	2,436	158,033
1996	–	173,837

Institutional Support

Regional Directorate for Employment and Vocational Training (*DREFP*) of the autonomous region of Madeira.

Duration

Unlimited.

Effects

Number of persons

Year	Autonomous Region of Madeira	
	Further vocational training	Young people: initial qualification
1992	238	166
1993	451	152
1994	–	145
1995	18	170
1996	–	116

P-M-iv.2

Training and vocational integration for the unemployed (*Formação e inserção profissional de desempregados*)

Aim

To better prepare the young and adult long-term unemployed for future employment through theoretical and practical training and work experience. Enterprises are thus to be provided with qualified skilled workers in accordance with their needs.

Legal Basis

– Ordinance no. 2/96 (*JORAM*, Series I, of 16.2.1996).

Contents

The scheme consists of training lasting seven to 12 months, during which time the participants receive a monthly subsidy equal to the highest national minimum wage in force in the region.

Enterprises and non-profit-making private bodies may put themselves forward as candidates to run such schemes. They may apply for subsidies if they employ trainees at the end of the training period and thus create jobs.

Financial Resources

Regional Directorate for Employment and Vocational Training (*DREFP*) and ESF.

(ESC 1,000s)

Year	Autonomous Region of Madeira
1992	70,087
1993	67,295
1994	80,202
1995	72,600
1996	78,374

Institutional Support

Regional Directorate for Employment and Vocational Training (*DREFP*) of the autonomous region of Madeira.

Duration

Annual scheme.

Effects

Number of persons

Year	Autonomous Region of Madeira
1992	200
1993	183
1994	200
1995	173
1996	175

P-M-v.1

Subsidies for permanent employment contracts (Apoio à contratação por tempo indeterminado)

Aim

To promote the creation of permanent jobs.

Legal Basis

- Decree no. 14/90 of 13.3.1990, Series I, no. 39, *JORAM* supplement;
- Decree no. 303/90 of 31.12.1990, Series I, no. 213, *JORAM* supplement;
- Ordinance no. 378, *JORAM*, Series II, no. 147 of 30.8.1990.

Contents

The enterprises receive aid in the form of subsidies, initially for young people, women and disabled persons and amounting to between seven times and 28 times the national minimum wage (*SMN*), depending on the degree of difficulty in placing the workers recruited.

Since 1990 subsidies are available if young and adult long-term unemployed persons are recruited. For male workers, female workers and for women in professions where they are under-represented, the subsidy amounts, respectively, to seven times, ten times or 12 times the national minimum wage.

Financial Resources

Regional Directorate for Employment and Vocational Training (*DREFP*) and ESF.

(ESC 1,000s)

Year	Autonomous Region of Madeira
1992	130,304
1993	77,633
1994	76,406
1995	46,089
1996	50,000

Institutional Support

Regional Directorate for Employment and Vocational Training (*DREFP*) of the autonomous region of Madeira.

Duration

Unlimited.

Effects

Number of persons

Year	Autonomous Region of Madeira
1992	328
1993	182
1994	172
1995	113
1996	120

P-M-v.1a

Subsidies for fixed-term employment contracts (Apoio à contratação temporária)

Aim

To give young women seeking their first job and the long-term unemployed an opportunity to gain practical work experience in enterprises, the aim being that the enterprises concerned create new jobs in order to retain the participants after the scheme has finished.

Legal Basis

Decree no. 8/90 of 31.1.1990, Series I, no. 14, *JORAM* supplement.

Contents

During the period of validity of the fixed-term employment contract the enterprises receive a wage-cost subsidy for six months amounting to 25% of the minimum wage.

If, on expiry of the contract, the participants are offered permanent employment and new jobs are thus created, the enterprises receive a further subsidy amounting to six times the monthly minimum wage in force on Madeira.

Financial Resources

Regional Directorate for Employment and Vocational Training (*DREFP*) and ESF (since 1994).

(ESC 1,000s)

Year	Autonomous Region of Madeira
1992	16,328
1993	8,587
1994	3,384
1995	–
1996	–

Institutional Support

Regional Directorate for Employment and Vocational Training (*DREFP*) of the autonomous region of Madeira.

Duration

Unlimited.

Effects

Number of persons

Year	Autonomous Region of Madeira
1992	186
1993	112
1994	40
1995	-
1996	-

P-M-v.2

**Aid towards the activities of development providers
(Apoio à actividade dos agentes de desenvolvimento)**

Aim

To support the activities of development providers in order to create jobs and advance vocational training at local level.

Legal Basis

- Order of the Regional Secretary for Education, Youth Affairs and Employment, as published in *JORAM*, Series I, no. 53, 3rd Supplement of 29.4.;
- Joint Order of the Regional Secretary for Finance and the Regional Secretary for Education, Youth Affairs and Employment, as published in *JORAM*, Series II, no. 101, Supplement of 10.7.1992; rescinded by virtue of the Joint Order of the Regional Secretary for Finance and the Regional Secretary for Education, Youth Affairs and Employment, as published in *JORAM*, Series II, no. 98 of 27.8.1993;
- Order no. 58/93 of the Regional Secretary for Education, Youth Affairs and Employment, as published in *JORAM*, Series II, no. 147, 13th Supplement of 30.12.1993;
- Joint Order of the Regional Secretary for Finance and the Regional Secretary for Education, Youth Affairs and Employment, as published in *JORAM*, Series II, no. 26 of 6.2.1996.

Contents

Providers concentrate their efforts on the areas of employment and vocational training in order to contribute to solving problems in these areas by involving and mobilising the persons concerned. At the same time, they endeavour to establish links between regional and local institutions in the interests of positive developments in the fields of employment and vocational training at local level.

Bodies interested in these activities must participate in and successfully complete a training course for development providers.

During the development of their activities they receive technical and financial assistance from the Regional Directorate for Employment and Vocational Training.

Financial Resources

Regional Directorate for Employment and Vocational Training (*DREFP*) and ESF.

(ESC 1,000s)

Year	Autonomous Region of Madeira
1994	29,094
1995	14,675
1996	10,777

Institutional Support

Regional Directorate for Employment and Vocational Training (*DREFP*) of the autonomous region of Madeira.

Duration

Annually revised scheme.

Effects

Number of persons

Year	Autonomous Region of Madeira
1993/1994	15
1994/1995	16
1995/1996	10
1996/1997	6

P-M-vi.1

The Regional Vocational Training Centre for the Disabled (Centro Regional de Formação Profissional de Deficientes)

Aim

To provide comprehensive assistance to disabled persons during the transition from school to adulthood and working life, the aim being smooth socio-vocational integration taking individual skills and the labour market situation into account.

Legal Basis

- Regional D.-L. no. 4/82/M of 1.4.1982;
- Regional Administrative Ordinance no. 12/88/M of 26.4.1988;
- Regional D.-L. no. 20/93/M of 17.9.1993.

Contents

The training courses have a maximum duration of three years, during which time the trainees receive a monthly vocational training allowance of approx. ESC 25,000 and a subsidy for food and travel expenses.

Financial Resources

Regional Directorate for Special Training (*DREE*).

(ESC 1,000s)

Year	Autonomous Region of Madeira
1992	99,453
1993	109,151
1994	110,157
1995	125,098
1996	168,987

Institutional Support

Regional Directorate for Special Training (*DREE*) of the autonomous region of Madeira.

Duration

Unlimited.

Effects

Capacity of the centre: 90 trainees annually.

Number of persons

Year	Autonomous Region of Madeira
1992	23
1993	13
1994	22
1995	18
1996	25

P-M-vi.2

Employment for adult long-term unemployed
(Ocupação de adultos desempregados de longa duração)

Aim

To employ adult long-term unemployed persons in activities of community interest, with the ultimate aim of job creation.

Legal Basis

- Order no. 14/94 of 15.5.1994;
- Resolution no. 322/94 of 14.4.1994.

Contents

The aim of this scheme is to provide adult long-term unemployed persons with eight months' work experience and additional training to help them find stable employment or to set up on their own.

Workers participating in this scheme receive a monthly allowance equal to the national minimum wage in force in the region.

Financial Resources

Regional Directorate for Employment and Vocational Training (*DREFP*) of the autonomous region of Madeira.

(ESC 1,000s)

Year	Autonomous Region of Madeira
1994	57,190
1995	61,422

Institutional Support

Regional Directorate for Employment and Vocational Training (*DREFP*) of the autonomous region of Madeira.

Duration

Annual scheme.

Effects

Number of persons

Year	Autonomous Region of Madeira
1994	150
1995	150

**UNIVA – Institutions to promote integration into working life
(UNIVA – Unidades de inserção na vida activa)**

Aim

To set up so-called *UNIVAs* in order to contribute to labour market integration and to generate links between vocational training and working life. The *UNIVAs* help young, first-time and other jobseekers to become integrated in the labour market and promote other activities that facilitate labour market integration.

Legal Basis

Ordinance no. 5/96, as published in *JORAM*, Series I, no. 22 of 1.3.1996.

Contents

UNIVAs may be set up in any non-profit-making institution: tuition centres, public and semi-state vocational training centres, institutions under the public administration, and welfare, vocational and other associations. The *UNIVAs* carry out various activities with the aim of labour market integration and collaborate to this end with the Regional Directorate for Employment and Vocational Training.

UNIVAs receive technical and financial support. Financial aid is granted for the adaptation of existing infrastructures and for the purchase of equipment and office supplies. In addition, certain duties may be carried out in exchange for remuneration.

Technical assistance comprises provision of information and supportive material and training of organisers.

Financial Resources

Regional Directorate for Employment and Vocational Training (*DREFP*) and ESF.
(ESC 1,000s)

Year	Autonomous Region of Madeira
1996	5,000

Institutional Support

Regional Directorate for Employment and Vocational Training (*DREFP*) of the autonomous region of Madeira.

Duration

Unlimited.

Effects

Number of *UNIVAs*

Year	Autonomous Region of Madeira
1996	5

P-M-vii.2

Job clubs (Clubes de emprego)

Aim

To contribute to solving the training and employment problems of the unemployed and especially the long-term unemployed by supporting establishments that set up "job clubs". Job clubs provide unemployed persons with individual supervision through the organisation of supportive activities directly involving the parties concerned.

Legal Basis

Ordinance no. 4/96, as published in *JORAM*, Series I, no. 22 of 1.3.1996.

Contents

Job clubs may be set up by the Regional Directorate for Employment and Vocational Training, by semi-state vocational training centres, by the social partners and by all non-profit-making public, private and co-operative institutions. Job clubs carry out various activities in the field of labour market integration in collaboration with the employment offices of the Regional Directorate for Employment and Vocational Training. They receive financial and technical assistance from the latter, which also offers support in the field of vocational training. The purpose of the financial aid is to help job clubs to build up infrastructures and purchase equipment. In addition, the Regional Directorate for Employment and Vocational Training contributes to the running costs of the job clubs. Technical assistance comprises provision of information and supportive materials.

Financial Resources

Regional Directorate for Employment and Vocational Training (*DREFP*) and ESF.

(ESC 1,000s)

Year	Autonomous Region of Madeira
1996	5,000

Institutional Support

Regional Directorate for Employment and Vocational Training (*DREFP*) of the autonomous region of Madeira.

Duration

Unlimited.

Effects

Number of job clubs

Year	Autonomous Region of Madeira
1996	3

Appendix 1: Abbreviations

ACPE	Support for Entry into Self-employment <i>Apoio à Criação do Próprio Emprego</i>
BTE	Labour and Employment Bulletin <i>Boletim de Trabalho e Emprego</i>
CAP	Confederation of Portuguese Agriculture <i>Confederação da Agricultura Portuguesa</i>
CCP	Confederation of Portuguese Trade <i>Confederação do Comércio Português</i>
CCR	Regional Co-ordination Committee <i>Comissão de Coordenação Regional</i>
CECA	European Coal and Steel Community <i>Comunidade Europeia de Carvão e Aço</i>
CES	Economic and Social Council <i>Conselho Económico e Social</i>
CFPA	The Azores Vocational Training Centre <i>Centro de Formação Profissional dos Açores</i>
CFPM	The Madeira Vocational Training Centre <i>Centro de Formação Profissional da Madeira</i>
CGTP	General Confederation of Portuguese Workers <i>Confederação Geral dos Trabalhadores Portugueses</i>
CIDM	Committee for the Equality of Women <i>Comissão para a Igualdade e para os Direitos das Mulheres</i>
CIME	Cross-Departmental Employment Committee <i>Comissão Interministerial para o Emprego</i>
CIP	Confederation of Portuguese Industry <i>Confederação da Indústria Portuguesa</i>
CITE	Committee for Equality in Work and Employment <i>Comissão para a Igualdade no Trabalho e no Emprego</i>
CNA	National Apprenticeship Committee <i>Comissão Nacional de Aprendizagem</i>
CNP	National Classification of Occupations <i>Classificação Nacional das Profissões</i>
CPC	Conservation of Cultural Heritage <i>Conservação do Património Cultural</i>
CRAA	Regional Centre for the Promotion of Handicrafts <i>Centro Regional de Apoio ao Artesanato</i>
DAFSE	Department of ESF Affairs <i>Departamento para os Assuntos do Fundo Social Europeu</i>
DE/MQE	MQE Statistics Department <i>Departamento de Estatística do MQE</i>
DEP	Department of Studies and Planning <i>Departamento de Estudos e Planeamento</i>
DGCT	Directorate General for Working Conditions <i>Direcção-Geral das Condições de Trabalho</i>
DGEFP	Directorate General for Employment and Vocational Training <i>Direcção-Geral do Emprego e Formação Profissional</i>

DRE	Regional Directorate for Employment <i>Direcção Regional do Emprego</i>
DREE	Regional Directorate for Special Training <i>Direcção Regional de Educação Especial</i>
DREFP	Regional Directorate for Employment and Vocational Training <i>Direcção Regional do Emprego e Formação Profissional</i>
ESC	Escudos
ESF	European Social Fund
GGFE	Office for Funding of Employment Measures <i>Gabinete de Gestão Financeira do Emprego</i>
IAPMEI	Institute for Support to Small and Medium-Sized Enterprises and Investment <i>Instituto de Apoio às Pequenas e Médias Empresas e ao Investimento</i>
IDICT	Institute for the Development and Monitoring of Working Conditions <i>Instituto de Desenvolvimento e Inspeção das Condições de Trabalho</i>
IEFP	Institute for Employment and Vocational Training <i>Instituto do Emprego e Formação Profissional</i>
IGFSS	Institute for the Financial Management of Social Security <i>Instituto de Gestão Financeira da Segurança Social</i>
ILE	Local Employment Initiatives <i>Iniciativas Locais de Criação de Empregos</i>
ILO	International Labour Organisation
INE	National Statistical Office <i>Instituto Nacional de Estatística</i>
INOFOR	Institute for Innovative Educational Models <i>Instituto para a Inovação na Formação</i>
IRASC	Regional Office for the Promotion of the Cooperative Sector <i>Instituto Regional de Apoio ao Sector Cooperativo</i>
LCT	Law on Employment Contracts <i>Lei do Contrato de Trabalho</i>
MQE	Ministry of Qualifications and Employment <i>Ministério para a Qualificação e o Emprego</i>
MSSS	Ministry of Solidarity and Social Security <i>Ministério da Solidariedade e Segurança Social</i>
NACE	Support for Business Start-ups <i>Apoio à Criação de Empresas</i>
OEFP	Observatory for Employment and Vocational Training <i>Observatório do Emprego e Formação Profissional</i>
PRT	Regulatory Decree on Work <i>Portaria de Regulamentação de Trabalho</i>
RAA	Autonomous Region of the Azores <i>Região Autónoma dos Açores</i>
RAM	Autonomous Region of Madeira <i>Região Autónoma da Madeira</i>

SD	Unemployment Benefit <i>Subsídio de Desemprego</i>
SIJE	Support Scheme for Young Entrepreneurs <i>Sistema de Incentivos a Jovens Empresários</i>
SRE	Regional Secretariat for Education <i>Secretaria Regional de Educação</i>
SRFP	Regional Secretariat for Finance and Planning <i>Secretaria Regional das Finanças e Planeamento</i>
SRJECIE	Regional Secretariat for Youth Affairs, Employment, Trade, Industry and Energy <i>Secretaria Regional da Juventude, Emprego, Comércio, Indústria e Energia</i>
SSD	Unemployment Assistance <i>Subsídio Social de Desemprego</i>
UGT	General Union of Workers <i>União Geral dos Trabalhadores</i>
UNIVA	Institutions to Promote Integration into Working Life <i>Unidades de Inserção na Vida Activa</i>

Appendix 2: National Correspondents

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Claudine Elhaik, Agence Nationale pour l'Emploi

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Frank Doherty, Department of Enterprise and Employment

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Mariarosaria Damiani, Ministero del Lavoro e della Previdenza Sociale

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Jean Hoffmann, Administration de l'Emploi

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