

Portuguese Mature and Older Workers at a Glance

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1. Economic, social and demographic background

Portugal is geographically situated on the west coast of Europe, in the Iberian Peninsula. It borders Spain on the north and east, and the Atlantic Ocean on the west and south. Is one of the oldest nations in Europe: it's an independent kingdom since 1143 and established its continental frontiers in 1297 that are unchanged till today.

In addition to the continental territory encompass the Autonomous Regions of the Azores and Madeira, archipelagos situated in the Atlantic Ocean. With a total area of 92,207 km² and around 10 millions of inhabitants.

Most of the population (more than three-fifths) is concentrated in near the coastal areas, of Lisbon (the capital city) and Porto (second city, in the north), showing the highest population density. The population decline in the rural areas of the interior has continued to affect part of the North Region (excluding Porto), the Centre and above all, the Alentejo.

Disparities in population density between the interior and the coast had a secular and progressive development since the nineteenth century, causing a profound change in social structure, "a century elapsed deepens the disparity in density between the coastal fringe, agriculturally more rich and industrially more progressive, open by sea trade contacts and international enablers of higher stages of economic and cultural development - the interior remain underdeveloped "(INE, 1976). Employments among mature and older people followed this demographic pattern.

Been a monarchy for centuries, the First Republic was established in Portugal in 1910, followed by a dictator period (1926-1974). Portugal become again a democratic republic in 24 of April of 1974. In 1986 became a member of the European Economic Community and later joined the Euro Area.

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Table1: Evolution of Portuguese mature and older population from 1970 to 2010 (%)

Age Group	2010	2000	1980	1970
40 - 44	7,4	7	5,8	6,4
45 - 49	7,3	6,6	6	6
50 - 54	6,8	6,2	5,8	5,2
55 - 59	6,3	5,5	5,4	5,1
60 - 64	5,8	5,3	4,4	4,8
65 - 69	5	5,2	4,2	3,8
70 - 74	4,6	4,4	3,4	2,7
75 - 79	4	3,4	2,2	1,7
80 - 84	2,7	1,9	1,1	1
85 +	1,9	1,5	0,6	0,5
Total 40+	52	47	39	37

Source: INE, Distribuição da população residente (%) por Grupo etário;

The Revolution of 1974 and the accession to the EU in 1986, are the most important historical moments in the past 40 years. Apart from the political mutation, they also represent a crucial transformation in the economy, social landscape, cultural values, expectations and ways of living.

Furthermore, it's also important to stress that, between 1970 and 2010 the population of mature and older people, almost double: in 1970 population aged 65+ represented 9,7% of total population, currently they represent 18% of population. (table 1)

Table 2. Evolution of Portuguese Socio-economic indicators, from 2005 to 2009

Demography		2005	2006	2007	2008	2009
Total population (resident)	Thousands	10,570	10,599	10,618	10,627	10,638
Birth rate	Per Thousand	10.4	10.0	9.7	9.8	9.4
		2003/2005	2004/2006	2005/2007	2006/2008	2007/2009
Life expectancy at birth	Years	77.7	78.2	78.5	78.7	78.9
Education		2004/2005	2005/2006	2006/2007	2007/2008	2008/2009
Preschool	Thousands	260	262	264	266	275
Elementary and secondary	Thousands	1,530	1,493	1,512	1,537	1,782
Higher education	Thousands	381	367	377	373	384
Public spending on education ^a	% of GDP	4.8	4.7	4.4	4.4	5.1
Culture		2005	2006	2007	2008	2009
Museums, zoos, botanic gardens and aquarums visitors	Millions	9.7	10.3	10.0	11.6	12.9
Art gallery exhibitions	Nº	6,449	6,463	6,609	6,859	7,235
Publications ^b	Nº	2,052	2,054	1,994	1,896	1,910
Local government spending on cultural activities	106 EUR	913.8	802.9	802.8	863.8	997.7
Health		2005	2006	2007	2008	2009
Doctors	Nº	36,138	36,924	37,904	38,932	40,095
Hospitals	Nº	204	200	198	189	186
Hospital beds	Nº	37,330	36,563	36,178	35,762	35,593
Health centres	Nº	379	378	377	377	375
Pharmacies and mobile pharmacy points	Nº	3,034	3,037	3,038	3,037	3,046
Current public spending on health ^a	% of GDP	7.3	7.1	6.8	5.6	6.0
Information Society		2005	2006	2007	2008	2009
Internet subscribers	Thousands	1,436	1,580	1,612	1,676	1,898
Access to Internet service	Rate of Penetration	13.6	14.9	15.2	15.8	17.9
Main telephone lines	Rate of Penetration/ 100 Inhab.	40.1	40.0	39.6	38.7	40.0
Mobil telephone service subscribers	Subscribers (thousands)	11,368	12,236	13,477	14,953	15,929
Penetration rate – land line service	Subscribers/ 100 inhab.	108	115	127	140	150
Cable television subscribers	Thousands	1,400	1,421	1,489	1,475	1,452
Penetration rate of cable network	Subscribers/ % Population	13.2	13.4	14.0	13.9	13.7
Share of the communications sector	Receipts/ % of GDP	5.6	5.4	5.2	5.1	5.1

Source: INE - Instituto Nacional de Estatística; Autoridade Nacional de Comunicações

Notes: (a) Direcção Geral do Orçamento - Public General Account
(b) Daily, weekly, monthly and annual frequency

The Table 2 summarizes the Socio-economic indicators from 2005 to 2009, however to understand the mature and older workers today, it's important to know their past, their social and cultural roots, how they born and aged in Portugal. Because the current conditions of the country are very different from

those where they born, this evolution come true, mainly due to mature and older population.

Considering that a deep sociologic and historic analyses it's not in line with the goals of this report, I will provide some informations "at a glance" regarding 3 topics: health and education, which are the main determinates for employment of mature and old people, and of course the evolution of employment by itself, in the past 50 years.

1.1. Historical Evolution of the Employment in Portugal

Is important to note that many of today's middle-aged adults (45-65 years), they begin to work almost in infancy (often to 10 years old) lived and experienced working conditions of virtual slavery, poverty, dirty, physically exhausting and demanded long hours, often without any weekly holiday - a scenario quite different from that society seeks to offer them now. In fact, the core of the labor market of the twenty-first century seek to comply with requirements of health and safety at work, social conditions are more favourable than the reconciliation of family and professional and working conditions (e.g. flexible hours), unimaginable at past time. It's somehow ironic and cruel that these "boys-workers", older adults now, are now unattractive to the labor market, and seem as the source of all solutions to the sustainability of social security, but in the other hand they are rejected by employers.

Not only were the working conditions, but also sectors of work that had profound changes in the last 50 years in Portugal.

In 1940, 51.1% of the active population worked in agriculture, 15.8% in manufacturing, 4.6% in public works and buildings, and 6.1% in "services of general interest", which include medical services and health, education, arts, sciences and spiritual interests, military services and the public interest. (INE, 1976).

In 1970 the agricultural sector employed 32.5% of its population, that percentage dropped to 11.5% in 2008. In reverse, the service sector employed 34.1% of its population, that percentage increased to 59.3% in 2008. (INE, 1976; INE, 2009)

In recent decades, there has been a restructuring and reorganization of the Portuguese working population in the different sectors of the economy. In 2001 agriculture represented 4.9% of total employment in a clear contrast with 60% of services sector. Employment in industry, remains relatively stable: 38,7% (1981), 35,1%, (INE, 2001).

Women's participation in the labor market, happened mainly by the outsourcing of Portuguese society and the lack of male labor. From the sixties men began to be mobilized for the war in Africa (against former colonies) and migrated (illegally) to escape to economic and political situation, and women's started to take their jobs.

Before the April revolution, women's lives was greatly conditioned by their husbands, and part of helping in agricultural work, the percentage of women in

other sectors of the economy was not significant. Once they start enter at labor market, their "inactivity" has reduced considerably in the various categories, particularly in housewife's category.

1.2. Historical Evolution of Education in Portugal

The old middle-aged adults, those between 50 and 65 now (born between 1944 and 1959) were the first children to grow with rights (of children) enshrined in the laws of the adults. In 1964 education became compulsory for six years and later (1973) for 8 years.

This historical background should be noted that the illiteracy rate fell from 66.2% in 1920 to 26.6% in 1970 (INE, 1976 p.41), but in 2001 9% of the population were still illiterate. Currently Portugal has a huge population of new and old middle-aged adults with a deficit of skills, unmatched by the level of other European Union member states.

In recent decades the middle-aged adults are asked, sometimes with force requirement -, to re-skill, up-skill and shape their styles of life to a new paradigm of lifelong learning, but it's important to keep in mind that they grow old, in a very different period.

1.3. Historical Evolution of Health conditions in Portugal

The Portuguese of all ages, are healthier today than at any other time in history. Older people are healthier because the middle-aged adults are aging in a more healthily.

It's important to stress that the middle-aged adults were born and grew up in Portugal without health conditions, poor housing, access to poor health care and others exposed to conditions very different from today's. Progress and achievements in this field, in the last 65 years has been remarkable.

Although the National Health Service, free and universal was established in 1976 in the early eighties, the probability of dying in Portugal remained associated with social class. The existing old middle-aged adults, survived the shocking levels of inequality, "when the death rate was controlled for age, it was found that the difference in mortality was more social pronounced in the age group of 25-34 years, i.e. one in which the burden of chronic diseases is lower. Thus a farm worker of 25-34 years had 4.8 more likely to die than an administrator. The mortality rates of industrial workers were the second highest in the age groups 25-34 and 45-54 "(Lucas, 1986 p. 81)

But improving the health status of the population did not result solely from the improvement of structural conditions, beyond the control individual. It was not just the structural improvements, were also the health programs and campaigns aimed not only to young people but also to middle-aged adults.

Currently, it is especially for older middle-aged adults and seniors in general, which addresses much of the effort of health education. It is for them that

targeted campaigns warning and prevention of osteoporosis, diabetes, accidents, domestic consumption of fat, cardiovascular disease, smoking and alcohol and domestic violence.

2. Current situation

Over the next 45 years the Portuguese population of working age will have a negative growth, decreasing approximately 0.7% per year (Carrilho & Gonçalves, 2005). This is directly related to aging: "In Portugal, the proportion of people aged 65 years or more doubled over the past 45 years, rising from 8% in the total population in 1960 to 17% in 2005 (...) and it is estimated that this proportion re-double in the next 45 years, representing, in 2050, 32% of the total population. In parallel, the young population decreases from 29% to 16% of the total population between 1960 and 2005 and will reach 13% in 2050. "(Ibid.)

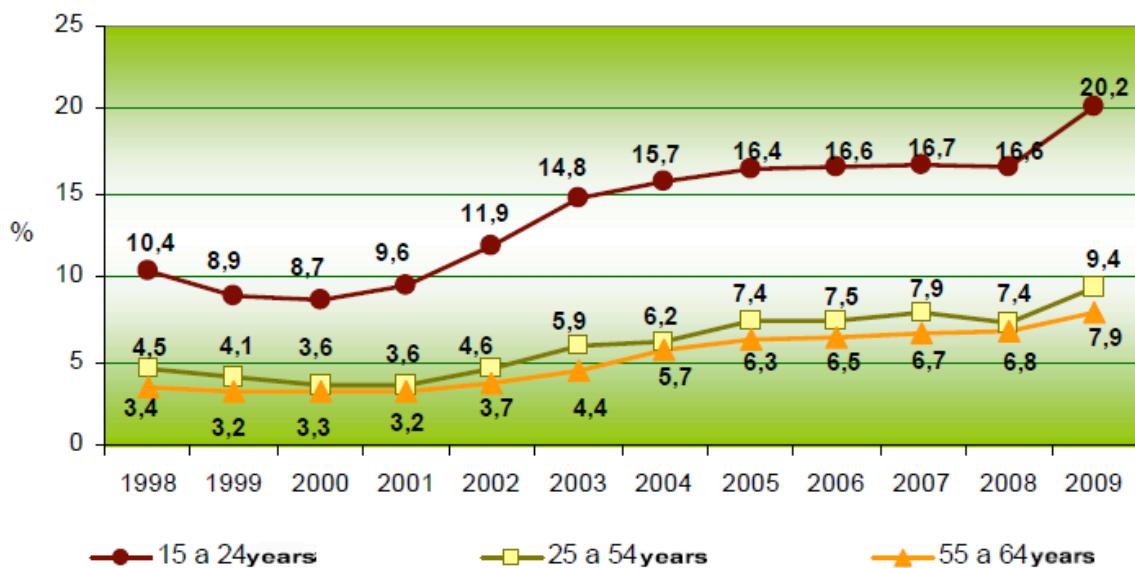
The causes of aging, which is not unique to Portugal, are clearly identified and are based on two dimensions confluent: increased life expectancy and low birth rates, which in many countries (including Portugal), are below the threshold of generational renewal, which is 2.1 children.

This will contribute to the decrease of the workforce available, in addition to this, the current economic crises raise the unemployment rate to an historical level: 12.4%.

The Labour Force Survey results for the 1st quarter of 2011 shown that the number of employed people was estimated to be 4 866.0 thousand and the number of unemployed people was estimated to be 688.9 thousand.

Table3 show the evolution of unemployment rate, by age group, from 1998 to 2009.

Table3:. Unemployment rate by age group



Source: INE, Inquérito ao Emprego

2.1. Labour force (active population)

The active population distribution by age group was the following: 8.0% belonged to the 15 to 24 years old age group, 25.1% to the 25 to 34 years old, 26.5% to the 35 to 44 years old, 35.3% to the 45 to 64 years old, and 5.1% to the 65 years old and over.

The active population distribution by level of education was the following: 62.9% completed the first or second stages of basic education, 19.2% completed the (upper) secondary and post-secondary non-tertiary level of education, and 17.9% completed the tertiary level of education.

The working age participation rate (15 years old and over) was 61.5%. The working age male participation rate (68.1%) exceeded that of women (55.4%) by 12.7 p.p. (percentage points).

2.2. Employed population

The employed population in Portugal, in the 1st quarter of 2011, was estimated to be 4 866.0 thousand individuals.

The employed population distribution by age group was the following: 6.6% belonged to the 15 to 24 years old age group, 24.7% to the 25 to 34 years old, 27.0% to the 35 to 44 years old, 36.1% to the 45 to 64 years old, and 5.7% to the 65 years old and over.

The employed population distribution by level of education was the following: 62.3% completed the first or second stages of basic education, 19.0%

completed the (upper) secondary and post-secondary non-tertiary level of education, and 18.7% completed the tertiary level of education.

The working age employment rate (15 years old and over) was 53.9%. The working age male employment rate (59.9%) exceeded that of women (48.3%) by 11.6 p.p..

The number of employees in Portugal was estimated to be 3 814.3 thousand individuals, in the 1st quarter of 2011, totalling 78.4% of total employed. The number of self-employed was 1 017.6 thousand individuals, which corresponds to 20.9% of total employed, and the number of unpaid family workers was 34.1 thousand individuals, which amounts to 0.7% of total employed. Among the employees, 77.9% hold a permanent contract, 18.7% hold a temporary contract, and 3.4% were under other contractual arrangements.

In the 1st quarter of 2011, 86.3% of the employed worked full-time and 13.7% worked part-time.

The employed population distribution by sector of economic activity was the following: 10.0% worked in the agriculture, hunting, forestry, and fishing sector, 27.5% in the mining and quarrying, manufacturing, electricity, gas and water supply, and construction sector (16.8% in manufacturing activities and 9.2% in construction), and 62.5% in services.

2.3. Unemployed population

The unemployed population in Portugal, in the 1st quarter of 2011, was estimated to be 688.9 thousand individuals and table 4 summarizes the Main indicators for unemployed and inactive population, during the 1st quarter of 2011., provided by the national Institute of Statistics (INE). Data it's spitted by age group and gender.

The unemployed population distribution by age group was the following: 18.0% belonged to the 15 to 24 years old age group, 28.5% to the 25 to 34 years old, 23.3% to the 35 to 44 years old, and 30.3% to the 45 years old and over.

The unemployed population distribution by level of education was following: 67.4% completed the first or second stages of basic education, 20.3% completed the (upper) secondary and post-secondary non-tertiary level of education, and 12.3% completed the tertiary level of education.

The unemployment rate was 12.4% The unemployment rate of women (12.8%) exceeded that of men (12.0%) by 0.8 percentage points. The youth unemployment rate (15 to 24 years old) was 27.8%. The number of unemployed aged 15 to 24 corresponded to 18.0% of total unemployed and to 10.8% of total population aged 15 to 24.

The number of unemployed seeking a first job amounted 10.5% of total unemployed and the number of unemployed seeking a new job corresponded to

89.5% of total unemployed. From those unemployed seeking a new job (and who had stopped work within the last 8 years), 60.4% came from the services sector, 37.4% from the mining and quarrying, manufacturing, electricity, gas and water supply, and construction sector, and 2.2% from the agriculture, hunting, forestry, and fishing sector.

The number of unemployed seeking a job for 12 months or longer – long-term unemployment – corresponded to 53.0% of total unemployed (29.3% were seeking a job for two years or longer). The long-term unemployment rate (measured by the ratio between the number of unemployed seeking a job for 12 months or longer and the active population) was 6.6%.

Table4: Main indicators - unemployed and inactive population

	Quarterly levels		Shares
	1Q-2011		
	Thousand individuals	%	
Unemployed population	688.9	100.0	
Males	354.1	51.4	
Females	334.8	48.6	
15 to 24	123.9	18.0	
25 to 34	196.1	28.5	
35 to 44	160.4	23.3	
45 and over	208.4	30.3	
First and second stages of basic education	464.4	67.4	
(Upper) secondary and post-secondary non-tertiary education	140.0	20.3	
Tertiary education	84.5	12.3	
Looking for a first job	72.6	10.5	
Looking for a new job	616.3	89.5	
Agriculture, forestry and fishing (a) (b)	13.2	1.9	
Mining and quarrying; manufacturing; electricity, gas, steam and air conditioning supply; water supply; sewage, waste management and remediation activities; construction (a) (b)	220.0	31.9	
Services (a) (b)	355.3	51.6	
Unemployed by duration of search			
Less than 12 months	323.6	47.0	
12 months or longer (long-term unemployment)	365.2	53.0	
Unemployment rate (%)	12.4		
Males	12.0		
Females	12.8		
Youth (15 to 24)	27.8		
Long-term unemployment rate (%)	6.6		
Inactive population	5,086.1		
Inactive population (15 and over)	3,475.2	100.0	
Males	1,377.4	39.6	
Females	2,097.9	60.4	
15 to 24	706.9	20.3	
25 to 34	148.5	4.3	
35 to 44	143.6	4.1	
45 to 64	827.0	23.8	
65 and over	1,649.2	47.5	
Students	811.4	23.3	
Fulfilled domestic tasks	440.6	12.7	
Retired	1,576.0	45.3	
Other inactive	647.2	18.6	
Inactivity rate (15 and over) (%)	38.5		
Males	31.9		
Females	44.6		

Source: INE, Employment Statistics - 1st quarter of 2011.

Notes:

- (a) The previous employment experience of unemployed individuals looking for a new job is characterized only for those who had stopped work within the last 8 years. Therefore, the sum of the number of unemployed individuals looking for a new job by economic activity of the last job does not correspond to the total unemployed individuals looking for a new job.
- (b) The estimates are presented by NACE-Rev. 2.
absolute value of the unit used. - Null.

2.4. Inactive population

The inactive population in Portugal, in the 1st quarter of 2011, was 5 086.1 thousand individuals. The inactive population aged 15 and over was 3 475.2 thousand individuals, corresponding to 68.3% of total inactive.

In the 1st quarter of 2011, 60.4% of the inactive aged 15 and over were women and 39.6% were men.

The inactive aged 15 and over distribution by inactivity status was following: 23.3% were students, 12.7% fulfilled domestic tasks, 45.3% were retired, and 18.6% were classified as other inactive. The inactivity rate was 38.5%.

2.5. Unemployment rates by NUTS II region

In the 1st quarter of 2011, the highest unemployment rates were recorded in NUTS II regions Algarve (17.0%), Região Autónoma da Madeira (13.9%), Lisboa (13.6%), Norte (12.8%), and Alentejo (12.5%), all above the global average (12.4%). The lowest values were observed in Região Autónoma dos Açores (9.5%) and Centro (9.7%).

3. Retirement age

The increased life expectancy, and increase in the age of entry into the labor market, in conjunction with the continuously increased number of retired people, puts an enormous pressure into national pension system in most European Countries.

In Portugal, the Government and social partners acknowledged that the increase in longevity over the coming decades, would have important implications on the social security systems, putting at risk the sustainability and therefore, with the approval of the General Social Security, understood to "give citizens the option to accommodate the effects of increased life expectancy, working a little more (with corresponding incentives), a little more cash (through public or private systems of individual accounts) or acknowledge the effect of factor sustainability in their pension" (Agreement on the reform of Social Security, 2006).

Implicit in this reform were also measured and intervention programs specifically targeted to workers and the unemployed, older age, to a) enhance and promote the acquisition of knowledge of older workers, b) Encourage older workers stay in the market work, and c) prevent and combat unemployment of older workers. But the implementation of these goals have been neglected.

This reform had the great innovation the introduction of a sustainability factor that represents a ratio between the average life expectancy at 65 years old in 2006 and average life expectancy at age 65 in the previous year to claim the pension.

It should be noted that, theoretically, the normal age of access to pension age remains 65, however, when calculating the pension age or the date on which a

disability pension beneficiary turns 65 (now called "convolação of disability pension in old age pension"), applies the sustainability factor.

The working age limit is 70 years, and the standard pension age is 65 but minimum of 15 relevant years of contributions are required for retirement at 65. The system of flexible retirement age is no longer suspended and is again possible to anticipate the age of old age pension to all beneficiaries have more than 30 years of discounts to 55 years old.

When the insured person claims the pension before 65 years of age under the scheme for rendering pensionable age flexible, it is applied a reduction rate of 0.5% for each month of anticipation until that age. Nevertheless, the number of anticipation months will be reduced by 12 months for each period of three years that exceeds those 30 calendar years

The number of anticipation months is determined between the date of anticipated pension claim and the date when the insured person completes 65 years of age. The insured persons that receive a reduced anticipated pension and have ceased their activity may continue to pay contributions voluntarily in order to increase the pension amount.

If the insured person meets the conditions required to claim anticipated old-age pension without being applied any reduction factor and if he/she does not claim it, the pension will be increased by applying a rate of 0.65% to the number of months completed between the month when those requirements were met and the date when he/she reaches 65 years of age, or the date of pension beginning if this occurs before that age.

In the case of contributory long careers, retirement age without penalty at age 61 could happen if the recipients have a contribution history of 48 years or 64 years if they have contributed for 42 years.

If the contributory beneficiaries have long careers and choose to continue working after age 65, the system of flexible retirement age also provides a bonus of up to more than 1%.

Periods on unemployment benefits count in calculating pension benefits. Pensionable earnings for these periods are based on pay in the six months before the second month of the start of the unemployment period. This applies both to unemployment and to social unemployment benefits.

There are special rules applying to people in long-term unemployment. People aged 57 or over who are long-term unemployed can retire at age 62 with full pension without decrement. It is required that the minimum contribution conditions are met and unemployment-benefit entitlement is exhausted.

Early retirement is also possible from age 57 with 22 years' contributions for individuals who become unemployed at age 52 or more. In these cases, the pension is reduced with a 6.0% annual decrement, with a maximum of five years' reduction applied.

Whenever unemployment is due to an agreed work contract cessation, the pension amount will be subject to an additional reduction rate which will last until the pensioner is 65 years old.

Means-tested unemployment assistance subsidy is provided if registered contribution is more than 180 days in the 12 months prior to unemployment and monthly earnings before unemployment is less than 80% of the minimum wage. This allowance can be extended until beneficiaries meet the conditions for early retirement provided that they are 50 years of age.

3.1. Earnings

Every year, in July and December, the pensioners receive an additional amount equal to their monthly pension.

The pension amounts are calculated according to the following formula:

$$\text{Pension amount} = \text{Reference earnings} \times \text{Accrual rate} \times \text{Sustainability factor}$$

The annual earnings registered in the social security and taken into account to the Reference Earnings calculation (RE) are adjusted according to the consumer price index (CPI), without considering the home factor.

For the purpose of calculating the pension according to the whole insurance career, the earnings amounts registered between 1 January 2002 and 31 December 2011 are adjusted by applying an index resulting from the weighting of 75% of the CPI, and of 25% of the average evolution of the earnings which underlie the contributions stated to the social security, whenever this evolution is higher than the CPI. The annual adjustment index cannot be higher than the CPI, plus 0.5%.

The earnings measure is presently the best ten of the final 15 years. However, this base is currently being extended, such that it will reach lifetime average earnings from 2017.

The adjustment is made by applying the coefficient, corresponding to each one of the years considered, to the annual earnings taken into account for the reference earnings calculation. The indexes for the calculation basis adjustment will be reassessed after 31 December 2011.

For the reference earnings calculation purpose, whenever the number of calendar years with earnings registration is higher than 40, it will take into account the best 40 annual earnings, after they have been adjusted.

Due to the current economic crises, most pensions have not been updated and some have even been reduced.

The Portuguese Social Security, in the most modern and comprehensive with what we know, just happened to be a right of all citizens, after the Portuguese Constitution of 1976. It was been (mostly) at middle and old age now, helped create and sustain a model of the social security system, which ensured the financing of a broad spectrum of activities and services in health, education, housing and others capable of supplying social needs of individuals and

families. It's somehow ironic that this social model, that in less than 40 years was born, flourished and now languishes at the risk not to survive more than those who should serve.

4. Institutional solutions at a glance

For two consecutive years (2009 and 2010), a few temporary measures have been adopted, aiming the continuity or re-entry of older and middle-aged workers in the labor market.

In the first year the measure target 55 plus workers and in 2010 over 40 years old workers. In general terms they support the hiring of unemployed persons over 40 years, registered at employment offices for more than nine months. Employers benefit from 50% reduction of social security contributions, during the first year of the contract and 65% reduction within two years.

During the current year no such measures, targeting directly mature and older people, have been implemented at national level, under a governmental initiative/law.

Private (profit or non-profit organizations) are free to establish their own age-management arrangements.

5. The near Future

Either due to the downsizing or due to delocalization of industries to other geographic regions of the world, in the time head the labour unrest will affect mostly the mature and older workers, the less qualified group of works in Portugal.

In another hand, recently (17 May 2011) the Portuguese government had sign a Memorandum of Understanding² that details the general economic policy conditions as counterpart for the so-called "troika"³ financial assistance. The Memorandum asked for some deep labour market reforms that will affect

² Memorandum of Understanding on Specific Economic Policy Conditionality. Available at:
<http://www.min-financas.pt/english/whats-new/2011/memorandum-of-understanding>

³ Group of three institutions that provide financial assistance to Portugal: European Union (EU), International Monetary Fund(IMF) and the European Central Bank (ECB)

employed and unemployed population. Been one of the most fragile groups in labor market, it's expected that mature and older people, are seriously affect.

Reforms in labour and social security legislation will change the coverage, amount and duration of unemployment benefits; the system of severance payments; the rules governing individual dismissal; working-time arrangements and wage-setting; collective agreements between works councils and companies, are also expected.

In the field of unemployment benefits the government has been asked to:

- Reduce the maximum duration of unemployment insurance benefits to no more than 18 months.
- Capping unemployment benefits at 2.5 times the social support index (IAS) and introducing a declining profile of benefits over the unemployment spell after six months of unemployment (a reduction of at least 10% in the benefit amount).
- Reduce the necessary contributory period to access unemployment insurance from 15 to 12 months;
- Present a proposal for extending eligibility to unemployment insurance to clearly-defined categories of self-employed workers providing their services to a single firm on a regular basis. The proposal will take into account the risks of possible abuses and will contain an assessment of the fiscal impact of extending benefits under several scenarios concerning eligibility criteria (namely the involuntary character of unemployment) and requirements for increased social security contributions for firms making use of these arrangements.

It's also expected that government carry out reforms in the employment protection system aimed at tackling labour market segmentation, fostering job creation, and easing adjustment in the labour market.

One of the most drastic reforms aims the severance payments. For new contracts the basis of calculating severance payments for fixed-term contracts will be reduced from 36 to 10 days, per year of tenure, for contracts shorter than six months, and from 24 to 10 days for longer contracts (with 10 additional days to be paid by an employer-financed fund).

Memorandum demands measures to severance pay entitlements for current employees will have to align with that of new employees and align the level of severance pay with the EU average. Draft legislation for these measure should be prepared in 2012.

In a near future individual dismissals will be more easy:

- Individual dismissals linked to unsuitability of the worker should become possible even without the introduction of new technologies or other changes to the workplace. Inter alia, a new reason can be added regarding situations where the worker has agreed with the employer specific delivery objectives and does not fulfil them, for reasons deriving exclusively from the workers' responsibility;

- Individual dismissals linked to the extinction of work positions should not necessarily follow a pre-defined seniority order if more than one worker is assigned to identical functions. The predefined seniority order is not necessary provided that the employer establishes a relevant and non-discriminatory alternative criteria (in line with what already happens in the case of collective dismissals);

6. Recommendations

For decades we saw the devaluation of older workers and their exclusion from various quarters of society, in addition with policies to encourage early retirement (55 years), existing in the 80 and 90.

Currently the political orientations on employment of the European Union, claims that labor market should mobilize fully the potential of people of all ages. To achieve this aim most member states implemented legislation to support the raise the retirement age and to postponement the average exit age from the labor market. But the efforts to retain older workers at labor market, requires the mobilization of all society and cannot be achieved only by force of law. In fact, research on the issue of older workers' employability, pointed out how the low participation of older people in the labour market is the result of a combination of wage conditions, rigidity in workplace organisation, inadequate skills and competencies and poor health status, rather than the wish to retire early. Moreover, workers facing the worst working conditions and who are eligible to retire have probably already left the labour market (EIRO, 2008).

Of the factors presented by the EIRO - European Foundation for the Improvement of Living and Working Condition, Report, probably the biggest factor that has raised in the Portuguese context, is referring to the lack of skills.

In fact, Portugal has an endemic and structural deficit, in relation to low levels of schooling of the population that is growing more intense in older age groups. This national problem was modest and insufficiently addressed over decades. Even when funds from the European Community were involved, to raise the qualification of the population. E.g. The presentation document of ESF Education and Training program (Operational Programme for Employment, Training and Social Development - POEDFS: 2000-2007), provides extensive arguments about the need for a centralized action to train adults over 40 years. Despite the centrality that was given to individuals over 40 years, in practice training for this age group was less than 1%.

The discussion about the political commitment and financial investment in education of mature and older adults, is on the side of the primary interests of this Report, however, in the Portuguese case those two facts are hand in hand.

Table 5 show the evolution of patterns of low qualifications, although very severe in all age groups, it's chronicle linked to the most aged ones. In fact, the proportion of workers with less than nine years of education (ISCED 2,), still is over 70% of total employed population.

Table 5 - Proportion of low qualified people by age group and sex, 2000-2007 (% of total in each age group)

		2000	2001	2002	2003	2004	2005	2006	2007
	Total	75.8	75.0	73.7	72.5	69.0	67.7	66.2	66.6
Age group 29-49	Men	77.9	77.3	76.5	75.8	72.2	71.6	70.3	71.1
	Women	73.6	72.8	70.9	69.2	65.7	63.8	62.1	62.3
Age group 50-64	Total	90.4	90.1	90.5	89.0	87.0	86.0	85.5	84.7
	Men	88.9	88.7	89.7	87.9	85.9	85.0	84.2	84.1
	Women	91.7	91.3	91.1	90.1	87.9	86.9	86.6	85.4

Source: EU Labour Force Survey, 2000-2007

Notes: low qualified people correspond to those with below upper secondary education.

Regardless the attempts to change, the pattern remains in current years. (table 6) It's clear that young generations are generally more qualified than the older ones, so in the future, people in labour market will be more qualified than the current population. But to have a static position and let younger cohorts just become the next "older generation" it's not an option to increase the qualification level. The economic development of the country cannot wait for the simple replacement of the employed population by a new generation of assets with higher average skills

Table 6. Population aged 15 years and older, by age group and education level (%) in 2010

Age group	N	Any degree of education (%)	Basic (ISCED 1-2) (%)	Secondary (ISCED 3-4) (%)	High (ISCED 4-5) (%)
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15 - 24	1162,4	0,7	61,3	32,3	5,6
25 - 34	1577,5	2,0	45,9	27,3	24,8
35 - 44	1603	2,9	63,2	17,7	16,2
45 - 54	1495,8	4,6	73,1	11,9	10,4
55 +	3182,6	24,4	64,9	4,6	6,1
TOTAL	9021,4				

Source: INE, Inquérito ao Emprego. Série 1998 - N.^o

Considering that the number of available low qualified jobs will be drastically reduced in the decades ahead, any measure to retain older workers in the labour market, must consider their re-skill and up-skill.

It's acknowledge that "back to school" it's not an option to mature and older workers. In fact it's becoming increasingly evident that flexible, non-formal and informal learning can be more attractive and successful, to mature and older people: "older" school methods of teaching can be effective to some older adults, but because they are a very diverse group, more flexible methods should become a reality, to deal with all learning styles of older people.

Measure to improve the qualification level of mature and older people, should be more creative and tailored made. Approaches such as the intergenerational learning, self-directed learning, mentoring and guidance, can play a major role in to adult education.

In the specific case of Portugal, considering the gap of education of young and older generations, an intergenerational approach can be very effective, either as a methodology to improve learning, to manage a mixed ages working force, to match familiar business transition and to improve intergenerational skills transfer at work place.

Is known that "when there is a greater understanding and more effective communication between the generations, it is likely that there will be a more positive working environment for all employees" (Hatton-Yo & Telfer, 2008).

Taking into account that less qualified do not mandatory means less experience and less skilled, one should consider the potential entrepreneur of mature and older people. Almost all programs to foster entrepreneurship are target to young people, and we must think about an hypothetical shift from younger's to mature and older people, as beneficiary of entrepreneurial education and training.

Intergenerational entrepreneurship it's also a very valuable approach, with a high potential.

In Portugal, almost all (if not all) measures and efforts for the promotion of entrepreneurial spirit, are targeted at young audiences, women or disadvantaged adults in social situations. Unlike the case in some European countries, in Portugal there is no program to support entrepreneurship senior. A national programme to support senior and/or intergenerational entrepreneurship, should be implemented.

Other measures mentioned in literature, should also be promoted within an holistic approach. In fact, to attract and retain older workers at labour market it's not an overnight task and can only be achieved with a deep social and individual commitment and through the implementation of field practices, namely those aiming to:

- promote active aging;
- lifelong learning habits;
- more gradual transition to inactivity;
- continuity of active lifestyles after retirement;
- promotion of hygiene and safety at work;
- forms of work organization seeking to optimize individual capabilities;
- maintain a good physical and mental health of individuals and employers;
- raise awareness of the issue of aging in order to prevent discrimination based on age, highlighting the corresponding advantages.

To name just a few possible measures that can contribute to a more healthier, happier and productive older working force.

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