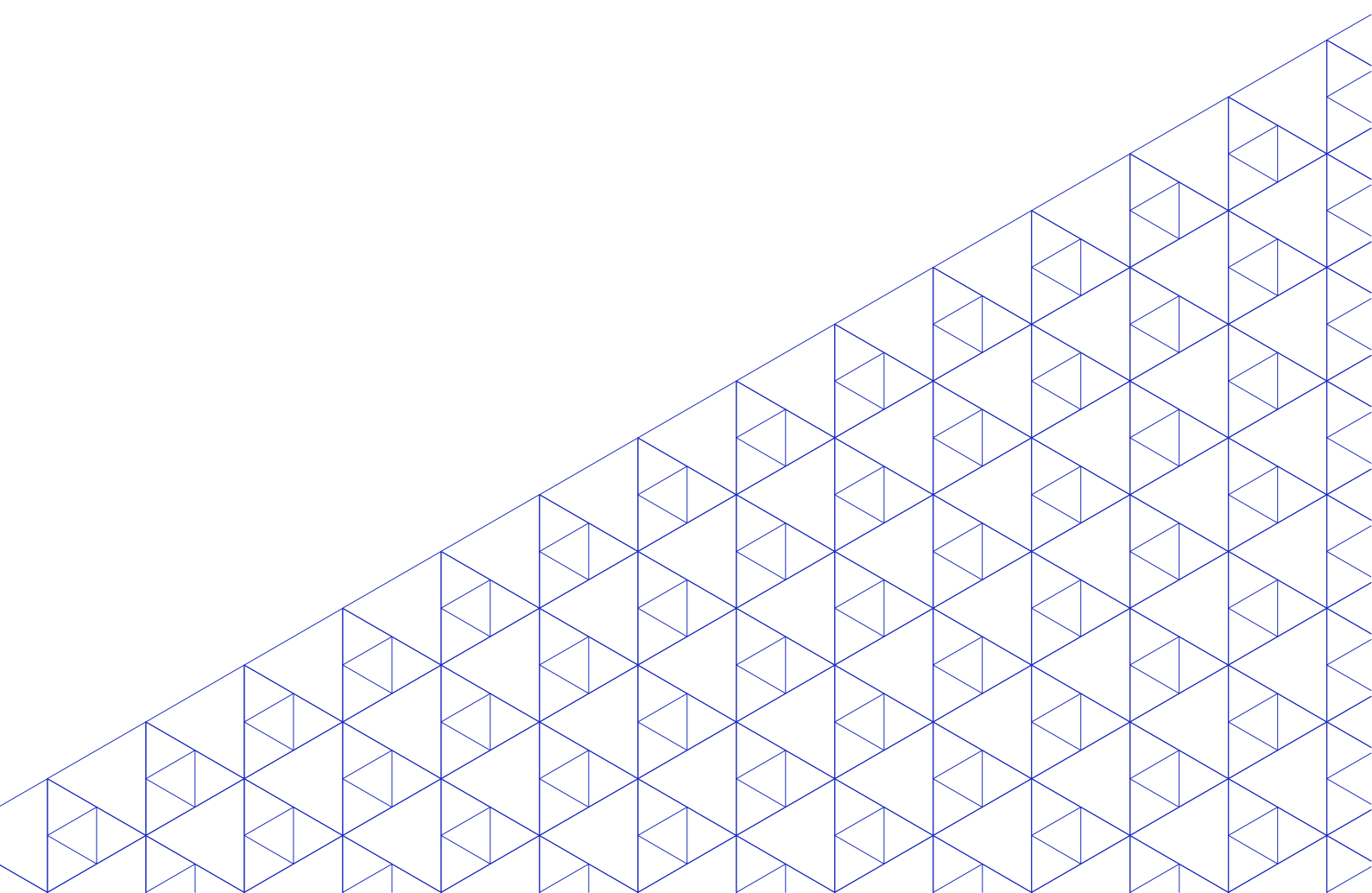




▶ Portugal: Rapid assessment of the impact of COVID-19 on the economy and labour market

Authors / Ricardo Paes Mamede – ISCTE-IUL (coord.)
Mariana Pereira – ILO Lisbon
António Simões – ISCTE-IUL





This is an open access work distributed under the Creative Commons Attribution 3.0 IGO License (<http://creativecommons.org/licenses/by/3.0/igo>). Users can reuse, share, adapt and build upon the original work, even for commercial purposes, as detailed in the License. The ILO must be clearly credited as the owner of the original work. The use of the emblem of the ILO is not permitted in connection with users' work.

Translations – In case of a translation of this work, the following disclaimer must be added along with the attribution: *This translation was not created by the International Labour Office (ILO) and should not be considered an official ILO translation. The ILO is not responsible for the content or accuracy of this translation.*

Adaptations – In case of an adaptation of this work, the following disclaimer must be added along with the attribution: *This is an adaptation of an original work by the International Labour Office (ILO). Responsibility for the views and opinions expressed in the adaptation rests solely with the author or authors of the adaptation and are not endorsed by the ILO.*

All queries on rights and licensing should be addressed to ILO Publications (Rights and Licensing), CH-1211 Geneva 22, Switzerland, or by email to rights@ilo.org.

ISBN: 978-92-2-032418-9 (web PDF)

The designations employed in ILO publications, which are in conformity with United Nations practice, and the presentation of material therein do not imply the expression of any opinion whatsoever on the part of the International Labour Office concerning the legal status of any country, area or territory or of its authorities, or concerning the delimitation of its frontiers.

The responsibility for opinions expressed in signed articles, studies and other contributions rests solely with their authors, and publication does not constitute an endorsement by the International Labour Office of the opinions expressed in them.

Reference to names of firms and commercial products and processes does not imply their endorsement by the International Labour Office, and any failure to mention a particular firm, commercial product or process is not a sign of disapproval.

Preface

The objective of the rapid country assessments launched by the Employment, Labour Markets and Youth Branch (EMPLAB) of the ILO in around 14 countries at different levels of development is to provide constituents and other policy-makers with a practical tool for the real-time diagnosis of the employment impacts of the COVID-19 pandemic to inform policy responses. The assessments examine the dramatic effects of the pandemic on economic growth and employment and how it has exacerbated labour market vulnerabilities and inequalities. They also show the importance of a prompt and targeted policy response and the value of social dialogue.

This assessment of Portugal addresses core issues relating to the socio-economic and health situation of the country; the direct and indirect labour market effects of the COVID-19 pandemic; identifying the workers most at risk; and reviewing current policy responses. In addition to data collection and analysis, a central element of the assessment consisted of consultations with policy-makers, representatives of employers' and workers' organizations, including at the sectoral level, and a wide range of practitioners and experts. These consultations enriched the analysis, while at the same time providing a conduit for influencing and improving the design and implementation of policy responses.

The Portuguese assessment shows how a collective commitment to tripartite social dialogue and broad-based consensus building helped to steer the response to the crisis and develop innovative solutions, such as the simplified temporary lay-off scheme, by fine-tuning policy measures to changing economic and social needs, and by generating a sense of shared ownership that contributes to better implementation and the maintenance of social peace.

Special thanks are due to the ILO Lisbon Office, the ILO Europe Office and the authors for their work in conducting this research, and to the Government, employer, worker and civil society representatives, and particularly the Ministry of Labour, Solidarity and Social Security, the Ministry of Finance, the Ministry of the Economy, the Office of the Prime Minister, ACT, CITE, DGERT, CGTP, UGT, CIP, CAP, CTP, CCP, academic researchers and private sector managers, for their collaboration throughout the preparation of this study, which has brought to the fore different perspectives, insights and concerns. We also give thanks to the Presidents of the Economic and Social Council and the Parliamentary Committee on Labour and Social Security for their important inputs.

Sukti Dasgupta
Chief
Employment, Labour Markets and Youth
Branch

► A promising outlook on the eve of the COVID-19 pandemic

The Portuguese economy had largely recovered from the previous crisis

When COVID-19 arrived, the Portuguese economy had largely recovered from the previous crisis. At the end of 2019, real GDP had registered its 25th quarter of uninterrupted expansion.¹ Total employment had increased in every single quarter since the end of 2013. The unemployment rate was at its lowest level since 2002 (6.5 per cent). Real wages grew by 2.7 per cent in 2018 and 2.0 per cent in 2019, following a decade of near stagnation. The Gini index was 31.9 in 2018, down from 34.5 in 2013. The budget balance was positive for the first time in 50 years, while public debt, while still high, was on a clear downward trend. The current account, which had been historically negative, had remained balanced or slightly positive since 2013. In the banking sector, non-performing loans (NPLs) to firms fell from 15.5 per cent of outstanding credit in 2015 to 6.5 per cent in 2019, showing a significant improvement in the financial conditions of both banks and non-financial firms.

Having said this, in early 2020, the Portuguese economy and society were still characterized by several structural problems and a heavy legacy from the previous crisis, as shown by the comparatively high levels of public, private and external debt, relatively low wages and high income inequality, and the degree of labour market segmentation (nearly one-fifth of workers were on temporary contracts in 2019). However, recent developments suggested that Portugal was gradually addressing many of its social and economic weaknesses.

Lead indicators were suggesting a positive economic and employment outlook

The European Commission Economic Sentiment Indicator improved from September 2019 to February 2020, while the lead investment indicators in the first quarter of 2020 reached their highest values since the turn of the century (especially in construction). After nearly doubling between 2014 and 2019, tourism kept breaking records: hotel revenues grew 9.9 per cent year-on-year in the first two months of 2020. Manufacturing production had been improving since December 2019, after a slightly negative performance the previous year. Registered unemployment fell by 8.6 per cent in January and 7.9 per cent in February year-on-year.

► Then COVID-19 arrives

The virus arrived in Portugal one month later than in neighbouring countries

Portugal recorded the first confirmed cases of COVID-19 on 2 March 2020, and the first death on 16 March. The first confirmed cases were related to travellers who had recently visited Italy and Spain. The later arrival of the virus in Portugal, largely due to the country's location, allowed the authorities time to react.

Containment measures were adopted quickly, both by the public authorities and the general population. On 12 March, the Government announced extraordinary containment and mitigation measures in broad areas: non-essential movement and all public gatherings were banned; schools and non-essential shops closed; border movements and flights heavily restricted (see Annex 1). All of these measures were adopted before the first coronavirus-related death in the country, in contrast with most Western European countries (which typically took one to two weeks after the first deaths to adopt similar measures).

The state of emergency was declared on 19 March and was renewed twice, ending on 2 May. It was then replaced by the less severe state of calamity, associated with a gradual reopening of economic and social activities (see Annex 2). Even before the restrictions were imposed, the majority of the population had started to adopt voluntary measures of social distancing. As in previous crises, social unrest was limited.

¹ Unless otherwise indicated, the statistical data used in this report is from official sources: Statistics Portugal (INE), Ministry of Labour, Solidarity and Social Security, Ministry of Health, Ministry of Finance and Bank of Portugal. The latest data used was published on 12 May, except for data on registered unemployment, which was updated on 20 May.

There were no major disruptions in health services

By the end of March, 7,443 people in Portugal had been infected with COVID-19, with 160 deaths. One month later, the numbers had increased to 24,324 and 989, respectively. Taking into account its population size, the virus-related deaths by the end of April were three to seven times lower than those in other Western European countries (such as Belgium, France, Italy, Netherlands, Spain and United Kingdom). Considering the time since the first cases, the Portuguese situation was by then less dismal than in neighbouring countries, both in terms of infections and deaths, although worse than in some Asian countries (for example, Republic of Korea and Japan).

The National Health Service coped with the pandemic without major disruptions. Full intensive care capacity was never reached. According to the Government, the recent daily occupation rate of intensive care units has been between 50 and 65 per cent, down from over 80 per cent at the beginning of March. This was partly caused by a fall in demand for health services by patients with diseases unrelated to COVID-19. Indeed, some people may not have received the health care they required during this period, either for fear of infection, or due to the priority given by hospitals to COVID-19 patients (for example, by closing services and postponing medical appointments and treatments unrelated to COVID-19).

As in most advanced economies, the health system was not entirely prepared to face such an emergency. During the first weeks of the pandemic, some health professionals complained about the lack of protective equipment. The Government sought to diversify supply sources of medical equipment by supporting national production, through European Union public procurement and by importing equipment for more short-term needs. In the meantime, several Portuguese firms (especially textile and beverage companies) converted their production to protective, sanitary and medical equipment to meet both public and private demand. Several R&D consortia began developing internal capacity for the production of ventilators and diagnostic tests, with public funding through partnerships with research centres and the mobilization of European funds tied to Portugal 2020² (see Annex 4).³

The expected macroeconomic impacts are huge

The economic climate deteriorated rapidly. After a significant fall in March, the European Commission Economic Sentiment Indicator for Portugal crashed in April to 66.9 points, the lowest value ever recorded and far below the long-term average of 100. The collapse extended to all confidence indicators estimated by Statistics Portugal. In the first quarter of 2020, real GDP fell by 2.4 per cent (year-on-year) and 3.9 per cent (quarter-on-quarter).

Current macroeconomic forecasts by the European Commission, IMF and Bank of Portugal point to a deep recession in 2020, followed by a moderate recovery in 2021.⁴ GDP is expected to fall in 2020 by between 3.7 and 8.0 per cent and the unemployment rate is forecast to reach between 9.7 and 13.9 per cent. In the best case scenario, GDP will only reach its pre-COVID-19 level after 2022, while total employment may take longer to recover. The caution alerts in official forecasts are more emphatic than usual. Several factors may cause deviations from the central scenarios, including a second-wave of the pandemic in the autumn, the development of a vaccine or effective treatments, and the impact of the relaxation of the lockdown. In addition to uncertainty concerning the future health situation, the economic situation in Portugal is dependent on international economic and political developments.

Radical uncertainty and the severe effect of the lockdown on firms, jobs, incomes and consumption

Between the end of February and the end of April, registered unemployment rose from about 316,000 to 392,000 (+24%). Registered unemployment increased by 22.1 per cent by the end of April year-on-year.⁵ Only half of those affected were covered by unemployment protection.⁶

² Portugal 2020 is the partnership agreement between Portugal and the European Commission for the years 2014 to 2020 for the implementation of the Europe 2020 Strategy.

³ By the end of April, the management of Portugal 2020 issued three calls for projects with a total budget of EUR 70 million to support R&D and productive investments in tests, masks and medical equipment.

⁴ The Government presented the mid-term Stability Programme in the first week of May, but in view of the strong uncertainty and complexity of the crisis, decided to postpone its own forecasts until the end of the first semester. The Government considered it more useful and credible only to present the fiscal impact of the measures adopted, as well as the macroeconomic and fiscal impact of the lockdown (see Annexes 3 and 4).

⁵ In the first quarter of 2020, the inactive population rose by 65,500, the highest quarterly increase since the beginning of the statistical series in 2011.

⁶ In April 2020, the number of unemployment subsidy recipients was 198,000, compared with the 392,000 unemployed

► Portugal: Rapid assessment of the impact of COVID-19 on the economy and labour market

According to public employment service (IEFP) data, during this period, unemployment affected men more than women, workers aged under 25 more than older workers, and workers with upper secondary education, followed by those with lower secondary education, more than others (see Table 1).

Collective dismissals more than doubled in April (141, covering 1,328 workers) compared with the previous month, with half involving microenterprises (403 workers).

Table 1. Registered unemployment – April 2020

	Δ%	
	YoY	monthly
Total	22.1%	14.1%
Men	25.1%	16.1%
Women	19.8%	12.6%
< 25 years	30.2%	18.9%
>= 25 years	21.2%	13.6%
No formal education	10.8%	7.7%
Primary education (1st-4th grade)	1.1%	7.4%
Basic education (5th-6th grade)	21.8%	12.8%
Lower secondary (7th-9th grade)	29.4%	16.8%
Upper secondary (10th-12th grade)	40.0%	20.0%
Tertiary education	10.3%	9.8%

Source: IEFP

Over 100,000 firms, employing 1.3 million people (close to one-third of total employees), applied for the simplified temporary lay-off scheme,⁷ which allows firms to temporarily suspend job contracts (see below). For workers, the scheme implies a wage cut of one-third. Although only part of each firm's employees are temporarily laid off, the scheme has resulted in a loss of income for several hundred thousand workers (see Table 4).

Many workers also had to stop working to provide family support following the closure of schools, kindergartens and other services. As of 10 April, there were over 170,000 beneficiaries of an exceptional income support measure, targeting families with children below the age of 12, amounting to two-thirds of gross wages, at a rate that never drops below the national minimum wage, and may be up to three times the minimum wage.

A substantial proportion of firms were under financial strain. A recent study by GEE, the research bureau of the Ministry of the Economy, shows that 25 per cent of firms were not able to meet payments for over one month, with this figure rising to 50 per cent in the accommodation and food service sector.⁸

An unspecified number of informal workers (who account for nearly one-eighth of total employment in Portugal, according to ILO data)⁹ may also have experienced a drastic reduction in income as a result of the lockdown.

The combination of radical uncertainty, job losses and fall in disposable income resulted in a drop in consumption. SIBS, the leading electronic payment management company in Portugal, recorded a sharp decline in the number of physical purchases from the third week of March, plateauing at around half the average value of the pre-COVID period, and recovering gradually after the end of April.¹⁰ Online purchases fell by a lesser amount to around 65 per cent of the pre-pandemic average, making a full recovery in the first week of May. In both cases, the average purchase amount increased by around 10 per cent, partially offsetting the fall. The steepest falls were for fashion accessories (-98 per cent), followed by education (-97 per cent), leisure (-96 per cent), tourist accommodation (-91 per cent) and restaurants (-74 per cent).

registered with the public employment service.

⁷ Data relates to applications up to 12 May.

⁸ Tavares, N. and G. Osório de Barros, G. (2020). "COVID-19: Capacidade das empresas para assegurar o pagamento das remunerações numa situação de paragem total da atividade", in Boletim Mensal de Economia Portuguesa, 04, April

⁹ ILO (2018), Women and men in the informal economy: A statistical picture, Geneva.

¹⁰ SIBS Analytics (2020). "O impacto do Coronavírus nos hábitos de consumo dos Portugueses", 26 May.

► Most sectors were affected, some more than others

Hotels, restaurants and support services account for a major proportion of job losses

Real estate, administrative and support service activities account for 40 per cent and accommodation and food services for 20 per cent of the absolute increase in registered unemployment in April year-on-year (see Table 2). These two areas represent a much smaller proportion of total employment in Portugal (16.3 and 6.9 per cent, respectively; see Annex 5), suggesting that they have been disproportionately affected by the first stage of the crisis. However, as noted below, this may also to some extent be related to the forms of employment contracts prevailing in the sectors (which may have led to a faster rise in dismissals).

Table 2. Industries with the largest year on year increases in registered unemployment

	April 19 - April 20		
	No.	Industry %	% of total
Accommodation and food service activities	14 969	60.6%	20.3%
Manufacture of leather and related products	1 385	42.7%	1.9%
Real estate, administrative and support service activities	29 405	41.2%	39.9%
Manufacture of basic metals and fabricated metal products	1 337	39.0%	1.8%
Transportation and storage	1 673	37.4%	2.3%
Manufacture of wearing apparel	2 699	33.6%	3.7%
Manufacture of transport equipment	572	30.5%	0.8%
Man. of petroleum, chemical, pharmaceutical, rubber and plastic products	484	24.8%	0.7%
Man. of computer products, electrical and other equipment and machinery	478	20.0%	0.6%
Mining and quarrying	316	19.2%	0.4%

Source: IEFP

Though lower in absolute terms, the relative change in registered unemployment was also substantial in such manufacturing industries as leather and apparel, basic metals and metal products, transport equipment, petroleum products, and rubber and plastics, as well as in transport services (especially air transport). According to Bank of Portugal preliminary estimates,¹¹ based on a survey in early April, all these industries also experienced a steep fall in gross value added (GVA) in that month (see Table 3).

Table 3. Industries with the largest reduction in gross value added (GVA) in April

Air transport	-87.1
Manufacture of transport equipment	-78.7
Retail trade of non-essential items	- 74.4%
Accommodation and food service activities	- 70.3%
Manufacture of coke, and refined petroleum products	- 63.0%
Other service activities (including arts, entertainment and recreation)	- 62.2%
Transportation and storage (excluding air transport)	- 52.9%
Human health services	- 50.3%
Manufacture of furniture; repair and installation of machinery and equipment	- 48.8%
Manufacture of textiles, wearing apparel and leather products	- 46.8%
Manufacture of rubber and plastics products, and other non-metallic mineral products	- 45.5%

Source: Bank of Portugal

¹¹ Bank of Portugal, Economic Bulletin, May 2020.

The risk of the collapse of tourism and transport services is the greatest concern

Social distancing measures had an immediate impact on the demand for tourism. Uncertainty, fear and lack of confidence may lead to a protracted crisis in the sector, which is a major concern for a country where tourism-related activities account for 8 per cent of GVA and 9 per cent of employment (figures for 2018 and 2017, respectively).

By the end of April, 59.4 per cent of accommodation and food service firms had closed temporarily (53.9 per cent) or indefinitely (5.5 per cent).¹² Nearly four-fifths of tourist accommodation establishments had cancelled reservations between March and August.¹³

Both domestic and international transport services were also severely affected. Airlines are of particular concern due to the combination of a deep immediate shock and dismal perspectives for the near future. In addition to cancelled flights, very few bookings are being made and restrictive health conditions are likely to be imposed on air travel (reducing revenue and increasing costs), with demand expected to take some time to recover.¹⁴

Nor do travel agencies, car-rental firms, tour operators and cruises foresee a consistent recovery in the near future. Cultural, entertainment, sporting and recreational activities were among the first to close down or suspend their activities and may have to face health-related restrictions in the coming months.

The Portuguese tourism sector is characterized by a very fragmented value chain, with a mix of high and lower value-added segments. Over the past decade, the latter have been boosted by the huge rise in new services mediated by web-based peer-to-peer platforms,¹⁵ which are often associated with a high degree of informality (as is the case in Spain,¹⁶ although data and analysis are scarce for Portugal). This focusses attention on the share of unprotected workers in tourism support activities, such as cleaning, tour guides and short-term rental managers, who are faced with both income loss and inadequate protection.

The manufacture of transport equipment and related industries is another main source of concern in view of its high share of exports of goods (16.3 per cent in 2019). Up to the end of April, the sector experienced an increase of 30.5 per cent in registered unemployment year-on-year, and an estimated fall of 78.7 per cent in GVA (see Tables 2 and 3 and Annex 5). According to the Portuguese Automobile Trade Association (ACAP), the production of motor vehicles fell by 95.7 per cent in April, while the Portuguese Automotive Industry Manufacturers' Association (AFIA) expects an annual fall in turnover of 30 per cent in 2020.¹⁷

The impact on other industries may be of shorter duration and less severe

The rise in registered unemployment in wholesale and retail trade was nearly half of the average for the economy as a whole (15.1 vs. 27.5 per cent), although the estimated fall in GVA was larger (see Table 3).¹⁸ This could indicate that retail stores expect a quick return to activity following the lockdown, although only a gradual return to pre-pandemic levels.

High street shops began to reopen in early May straight after the end of the state of emergency (larger supermarkets did not significantly reduce their activity during the lockdown, while shopping centres will reopen later). Although retail firms now face increased costs due to hygiene and safety

¹² According to the ad hoc rapid survey by Statistics Portugal and the Bank of Portugal published on 5 May covering the week 27 April – 1 May.

¹³ Neoturis, a consultancy firm, estimates losses of EUR 2.6 billion in the accommodation sector between 1 March and 31 December, with occupancy rates per room varying between 25 and 40 per cent, depending on the region.

¹⁴ The financial situation of the national flagship company, TAP Air Portugal, is now critical and may require new capital injections by the Government, which holds 50 per cent of the firm, given its already high outstanding debt.

¹⁵ The number of apartments registered as 'local accommodation' (alojamento local), available for rent through web-based platforms, rose from 3,392 in 2010 to 61,760 in 2020 (data extracted on 12/05/2020). Source: [travelBI](#)

¹⁶ Exceltur (2015). [Alojamiento turístico en viviendas de alquiler: Impactos y retos asociados](#).

¹⁷ The data provided by industrial associations is usually not statistically representative. In view of the relative lack of official statistics at this stage, this data is indicative.

¹⁸ In the retail sector, there is a sharp distinction between essential and non-essential items: while the retail of non-essential items experienced a very steep fall in GVA (-74.4%; see Table 3 above), the shock was milder for retailers of essential goods (-19.2%).

► Portugal: Rapid assessment of the impact of COVID-19 on the economy and labour market

measures,¹⁹ financial incentives have recently been made available by the Government.²⁰ However, they will probably see a diminished level of private consumption in the coming months due to the expected increase in unemployment and fall in disposable income. The same applies to restaurants, which will face additional restrictions (for example, on maximum dining capacity and minimum distance between clients).

The effect of the pandemic on some manufacturing industries may be linked to the fate of retail and/or tourism-related activities. Examples include furniture, ceramics and glass production, for which the CIP has reported closures and production cuts of over 80 per cent, and where recovery may depend on tourism trends in the near future, or their capacity to find alternative outlets.

The textile, clothing and footwear industries have been harshly affected by national lockdowns, both in Portugal and abroad. As noted above, fashion accessories rank first among products with the greatest decline in debit card payments (-98 per cent), reflecting a sharp decline in demand, as in other countries. The Textile and Clothing Association of Portugal reports that 60 per cent of firms experienced falls of over 50 per cent, and that only 11 per cent believe they can return to more than 80 per cent capacity in June.

Construction maintained its level of activity with few limitations and is still benefiting from investment decisions taken before the pandemic, which may explain the relatively moderate rise in registered unemployment in the sector by the end of April (+14.7 per cent year-on-year). But there is still uncertainty concerning demand in the near future, in both construction and real estate, particularly if there is a prolonged crisis in tourism.

The agro-food and farming sectors have only been affected mildly (+10.3 per cent registered unemployment and an estimated 10 per cent reduction in GVA), as distribution channels for essential food in the domestic market were protected from lockdown measures. However, the production of livestock, cheese, milk, plants, flowers and small fruit, as well as other activities linked to tourism (such as wine and rural tourism) and for external markets (particularly France, Italy, Spain and United Kingdom), were more significantly affected.²¹

In contrast, telecommunication services saw an increase in activity, with both voice and data consumption increasing around 50 per cent in the first week of lockdown week-on-week.²² The information and communication and other service sectors report the highest proportion of firms and the workforce resorting to telework, making them more resilient to lockdown measures.²³ This includes financial and insurance activities, which were the only ones recording a fall in the unemployed registered with the public employment service in April (-5.2 per cent year-on-year).

Job offers appear to have increased during this period in health, logistics and contact centres,²⁴ possibly in response to temporary peaks in demand, meaning that this may not necessarily translate into a permanent increase in recruitment levels.

¹⁹ A point emphasized by the employers' association in the sector, the CCP.

²⁰ Measures launched on the second week of May, for which no take-up data is yet available.

²¹ CAP.

²² According to data published by ANACOM, the telecommunications sectoral regulator, on 14 April.

²³ According to the ad hoc rapid survey by Statistics Portugal and the Bank of Portugal (published on 5 May and covering the week 27 April – 1 May).

²⁴ According to data from LinkedIn and Glassdoor, two online job matching platforms.

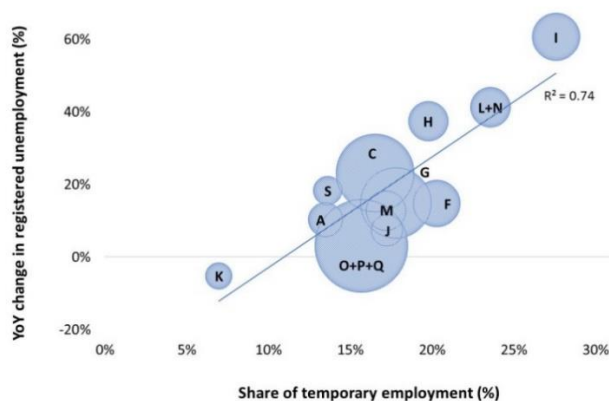
▶ Those who suffer the most

Some groups of workers are more exposed to unemployment

Vulnerability to unemployment appears to be strongly linked to the sector of activity (see above), type of contract (or absence thereof) and certain personal characteristics.

The incidence of temporary contracts is particularly high in hotels, restaurants and administrative and support services, where they account for around one quarter of employment.²⁵ As noted above, these activities alone account for 60 per cent of the absolute increase in registered unemployment in April (year-on-year). The rapid rise of unemployment in these sectors may therefore be partly related to the high proportion of non-permanent contracts. As shown in Figure 1, there is a strong association at the level of economic activities between the year-on-year change in registered unemployment in April and the share of temporary employees in total employment. Temporary contracts are particularly common among young works. Two-thirds of workers under 25 are in non-permanent employment relations (internships, trial periods, fixed-term contracts, etc.), compared with one-fifth of the 25-49 age group and around one-tenth of older workers.

Figure 1. Association between share of temporary employment and growth of registered unemployment by economic activity



Source: based on IEFP and Eurostat data

Note: A - Agriculture, forestry and fishing; C - Manufacturing; F - Construction; G - Wholesale and retail trade; repair of motor vehicles and motorcycles; H - Transportation and storage; I - Accommodation and food service activities; J - Information and communication; K - Financial and insurance activities; L+N - Real estate activities + Administrative and support service activities; M - Professional, scientific and technical activities; O+P+Q - Public administration and defence, compulsory social security + Education + Human health and social work activities; S - Other service activities. The area of each bubble is proportional to the number of people engaged in productive activities for each industry/industry aggregate, ranging from 96,400 in industry K to 1.17 million in aggregate O+P+Q.

Informal workers are also very exposed to these risks, and are more vulnerable to falls in demand due to lockdown measures. Informality is very frequent among immigrants, especially in agriculture, fisheries, cleaning and domestic services, retail trade, construction and several tourism-related activities.

Unions are also concerned about workers who are more vulnerable to COVID-19, including older workers, those with specific health conditions and people with disabilities, who may be more at risk of job loss or be encouraged to take early retirement.

Those experiencing the most severe falls in income were already less favoured

Several studies suggest that the less favoured have been affected more severely by the crisis. An online survey conducted in March by ISCTE and ICS, two university institutes, found that those who classified their financial situation prior to the pandemic as “difficult” and “very difficult” were largely over-represented among those financially affected by the lockdown, irrespective of their educational level.²⁶ Another online survey by the National Public Health School (ENSP) has found that one-in-four

²⁵ Tourism-related activities are more seasonal than in other sectors, which partly explains the lower share of permanent contracts.

²⁶ Adão e Silva, P. et al. (2020). [Trabalho e desigualdades no grande confinamento: Perdas do rendimento e transição](#)

people with wages below EUR 650 have lost income, compared with 6 per cent in income groups above EUR 2,500.²⁷ A more recent survey by the Portuguese Catholic University concludes that 43 per cent of the households earning up to EUR 1,000 a month have experienced a loss of income, compared with 32.6 per cent of those earning EUR 1,001-2,500 and 23.4 per cent of those with over EUR 2,500 a month.²⁸ Although none of these surveys are statistically representative, taken together they provide strong indications that the impact of the crisis may have been asymmetric.

Many of the groups most affected by the crisis were already among the underprivileged. For example, the in-work at-risk-of-poverty rate of workers with temporary contracts before the pandemic was nearly twice the average of those with permanent contracts. Younger workers, who already faced higher rates of unemployment and underemployment, also tend to be disproportionately affected during periods of protracted falls in labour demand (such as the last global crisis). Unprotected workers, including domestic workers,²⁹ casual and gig workers, are likely to be disproportionately affected by the pandemic, as they do not have access to paid or sick leave, and are poorly covered by conventional social protection and other forms of income smoothing.

The risk of infection is higher for manual workers and women (who are also disproportionately burdened by unpaid care)

The COVID-19 crisis has brought back the distinction between manual and white-collar workers, at least with respect to the risk of contagion. The survey by ISCTE and ICS confirmed that those with higher education degrees were largely over-represented among respondents working from home. Similarly, the ENSP survey found that 54 of those earning under EUR 650 had to commute to work, while 75 per cent of those earning over EUR 2,500 were teleworking.

The latter typically work in services such as ICT, finance and insurance, consultancy, education and several areas of public administration. In contrast, many of the sectors that remained open during the crisis and that require the physical presence of employees (including waste collection and treatment, food retail and industry, construction, domestic work and agriculture) have a high intensity of lower qualified work. Unions have reported a worsening of safety and health conditions at work, as, according to them, some employers may have failed to take all the measures recommended to minimize the risk of infection.

As in many other European countries, elderly people living in care homes are the most vulnerable group, accounting for around 40 per cent of total deaths by the end of April. Health-care workers are also highly exposed and, by mid-May, accounted for 11.3 per cent of those infected.

There is also clear gender bias in the risk of exposure of workers' to COVID-19. Women are over-represented in caring, which almost by definition involves close physical proximity, with women accounting for 90.3 per cent of workers in social work activities and 78.7 per cent in human health services. In addition to virus-related health risks, women are often overburdened with unpaid care work for both older family members (for whom social services became less available during lockdown) and children with e-learning.³⁰ A recent survey shows that students (<16 years) receive more support from their mothers than their fathers (77.5% of respondents report help from their mothers with homework, compared with only 41.3 per cent for fathers).³¹ Moreover, women account for over 80 per cent of total beneficiaries of exceptional family support for parents who need to stay at home to care for children under 12 because of school closures.³²

[para o teletrabalho, Estudos Colabor](#), 2/2020.

²⁷ ENSP (2020). [Opinião Social: Pandemia aumenta fosso das desigualdades](#), Notícias, 12 May.

²⁸ Pedro Santos, A. (2020). [Inquerito indica que queda de rendimentos é mais sentida nos que ganham até mil euros mensais](#), Observador, Universidade Católica, 14 April.

²⁹ The Government created an extraordinary income support for domestic workers conditional on their registration with the social security system as self-employed workers during the subsequent 24 months. This is a sector with considerable informality in which many workers do not contribute to social security. See Abrantes, M. (2012), [A densidade da sombra: Trabalho doméstico, género e imigração](#), Sociologia, Problemas e Práticas, 70, pp. 91-110.

³⁰ For most children in compulsory education, the schools closed in March and will remain closed until September.

³¹ Preliminary findings of a survey carried out by the Observatory of Education and Training Policies of the University of Coimbra.

³² The Government has recently launched a call for proposals for research on the gender impact of COVID-19 and its response on gender inequalities, violence against women and domestic violence, [Foundation for Science and Technology \(FCT\)](#).

Signs of non-compliance with labour law have increased

Trade unions have reported the failure by several firms to comply with labour laws and other behaviour that they consider abusive, such as the requirement to take holidays or the dismissal of workers on fixed-term contracts and during trial periods.³³ The national labour authorities (ACT and CITE) confirm the existence of abuses. The CITE refers in particular to complaints of the denial of parental rights related to flexible and reduced working hours for health professionals, with data showing an increase in the termination of temporary contracts for pregnant women, women who have recently given birth and parents on parental leave (up by 106.1 per cent in April and 50.3 per cent in March year-on-year). The ACT reports that labour inspection methodologies have had to be adapted very quickly to the exceptional times by strengthening and adjusting the dissemination of information to employers and workers through various channels, including new online services, and by adapting inspection procedures. The focus of inspection has been driven by issues relating to dismissals (particularly of precarious workers), occupational safety and health (especially personal protective equipment), wages and the requirement to take holidays. The employer's confederations CIP and CTP note that the extraordinary inspection initiative focussing on suspected illegal dismissals led by ACT during the state of emergency, covering 1,374 firms with 58,000 workers, only identified 22 cases of illegal dismissal.³⁴

The generalization of telework has become a special challenge. Eurostat data shows that just 6.5 per cent of Portuguese employees were working from home in 2019. In early May 2020, 58 per cent of firms reported at least one employee teleworking, while 16 per cent reported over 75 per cent of employees teleworking.³⁵ Early surveys³⁶ show that in many cases telework has been performed under demanding conditions (for example, with children at home, a lack of adequate space) and became a traumatizing experience for some, and especially for women faced with a greater burden of child care. The UGT has called for greater clarification of the new regime in force during the state of emergency (mandatory for most workers) and has expressed disagreement with the decision not to provide the exceptional family support benefit (see below) to parents staying at home with small children when the other parent is teleworking, arguing that parents working at home cannot provide effective assistance to children. Similarly, the CGTP has drawn attention to the issue of reconciling telework with family support and the particular difficulties faced by single-parent families.

³³ The problems raised include: the requirement to take holidays in breach of legal and contractual rules; non-payment of meal allowances to employees engaged in telework; non-payment of wages; wage cuts deemed unnecessary (for example, in companies with high profits in recent years); dismissal of workers on fixed-term contracts and during trial periods, including by firms applying for the simplified temporary lay-off scheme; dismissal of pregnant women or women who have recently given birth; denial of parental rights to flexible and reduced working hours; lack of protective equipment for workers (such as masks); and failure to adopt preventive measures in the workplace.

³⁴ The number of workers in each case has not yet been specified.

³⁵ The percentage of firms with employees working from home rises with size, ranging from 30.4 per cent (in micro-enterprises) to 93 per cent (in large firms), according to the ad hoc rapid survey by Statistics Portugal and the Bank of Portugal (published on 5 May, and covering the week 27b April – 1 May).

³⁶ Such as the ISCTE-ICS COLABOR [survey](#) analysed above.

► Who is receiving support and how (and who is not)

The Government announced the first support measures at an early stage

The Government announced the first support measures for enterprises and workers on 9 March, one week after the first confirmed case of COVID-19 and one week before the adoption of the main lockdown measures.

The measures adopted then and subsequently have included: a simplified temporary lay-off (furlough) scheme (see box below); credit lines to support company liquidity; measures to speed up payments to companies by the public administration; more favourable terms of support for firms benefiting from European Union structural funds; deferral of tax payments and social contributions, and other declaratory obligations; exceptional financial support for workers forced to stay at home with children under 12 following school closures; financial support for self-employed workers and managing partners forced to close down their business or facing a fall in turnover of 40 per cent or more, and the possibility for workers to defer social contributions; justified absences for workers who are isolating and the equivalence of sick leave for social protection (benefits amounting to 100 per cent of wages); the removal of waiting periods for entitlement to sickness benefit; the extension of subsidies for children or grandchildren in the event of sickness to cover 14 days of preventive isolation; suspension of the termination of house rental contracts due to end over the following three months; automatic extension of the unemployment subsidy and other non-contributory benefits targeted at poverty relief (see Table 4 and Annex 1).

Table 3. Simplified temporary lay-off scheme

The simplified temporary lay-off scheme (or “lay-off”, as it is commonly called) allows firms to suspend employment contracts or reduce normal working time with a wage subsidy covering a large proportion of labour costs. Workers who are furloughed receive only two-thirds of their wages (or the national minimum wage, if it is higher), 70 per cent of which is paid by social security and the rest by the employer. Where working time is reduced, wages are adjusted accordingly. Workers receive at least the equivalent of the national minimum wage, and at most three times the minimum wage.

The scheme was first introduced in 1983 in the context of a severe recession, but has scarcely been used since. There was an increase in lay-offs during the previous crisis, but the numbers remained modest. Between 2009 and 2015, the number of firms adopting lay-off measures varied between 250 and 550 a year, affecting between 3,600 and 19,000 workers.

A simplified version of the temporary lay-off scheme was one of the most prominent policy measures during the initial phase of the pandemic, as reflected by the high levels of take-up and its fiscal impact. By early May, there had been over 100,000 applications, 81.1 per cent from firms employing 10 or fewer workers. By mid-May, applications had been approved from nearly 83,000 firms, which received payments totalling EUR 284 million, covering 681,000 workers. The Government estimates that the fiscal impact of three months of lay-off is close to 1 per cent of GDP (see Table 4 and Annex 3).

The solution adopted differs from the scheme set out in the Labour Code in certain important respects. It is financed by the State budget, not the social security.³⁷ Information exchange requirements and the consultation period of workers or their representatives are reduced. The qualifying conditions were adapted to address the specificities of the pandemic, including: compulsory lockdown; cessation or reduction of activities due to disruptions in global supply chains or the cancellation of orders; a fall of at least 40 per cent in turnover during the 30 days prior to submitting the application.

The current temporary lay-off scheme also includes additional benefits: employers (but not employees) are exempt from social security contributions and receive a one-off financial incentive to resume activity (EUR 635 per worker). However, benefits are of shorter duration, namely one month, which may be extended on a monthly basis up to a maximum of three months (traditional lay-off can continue for up to 18 months). Moreover, the scheme is now conditional on firms not collectively dismissing workers or abolishing jobs during the period of support and up to 60 days after it has ended.

The simplified lay-off scheme was adopted by the Government in mid-March following negotiations with the social partners, and was subsequently revised in response to specific concerns. Consultation with the social partners led to changes in the eligibility criteria of firms (to increase coverage) and conditionality (no dismissals). The scheme in force is not completely consensual, as the CGTP opposed the reduction of workers' incomes. Employers' associations, namely the CAP, called for the scheme to have retroactive effect and the extension of the maximum duration (three months).

According to micro-simulations by the Bank of Portugal,³⁸ the scheme will reduce from 17 to 12 per cent the proportion of companies with insufficient liquidity to cover fixed costs over a 40-day period. The impact is greater for large companies and in accommodation and food service activities.

³⁷ The same applies to other exceptional and temporary income support measures managed by the social security.

³⁸ Bank of Portugal, Economic Bulletin, May, 2020.

► Portugal: Rapid assessment of the impact of COVID-19 on the economy and labour market

The Government chose to combine discretionary fiscal measures with an immediate direct impact on the public budget (see Annex 3), representing close to 2.7 per cent of GDP, with such measures as the deferral of tax and other payments, and loan guarantees, which have a later financial impact on the budget or generate contingent liabilities, for a total of about 13.4 per cent of GDP³⁹ (see Annex 4). It also tried to anticipate the time-to-market of available funds (including PT2020 funds) and to work within the State Budget approved for 2020.⁴⁰ This was in addition to automatic stabilizers such as unemployment and social protection benefits.

In the following weeks, to cover some of the most acute situations, the Government adopted new support measures, some rather innovative, and adjusted existing ones, such as more flexible access to financial support for unemployed workers not covered by the social security. Many measures and adjustments were the result of tripartite discussion and were suggested by the social partners, while others were the result of negotiations between political parties or public pressure (through traditional and social media), including: making access to credit lines and the simplified temporary lay-off scheme conditional upon firms not dismissing workers; extending the scope of credit lines to previously excluded sectors (such as the retail trade); zero interest loans to support tenants and landlords with income losses due to delays in (housing and non-housing) rental payments; extending exceptional social protection measures to self-employed workers with insufficient contribution records; and releasing some prisoners who are more vulnerable to the virus due to illness or old age (who are not convicted of serious crimes). One measure in particular, the granting to foreign nationals with pending processes before the immigration authorities of the same rights as permanent residents (access to health care, social security, housing, employment, banking) until 30 June, has received international acclaim.⁴¹ More recently, the Government has extended support measures to cover informal workers through a new temporary means-tested cash benefit, conditional on their transition to formality.

The Government has also granted additional resources and powers to the National Labour Authority (ACT),⁴² which can now suspend dismissals suspected of being unlawful while awaiting a final court ruling, thus preventing the interruption of the worker's wages.⁴³

Table 4. Selected Government measures with the greatest financial impact and take-up

Measure	Estimated budgetary impact in 2020*	Take-up
Simplified temporary lay-off regime	EUR 2197M (total for 3 months) (~1% GDP)	- 107,954 applications submitted by firms, 81% by companies with up to 10 employees, 11,6% by companies with 11-25 employees (between 31 March and 12 May). - 83,300 applications approved with payments being made, covering 681,000 workers (as of 15 May). Of these, 84% have had their employment contracts suspended and 16% have seen their normal working hours reduced.
Exceptional family support	EUR 133M	- 65,600 companies (with 149,800 employees), 20,100 self-employed workers and 2,400 domestic workers applied (between 30 March and 10 April). - 40,900 companies (with 87,000 employees), 7,800 self-employed workers and over 1,170 domestic workers applied (between 1 and 12 May).
Extraordinary support for self-employed workers and managing partners	EUR 60M	- 188,100 applications from self-employed workers (1 April to 4 May); - 13,300 applications from managing partners (20 April to 4 May).

* Estimates presented in the Stability Programme.

³⁹ Authors' estimates based on data presented in the Stability Programme (which uses 2019 GDP as a reference), and taking into consideration an additional EUR 3,000 million approved recently to reinforce credit lines.

⁴⁰ As of mid-May, the Government had not yet presented a rectification to this budget.

⁴¹ Alberti, M and V. Cotovio (2020). Portugal gives migrants and asylum-seekers full citizenship rights during coronavirus outbreak, CNN, 31 March; Martín del Barrio, J. (2020). Portugal regulariza a todos los inmigrantes pendientes de autorización de residencia, El País, 28 March.

⁴² During this period, the ACT had 194 additional inspectors at its disposal (some temporarily assigned from other public services).

⁴³ This new executive power had long been called for by the unions which, however, maintain that ACT's enhanced powers and resources may not be sufficient to address the problems that are now emerging.

Some population segments still need additional support

Despite the various measures adopted, several groups are experiencing increasing problems in meeting basic needs. As noted above, precarious and informal workers are often excluded from social support measures. For example, self-employed workers in their first year of activity are exempt from social security contributions, and were not therefore eligible for extraordinary income support measures until the beginning of May.⁴⁴ The Government has recently announced the extension of existing schemes to previously excluded groups, including informal workers with no previous social security contributions. However, the amounts involved are usually well below the poverty line, and many of the measures have not yet reached the target groups.

As a result, increasing numbers of individuals and households are applying for food and other basic support. *Banco Alimentar contra a Fome*, an NGO providing food assistance, reported 12,000 new requests for help in April, covering nearly 58,000 people, an increase of around 15 per cent over pre-pandemic levels.⁴⁵ Those requesting help include art professionals, tourism workers and other precarious and informal workers.⁴⁶

Enterprise support was not always as timely and comprehensive as expected

The public services responsible for processing applications for support encountered difficulties in managing the unusual workload, leading to delays in implementation. In April, the social security services had to process nearly 100,000 applications for the simplified temporary lay-off scheme,⁴⁷ while the Portuguese mutual guarantee society (SPGM) has had to deal with the equivalent of two years' work for credit lines. Banks participating in the implementation of credit lines are facing similar problems.

Industrial associations report that many firms are still awaiting decisions or payments from support schemes, and small enterprises complain about the amount of paperwork involved. Several public services have tried to adapt to the new circumstances by simplifying procedures and creating new channels of communication with beneficiaries,⁴⁸ resulting in some improvements, but not a fully satisfactory response to the difficulties.

⁴⁴ Three months of contributions in the preceding 12 months were previously required.

⁴⁵ These figures do not correspond to the overall increase in poverty. According to Eurostat figures for 2018, 21.6 per cent of the Portuguese population were at risk of poverty, 6 per cent were in severe material deprivation and 2.4 per cent were unable to provide a meal of meat, fish or vegetarian equivalent every two days. These percentages correspond to 2.2 million, 617,000 and 247,000 people, respectively.

⁴⁶ The Government has also recently strengthened funding for food distribution and essential services through third sector institutions to increase the coverage of this type of support.

⁴⁷ Both the UGT and CGTP emphasize that the social security system was already fragile, with insufficient resources and delays in processing claims and payments.

⁴⁸ For example, the social security has created a chatbot to give automatic answers to questions related to COVID-19 support measures.

► How consensus was built in dealing with the pandemic (and why it may not last)

A general sense of political agreement throughout the lockdown period

Since the beginning of the pandemic, the Government has made explicit efforts to build consensus around the measures adopted. The most critical decisions (including the declaration of the state of emergency and its two renewals) have been taken in close consultation between the Government and the President of the Republic, after consulting several parties, including the opposition in Parliament, the social partners, sectoral experts and scientists. Frequent joint meetings have been held to promote the broad dissemination of critical information and foster common ground in support of the decision-making process.

Tripartism has been key to ensuring shared ownership of the process and a balanced approach in addressing the different and pressing needs arising out of the crisis, with a considerable intensification of the regular tripartite meetings between the Government and the social partners.⁴⁹ Several measures have been adopted or adjusted as a result of the consultations.⁵⁰

Frequent consultation and the active involvement of the main institutional actors in the decision-making process has not always led to full agreement. For example, not all the parties represented in Parliament were in favour of the state of emergency. The unions regret the temporary removal of the constitutional requirement to consult workers' representatives concerning the drafting and implementation of labour legislation. The CGTP considers the volume of Government support to be biased towards business. Industrial associations believe that existing support measures are insufficient to address some of the effects of the crisis. Nevertheless, all the main actors recognize the efforts made to build consensus and have played their part in the solutions adopted in response to the crisis. The leader of the largest opposition party has appealed for national unity to combat the virus. Disagreements about specific issues have not jeopardized the overall strategy.

The Government has also invested considerable time and resources in informing the public about the decisions taken, rapidly launching a very complete website with all national initiatives, FAQs, emergency contacts and tools for telework,⁵¹ combined with reinforced outreach through social and mainstream media. The Minister of Health and the public health authorities have held daily press conferences to update statistics on the pandemic, announce and explain new measures, and answer journalists' questions, an unusual procedure in Portugal, which have received much media attention.

Broad agreement among institutional actors, political stability and social cohesion have also been essential for the swift approval and implementation of legislative proposals, allowing a more rapid response and greater acceptance by the population of the measures adopted.

As the crisis unfolds, consensus will be more difficult to achieve

The international lockdown and prevailing uncertainty have already resulted in a loss of tax revenues. The new support measures, combined with existing social protection schemes, are having a substantial impact on public expenditure. As the economy reopens, the demand for some types of support is expected to decline (including the simplified temporary lay-off scheme, due to its transitory nature). However, several measures will remain in place over the coming months and, as the economic crisis unfolds, it will be necessary to consider discretionary countercyclical measures to avoid the risk of a deep and prolonged recession. Moreover, such measures as public guarantees and the deferral of tax payments and social security contributions will probably give rise to problems of debt repayment, with detrimental implications for the state budget (see Annexes 3 and 4).

⁴⁹ Between 3 March and 15 May, 10 meetings were held of the Standing Committee for Social Dialogue of the Economic and Social Council to discuss issues related to the impact and response to COVID-19, half of which were attended by the Prime Minister.

⁵⁰ This was the case, for example, with the simplified temporary lay-off scheme, which was reviewed several times to broaden its coverage, as its initial rules were defined before the beginning of the state of emergency and were later considered too restrictive. The measures targeting self-employed workers also emerged from discussions with the social partners.

⁵¹ [Portuguese response to COVID-19](#).

The resulting pressure on public finances and on social security will add to an already high level of public debt, which may grow by nearly 20 percentage points in a year.⁵² Even higher indebtedness, combined with the structural weaknesses of the Portuguese economy and an expected deterioration of the social situation, may lead to progressively less favourable conditions for obtaining funds through market mechanisms.

Until now, the interest rates on Portuguese sovereign debt on secondary markets have mainly remained under control, largely as a result of the measures taken by the European Central Bank (ECB)⁵³ and other European Union initiatives.⁵⁴ However, this will not prevent a rise in public and private debt, nor an increase in non-performing loans in the banking sector. Moreover, the ECB's programme may be challenged in national courts, as has occurred in the past. The prevailing European Union fiscal rules, although currently suspended, could also be an additional source of pressure on Portuguese public finances in the medium term (especially concerning the pace of reduction of public debt ratios).

Uncertainty regarding future financing conditions may lead to an inadequate response to the unfolding economic and social crisis. Difficult choices will soon have to be made on the scope and dimensions of countercyclical measures and the priority targets of public support.

Labour conditions are also expected to worsen in the coming months, as the economic situation deteriorates. The unions fear increased pressure on workers during the reopening, especially in sectors closed due to emergency measures. Employers may demand extra work, more flexible working hours and changes to holiday entitlement rules. Higher unemployment rates will lead to downward pressure on wages. As often happens during an economic crisis, the exercise of collective rights is likely to be conditioned, further risking a deterioration in general working conditions. Under these circumstances, political consensus and social cohesion will be harder to achieve in the near future.

On 12 May, a tripartite Declaration of Commitment⁵⁵ was signed by the Government, the four employers' confederations (CAP, CCP, CIP and CTP) and a single workers' confederation (UGT) to support the strategy of a phased resumption of economic activity. It set out the commitment of the parties to maintain active collaboration and dialogue on continued support for companies, jobs, workers and families in the critical times ahead. The President of the Republic welcomed the Declaration for its contribution to a climate of confidence and social peace. However, the CGTP decided not to participate, arguing that the Declaration fails to recognize the situation of the country in terms of increased inequality, unemployment and lack of respect for workers' rights.

⁵² The IMF and the European Commission forecast an increase of Portuguese public debt from 117.7 per cent of GDP in 2019, to 135 and 131.6 per cent, respectively, in 2020.

⁵³ The Pandemic Emergency Purchase Programme.

⁵⁴ Namely, the activation of the general escape clause suspending European Union fiscal rules, the European Commission's SURE initiative and the more flexible conditions for access to the support of the European Stability Mechanism and European Investment Bank credit.

⁵⁵ [Declaration of Commitment](#), Economic and Social Council (CES).

► Responding to the crisis with an eye on the future

As in many other countries, Portugal has experienced an unprecedented social situation over the past two months. People have developed new habits as consumers, workers, students, citizens and family members. Prevailing beliefs concerning the desired social and economic organization of the country have been challenged. Some of these transformations will be transitory, while others may persist. The experience of the pandemic offers an opportunity to accelerate desirable change.

The generalization of teleworking is the most obvious change (experienced in very different and contrasting ways by workers and employers).⁵⁶ But there are others. In a very short period, all Portuguese schools and universities went on-line, giving most students and teaching staff their first experience of e-learning tools.⁵⁷ E-government solutions were developed and more people interacted with the public administration through the Internet (including through already available, but scarcely used services). Many households relied on the home delivery of various products, and many firms ventured into e-commerce for the first time.

As domestic and international product markets shut down, many firms sought alternative sources of inputs and/or markets. By the end of April, 27.5 per cent of companies had diversified/modified production and 20.2 per cent had changed/reinforced distribution channels.⁵⁸ Some found new opportunities, such as textile firms which reoriented production towards masks and protective clothing, and producers of beverages, which rapidly turned to producing disinfectant hand gel. Seizing opportunities related to potential future risks may become a permanent mode of operation for many such firms. Others will try to diversify procurement strategies, possibly looking for suppliers in closer locations.

The pandemic may also have changed dominant perceptions of the value of public services. Both the National Health Service and the public education system have been able to deal with the pressure under less than perfect conditions, providing the population with necessary services. Enhanced trust in these institutions may influence policy decisions in the near future.

Similar considerations apply to labour market regulation and the coverage and adequacy of social protection. The costs associated with precarious work became obvious, as many of those with non-permanent contracts or in informal work were immediately affected by the crisis. The benefits of a universal system of social protection were also clear, judging from the general calls for support from workers and firms alike. These can hardly go unnoticed in future policy debates.

During these exceptional times, official institutions and the public at large have relied on scientists and research institutions for reliable knowledge. In return, public authorities have been more open than usual in sharing information, allowing more robust analysis. More generally, in the case of Portugal, the action taken to combat the pandemic and its social and economic consequences appears to have fostered transparency, institutional cooperation at several levels and social dialogue in the policy process.

The immediate challenge for the Government is to manage the reopening of the economy and society. For example, the public authorities are having to define clear rules on health and safety in workplaces, take measures to minimize the risk of contagion, and adopt norms and regulations to enhance confidence in physical market transactions. They will need to review and adapt support measures in keeping with the unfolding situation. The Government will also have to address the problems related to the deterioration of economic and social conditions, and deal with the political tensions discussed above, and hopefully seize opportunities for social, economic and institutional change.

⁵⁶ For some, this has been a dreadful experience, especially those caring for children and others, particularly when they have to deal with heavy workloads, lack of autonomy in managing time and/or lack of technological means and skills to work at a distance. In contrast, other workers have found an opportunity in teleworking to develop digital skills, reduce commuting time and improve work-life balance, with positive environmental externalities. While some organizations have found it difficult to coordinate their staff at a distance, others have realized that teleworking can be associated with higher productivity.

⁵⁷ The Ministry of Education revived the old “tv-schooling” programme (now called #EstudoEmCasa), through which classes are transmitted on public television in an effort to reach every student affected by school closures, bearing in mind that low-income families may not have computers or adequate Internet connection. The programme covers courses from the 1st to the 9th grades and went online on 20 April.

⁵⁸ According to the rapid ad hoc survey by Statistics Portugal and the Bank of Portugal published on 28 April and covering the week 20-24 April.

► Portugal: Rapid assessment of the impact of COVID-19 on the economy and labour market

Public interventions will have to be selective. They should also be conditional on the pursuit of collective goals based on a development strategy that promotes a more sustainable and equitable future. This implies giving priority to policy objectives relating to decent work, social cohesion and high-quality public services, the transition to a digital and knowledge-based economy supported by continued investment in education and training, environmental sustainability and robust democracy, in line with the ILO's call for action set out in the Centenary Declaration for the Future of Work.

The pandemic has drawn attention to the need to rethink the regulation of telework to ensure that its ineluctable expansion is compatible with the promotion of decent work. There is a need to extend and adapt the scope of social protection, which implies addressing informality and fostering greater readiness of society to spend more to minimize risk, especially through social security.

The crisis in the tourism sector, which is of uncertain duration, is both a challenge and an opportunity for a country such as Portugal. Catering for a reduced volume of tourists invites consideration of the strengthening of the sector in niche markets, with a focus on sustainability and safety.

More equitable and sustainable policies will contribute to enhanced public trust in institutions. Politicians and policy-makers can also learn from the experience of the pandemic to make the economy and society more inclusive and sustainable. Frequent and open communication with citizens, transparency, evidence-based policy, social dialogue and institutional cooperation have led to a strong take-up and acceptance by the population of lockdown measures, without concealing divergences between political actors and the disparate interests at stake. Notwithstanding its human and social costs, the pandemic is offering political actors in Portugal a unique opportunity to take public trust to a higher level.

► Annex 1: Discretionary measures adopted in response to COVID-19 (by theme)

Health and the National Health Service (NHS)

- Exceptional human resources regime for the NHS to ensure the effectiveness of the COVID-19 response, including: suspension of overtime limits; simplified hiring of workers; worker mobility; hiring of retired doctors without limit of age; postponement of holidays ([link1](#), [2](#)).
- Exemption of user charges in the NHS related to diagnosis and treatment of COVID-19 ([link](#)).
- Exceptional regime for public procurement and expenditure in the health sector ([link1](#), [2](#));
- Reinforced measures to support mental health: regional plans and microsite ([link](#));
- Profit margin limited to 15% on the sale of medical devices and protective equipment, as well as ethyl alcohol and alcohol-based cutaneous disinfectant gel ([link](#));
- Reduced VAT rate on masks and disinfectant gel ([link](#)).

Taxes and social security contributions ([link 1](#), [link 2](#))

- Deferral of tax payments for companies and self-employed (VAT, personal income tax – PIT - and corporate income tax - CIT) due in second quarter 2020, including payment on account, additional payment on account and special payment on account. Automatic eligibility for all companies for CIT. For VAT and PIT, automatic eligibility for companies up to EUR 10M turnover, companies and self-employed open for business in 2019, companies and self-employed closed by decision of the Health Authority, and companies and self-employed with turnover loss of over 20%.
- Reduction of social contributions due in second quarter 2020 to one-third; deferral of remaining two-thirds to third quarter. Automatic eligibility for self-employed and companies with up to 50 workers. Companies with up to 250 workers, if turnover loss of over 20%. Larger companies if turnover has dropped at least 20% and operating in tourism sector, civil aviation or others closed to the public ([link](#)).
- Suspension of tax or contributory enforcement proceedings for 3 months.

Liquidity and access to credit ([link 1](#), [2](#))

- EUR 13bn schemes, approved by European Commission, of direct grants and public guarantees for loans to help SMEs and large companies cover investment and working capital needs during the pandemic, including a credit line guaranteed by the State through the banking system (EUR 6.2bn): covering restaurants (EUR 600M); travel agencies (EUR 200M); tourism (EUR 900M); industry (EUR 4.5bn).
- Credit line for treasury support for companies most severely affected by COVID-19 (EUR 400M), 12 March -6 April.
- Credit line for treasury support for the social economy sector (EUR 165M Euros) due to COVID-19 impact.
- Credit line for micro-enterprises in the tourism sector (EUR 60M), managed by Turismo de Portugal (launched 19 March).
- Credit line (subsidized) aimed at operators in the fishing and aquaculture sectors (EUR 20M).
- Increased ceilings for export credit insurance schemes for metallurgic, mould, metal and mechanical industries (+EUR 100M), construction abroad (+EUR 100M), short-term exports (+EUR 50M).
- Suspension of termination of rental contracts and possible moratorium in case of income loss. Tenants and landlords with reduced income can obtain interest-free loans from the Institute of Housing and Urban Rehabilitation (IHRU) to pay rent until September 2020 ([link](#), [link2](#));
- Suspension of cancellation of essential services (water, electricity, natural gas, telecom) ([link](#)).

► Portugal: Rapid assessment of the impact of COVID-19 on the economy and labour market

- EUR 25M package to support the entrepreneurship ecosystem: (1) Start-up COVID-19 (financial support per worker); (2) Start-up voucher (3-month automatic prorogation); (3) Voucher to support start-up incubators; (4) Mezzanine funding for start-ups; (5) Funding call by Portugal Ventures (investment); (6) EUR 200M Fund (co-investment in SMEs); (7) Co-investment fund for social innovation ([link](#)).
- Public moratorium applied to loans granted to natural persons (for mortgages for permanent residences and for those most affected – the unemployed, laid-off, those providing care for children/grandchildren, in preventive isolation or ill with COVID-19), loans granted to non-financial corporations, individual entrepreneurs and private social solidarity institutions, non-profit organizations, and other social economy entities ([link](#)).
- Financial support to compensate the reduction of economic activity of self-employed workers and managing partners ([link](#), [link2](#), [link3](#)) and possibility of deferring payment of social contributions ([link](#));
- Acceleration of payment of incentives within the framework of PT 2020 to companies and other promoters (e.g., local authorities, social institutions, universities) and within agricultural funds to farmers.
- Acceleration of all payments of goods and services by the public administration.

Employment retention and training

- Simplified temporary lay-off regime: support for the maintenance of employment contracts for companies in crisis equal to two-thirds of wages (70% paid by social security, 30% by the employer) ([link](#)), as well as exemption from the payment of employer's social security contributions for up to 3 months ([link](#)), an extraordinary financial incentive for the normalization of economic activity (minimum wage per worker) and an extraordinary support for part-time professional training plan ([link1](#), [2](#));
- Access to credit lines and the simplified temporary lay-off regime is conditional on the absence of dismissals ([link](#)).
- Extraordinary support for occupational training, of up to 50% of the worker's wage up to the national minimum wage, plus the cost of training, for workers not engaged in productive activities for a considerable period ([link](#)).

Extending social protection ([link1](#), [2](#), [3](#))

- Preventive isolation of 14 days equivalent to sickness for the purposes of social protection measures, with no waiting period;
- Cash benefit for care of children/grandchildren in event of sickness extended to cover preventive isolation and care of dependent family ascendants;
- Exceptional financial support for employees who have to stay at home to care for children under 12 years of age due to the suspension of classroom activities amounting to 66% of the base wage (33% employer, 33% social security). For self-employed workers, the benefit equals one-third of the average wage;
- Automatic extension of unemployment subsidies and all benefits guaranteeing minimum subsistence levels, up to the end of June ([link](#));
- Facilitated access to the social assistance unemployment subsidy by reducing past contribution requirements ([link](#));
- Facilitated access to social integration income (poverty targeted minimum income scheme) by reducing red tape and eliminating the requirement to conclude an integration contract ([link](#));
- New means-tested benefit targeted at informal workers and those with no past social security contributions, conditional on becoming contributors ([link](#));
- Exceptional financial support for social equipment (e.g. old-age homes/day centres) and socially necessary work, targeted at the unemployed, furloughed workers, part-time workers and students. The public employment service supports 90% of the financial subsidy, which can top-up other income (e.g. unemployment subsidy) ([link](#)).

Protection of workers in the workplace

Telework

- Workers can unilaterally decide to start telework where their activity is compatible with working from home. From 16 March, public employees were also offered this possibility ([link](#));
- During the state of emergency, telework is mandatory unless incompatible with the the job ([link](#)).
- The Government, in collaboration with technology companies, has made available a set of free tools in Portuguese in support of telework, with a contact centre for support. ([link](#)).

Work absences

- Justified absences for workers who have to stay at home to care for children under 12 years of age due to the closure of schools and those over 12 suffering from chronic disease or incapacity ([link](#), [link2](#)).

Migrants

- All foreign nationals with pending processes before the Immigration authorities (on 18 March) are granted the same rights as permanent residents (health care, social security, housing, employment, banking) until 30 June ([link](#)).

Labour inspection

- During the state of emergency and state of calamity, the Portuguese Labour Inspectorate (ACT) has strengthened powers and resources to intervene in suspected cases of illegal dismissals ([link1](#), [2,3](#));
- New online services for workers and employers ([link](#)).

Other

- State of emergency since 18 March (updated on 2 April and 17 April) until 2 May, with restrictions on freedom of movement and freedom of economic activity.
- State of calamity announced on 30 April, from 3 to 17 May, including civic duty of isolation, use of PPE (masks) in public transport and closed public spaces, and gradual reopening of the economy.
- Suspension of all physical classroom activities (academic and non-academic) in educational establishments (nurseries, schools, universities), starting on 16 March.
- Control of land border with Spain started on 17 March by mutual agreement. Suspension of air, rail and river connections until 14 May (renewed on 15 April). Movement of goods and persons at 9 border points (returning home and access to health units under bilateral health care agreements).
- Suspension of flights from/to countries outside the EU on 19 March (EU coordination), with exceptions (flights to countries with strong presence of Portuguese communities, among others).

► Annex 2: Calendar for the phasing out of lockdown measures

	Dates	Measures
General rules	04/05	Compulsory isolation for persons who are sick and patients under active surveillance Civic duty of home isolation Prohibition of events and gatherings of over 10 persons Maximum capacity of 5 persons/100m ² in indoor spaces Funerals: presence of relatives is allowed
	30-31/05	Religious ceremonies: community celebrations following rules to be agreed by the public health authorities and religious communities
Public transport	4/05	Limitation of maximum capacity to two-thirds
Work	4/05	Homework (telework) will continue insofar as professional duties allow
	1/06	Partial teleworking, with lagged schedules and non-overlapping teams
Public services	4/05	Reopening of decentralized offices (such as civil registries and tax offices) By appointment only
	1/06	Reopening of "Lojas do Cidadão" (one-stop shops for public services)
Shops and restaurants	4/05	Reopening of commercial establishments with a floor area up to 200m ² Reopening of personal hygiene establishments (hairdressers, barbers, nail salons, pedicure and similar businesses) with bookings only Bookshops and car showrooms, irrespective of floor area
	18/05	Reopening of commercial establishments, or parts thereof, with a floor area of up to 400 m ² Municipal authorities can decide to open larger establishments on a case-by-case basis Reopening of restaurants, cafés and bakeries with 50% maximum occupancy Reopening of outdoor terraces
	1/06	Reopening of shops with a floor area larger than 400m ² Reopening of shops in shopping malls
Schools and social facilities	18/05	Reopening of secondary schools for junior and senior years and 2nd and 3rd years of other educational programmes (10.00-17.00) Reopening of facilities for people with disabilities Reopening of nurseries (parents can still opt to keep children at home)
	1/06	Reopening of nurseries, kindergartens and day-care services
Culture	4/05	Reopening of libraries and archives
	18/05	Reopening of museums, monuments, palaces, galleries, exhibition halls and similar facilities
	01/06	Reopening of cinemas, theatres, concert halls and auditoriums (with limited capacity, booked seats and physical distancing)
Sport	04/05	Authorization for the practice of individual outdoor sports, such as tennis and golf (without the use of changing rooms and pools)
	30-31/05	Restart of official football competitions in the Premier League and National Cup

► Annex 3: Discretionary measures adopted in response to COVID-19 (with direct budgetary impact, monthly figures)

List of measures	ESA2010 code	Adoption status	Impact	% GDP	Frequency
Public health					
Protective equipment (e.g. masks, gloves, surgical gowns)	P.2	Decree law n.º 10-A/2020	155,972,301 €	0.07%	Monthly
Intensive care equipment (e.g. ventilators)	P.51	Decree law n.º 10-A/2020	60,000,000 €	0.03%	Single
Preventive isolation status (illness medical discharge)	D.62	Decree law n.º 10-A/2020	110,000,000 €	0.05%	Monthly
Illness subsidy (COVID-19)	D.62	Decree law n.º 10-A/2020	155,000,000 €	0.07%	Monthly
Other measures related to public health (1)	P.2	In force	94,419,706 €	0.04%	
			575,392,008 €	0.27%	
Families					
Exceptional family support (for children up to 12 years)	D.75	Decree law n.º 10-A/2020	133,000,000 €	0.06%	Monthly
Other measures related to families (2)	D.62	In force	8,950,000 €	0.00%	
			141,950,000 €	0.07%	
Economic activity					
Simplified lay-off regime (support for maintenance of employment contracts)	D.39	Decree law n.º 10-A/2020	373,333,333 €	0.18%	Monthly
Simplified lay-off regime - contributory exemption (for companies)	-D.61	Decree law n.º 10-A/2020	190,000,000 €	0.09%	Monthly
Special support for self-employed and managing partners	D.39	Decree law n.º 10-A/2020	60,000,000 €	0.03%	Monthly
Exceptional support for resumption of business activity	D.39	Decree law n.º 10-A/2020	508,000,000 €	0.24%	Single
Exceptional support for vocational training	D.39	Decree law n.º 10-A/2020	8,000,000 €	0.00%	Monthly
			1,139,333,333 €	0.54%	
Other measures					
Municipal fees exemption	-D.2 -D.4 -D.75	Law n.º 6/2020	37,716,678 €	0.02%	Monthly
Other measures (3)	P.2 +D.75	In force	16,195,000 €	0.01%	
			53,911,678 €	0.03%	
			1,910,587,019 €	0.90%	

(1) - Includes: diagnostic support material; reinforcement of human resources (hiring and overtime hours); medicine; school hygiene campaign; military forces (military laboratory, equipment, transport); reinforcement of the continuous integrated system of care network.

(2) - Includes: child and grandchild care allowance; extraordinary extension of unemployment benefits and other social benefits.

(3) - Include: innovation support line of ANI "INOV 4 COVID -19" (CEiiA); foreign affairs (consular network support and WHO contribution).

Note: The percentage of GDP is based on GDP 2019.

Source: Portuguese Government Stability Programme 2020.

► Annex 4: Discretionary measures adopted in response to COVID-19 (with financial and without budgetary impact, monthly)

List of measures	Adoption Status	Impact	% GDP
Deferral of tax payments and social contributions			
Withholding (CIT and PIT) and VAT (deferral of 2/3 to the 2nd semester, paid until 6 month without interest)	Decree law n.º 10-F/2020	5,200,000,000 €	2.45%
CIT (Payment on Account, Special on Account, Additional on Account)	Legal order 104/2020.XXII (SEAF)	1,680,000,000 €	0.79%
Social contributions (deferral of 2/3 to the 2nd semester, paid until 6 month without interest)	Decree law n.º 10-F/2020	1,000,000,000 €	0.47%
		7,880,000,000 €	3.71%
Acquisition of goods necessary to fight the pandemic			
Customs allowance for the acquisition of goods to combat the pandemic	Decision (UE) 2020/491 of the European Commission of 3 April 2020 + Legal order (SEAF n.º 139/2020 – XXII)	13,000,000 €	0.01%
VAT exemption on imports, intra-community acquisitions and acquisitions in the domestic market	Commission Decision (UE) 2020/491 of 3 April 2020 + Legal order (SEAF n.º 139/2020 – XXII) + Project Law n.º 288/XXII/2020	272,000,000 €	0.13%
		285,000,000 €	0.13%
Moratorium			
Credit to households (permanent residence), if there is a full accession	Decree law n.º 10-J/2020	2,300,000,000 €	1.08%
Credit to non-financial companies, individual entrepreneurs and private social solidarity institutions, if there is a full accession	Decree law n.º 10-J/2020	9,000,000,000 €	4.24%
Other measures related to moratorium (1)	In force	51,700,000 €	0.02%
		11,351,700,000 €	5.35%
Ensuring access to essential services			
		203,294,434 €	0.10%
Credit lines with State guarantees (2)			
		3,000,000,000 €	1.41%

► Portugal: Rapid assessment of the impact of COVID-19 on the economy and labour market

List of measures	Adoption Status	Impact	% GDP
Other liquidity measures			
Credit line for treasury support (3)	Resolution Council of ministers n.º 10-A/2020	400,000,000 €	0.19%
Other measures related to liquidity increase (4)	In force	382,500,000 €	0.18%
		782,500,000 €	0.37%
Export credit insurance schemes with State guarantees (ceiling increase)			
		250,000,000 €	0.12%
Portugal 2020 and European Funds			
Acceleration of payment of incentives within the framework of PT 2020 – to companies	Resolution Council of ministers n.º 10-A/2020	260,000,000 €	0.12%
Acceleration of payment of incentives within the framework of PT 2020 – other promoters	Resolution Council of ministers n.º 10-A/2020	300,000,000 €	0.14%
Moratorium on the amortisation of reimbursable subsidies (PT2020/QREN)	Resolution Council of ministers n.11-A/2020	216,000,000 €	0.10%
Digitization (equipment and support for teleworking and tele-education)	In force	226,500,000 €	0.11%
Other measures related to European Funds (5)	In force	285,800,000 €	0.13%
		1,288,300,000 €	0.61%
Foreign Affairs (COVID-19 oriented External Cooperation with Portuguese-speaking African countries (PALOP) and Timor-Leste and repatriations)			
		97,438,000 €	0.05%
		25,138,232,434 €	11.84%

(1) - Includes, among others: Moratorium of housing rents (IHRU); Moratorium of capital increase to the Municipal Support Fund and on the amortization of loans of municipalities with a financial reorganization program.

(2) In the Temporary State Aid Framework, the European Commission approved a scheme of € 13 billion to support the Portuguese economy in the coronavirus context. In 18 of March, the Government approved a set of credit lines to support economic activity to companies with liquidity difficulties, in the global amount of € 3 billion, in tourism sector, travel agencies, restaurants and industry, for micro and SMEs, small midcaps e midcaps. It should also be noted the inclusion of sole proprietors and companies established less than 2 years ago.

(3) - A credit line Capitalizar 2018-COVID-19 was launched in 12 of March, as the first response to support liquidity to companies. Due to high demand, the credit line was extended from € 200 to € 400 million on the 27 of March.

(4) - Includes, among others: Credit line for micro-enterprises in the tourism sector; Credit line aimed at operators in the fishing and aquaculture sectors; Anticipation of a twelfth for municipalities transfer from the State Budget (if there is full accession); and financing package for start-ups.

(5) - Includes, among others: Acceleration of payment of incentives within the framework of PDR2020 (Agriculture); Support for the adaptation of business activity to the context of COVID-19.

Note: The GDP percentage uses the value of GDP 2019.

Source: Portuguese Government Stability Programme 2020.

► Annex 5: Impact of the crisis by industry

Industry/ Economic activity		Registered unemployment (IEFP)				Average shock to GVA (BoP)	Workers in firms that applied for lay-off (MTSSS)		Share (%) of total:			
		Δ Feb20 - Apr20		Δ Apr19 - Apr20							GVA (2017)	Employment (2017)
		N.	%	N.	%							
NACE 1L	A38					N.	%					
A	Agriculture, forestry and fishing	1 827	14.1%	1 372	10.3%	10.0%	6 608	0.5%	2.4%	5.8%		
B	Mining and quarrying	256	15.0%	316	19.2%	20.4%	779	0.1%	0.4%	0.3%		
C	Manufacturing	CA Manufacture of food products, beverages and tobacco products	957	15.2%	772	11.9%	11.2%	283 821	21.6%	2.4%	2.4%	
		CB Manufacture of textiles, wearing apparel and leather products	4 742	34.2%	4 483	31.7%	46.8%			2.5%	4.7%	
		CC Manufacture of wood and paper products, and printing	332	10.8%	104	3.1%	12.1%			1.4%	1.3%	
		CD Manufacture of coke, and refined petroleum products					63.0%			0.5%	0.0%	
		CE Manufacture of chemicals and chemical products	767	21.6%	683	18.8%	14.5%			0.6%	0.3%	
		CF Manufacture of basic pharmaceutical products and pharmaceutical preparations					-2.3%			0.3%	0.2%	
		CG Manufacture of rubber and plastics products, and other non-metallic mineral products					45.5%			1.6%	1.5%	
		CH Manufacture of basic metals and fabricated metal products, except machinery and equipment	1 304	37.7%	1 337	39.0%	35.1%			1.7%	2.0%	
		CI Manufacture of computer, electronic and optical products					34.3%			0.3%	0.3%	
		CJ Manufacture of electrical equipment	544	23.4%	478	20.0%	34.6%			0.4%	0.4%	
		CK Manufacture of machinery and equipment n.e.c.					33.9%			0.5%	0.5%	
		CL Manufacture of transport equipment	591	31.9%	572	30.5%	78.7%			1.0%	1.0%	
CM Manufacture of furniture and other; repair and installation of machinery and equipment	931	27.1%	612	16.3%	48.8%	1.1%	1.7%					
D	Electricity, gas, steam and air-conditioning supply	144	13.3%	109	9.7%	5.1%	644	0.0%	2.4%	0.2%		
E	Water, sewerage, waste management and remediation activities					23.1%	3 837	0.3%	1.0%	0.9%		
F	Construction	5 131	26.5%	3 143	14.7%	26.5%	51 980	3.9%	4.0%	6.4%		
G	Wholesale and retail trade, repair of motor vehicles and motorcycles	6 785	20.1%	5 278	14.9%	40.8%	236 499	18.0%	13.8%	15.5%		
H	Transportation and storage	1 268	26.0%	1 673	37.4%	56.9%	66 084	5.0%	5.9%	3.8%		
I	Accommodation and food service activities	10 456	35.8%	14 969	60.6%	70.3%	230 759	17.5%	5.0%	6.9%		
J	Information and communication	542	14.7%	286	7.3%	10.9%	23 642	1.8%	3.5%	2.0%		
K	Financial and insurance activities	199	8.0%	-146	-5.2%	10.0%	5 095	0.4%	5.0%	1.8%		
L	Real estate activities					28.6%	16 221	1.2%	12.5%	1.0%		
N	Administrative and support service activities	30 421	43.3%	29 405	41.2%	37.9%	146 917	11.2%	3.8%	4.6%		
M	Professional, scientific and technical activities	948	17.1%	733	12.7%	23.4%	48 454	3.7%	3.9%	7.7%		
O	Public administration and defence; compulsory social security					0.0%	1 207	0.1%	7.1%	6.3%		
P	Education	1 819	8.7%	672	3.0%	21.6%	34 443	2.6%	5.8%	6.6%		
Q	Human health and social work activities					41.1%	91 693	7.0%	6.4%	8.7%		
R	Arts, entertainment and recreation	-	-	-	-		24 660	1.9%	0.9%	1.1%		
S	Other service activities	3 017	15.7%	3 444	18.3%	62.2%	33 151	2.5%	1.4%	2.5%		
T & U	Activities of households as employers & extra-territorial organizations and bodies	-	-	-	-	-	20	0.0%	0.7%	1.7%		
Unclassified		3 805	144.8%	3 480	117.8%	-	9 966	0.8%	-	-		
Total		76 786	28.9%	73 775	27.5%	31.7%	1 316 480	100%	100%	100%		

► Annex 6: Civil society responses to COVID-19

Initiative	Outcome
COVID.PT & Covindex	Platforms for the exchange of ideas and projects around COVID-19.
Tech 4 COVID19	Movement of more than 5000 volunteers working to tackle challenges in civil society.
Covidografia	A crowd sourced app to track the pandemic, allowing public entities to see how the virus is spreading
Tools for Doctors	Project that aims to provide reliable scientific information to support physicians by reviewing and publishing papers.
Rooms Against Covid	A booking engine to allow health professionals to book free hotel/airbnb rooms so they can keep their families safe when they need to rest.
STOPCovid19	A crowdfunding campaign to buy supplies in shortage for health-care centres.
Vent2life	Project that helps in the repair and restoration of hospital equipment.
Project OpenAir	Movement of volunteers working on developing easily replicable open source ventilators.
acalma.online	Project that provides free online support sessions to promote mental health during the pandemic.
ESTOU	Project that helps socially isolated hospitalized patients by providing teleconference equipment.
Cuida de Todos	National volunteering initiative for support in nursing homes and other institutions that serve the elderly.
Stay Home. Keep Growing	Platform offering/disseminating information on free online events and webinars.
Mindflow Academy	Studio produced mobile gaming apps for a learning experience on COVID-19.
SOS Vizinho	Platform to support delivery of essential goods to at risk groups in neighborhoods. Allows users to both request and offer help to others.
Quero Ajudar	Platform to centralize volunteering initiatives. Allows users to both request and offer help to others.
Quietinho em casa	Initiative to centralize and educate on delivery services.
Hora de Encomendar	Platform that helps to identify local small and medium suppliers that are operating.
Sem Filas & Posso ir?	Platforms that gather real time waiting times in open businesses.
Preserve	An online marketplace that allows local businesses such as restaurants, hairdressers and others to sell vouchers to be redeemed after the crisis
Student Keep	Project that aims to promote and coordinate a sponsorship system, through which individuals or corporations provide temporary or permanent computer equipment to students for distance learning.

► List of abbreviations

ACT	Authority for Working Conditions
ANI	National Innovation Agency
CAP	Confederatio of Portuguese Farmers
CCP	Portuguese Commerce and Services Confederation
CEiiA	Centre of Engineering and Product Development
CGTP	Confederation of Portuguese Workers
CIP	Confederation of Portuguese Business
CITE	Commission for Equality at Work and in Employment
CIT	Corporate Income Tax
COVID-19	Coronavirus disease 2019
CTP	Portuguese Tourism Confederation
DGERT	General Directorate of Employment and Industrial Relations
ENSP	National Public Health School
EU	European Union
FAQ	Frequently Asked Questions
GDP	Gross domestic product
GEE	Office for Strategy and Studies – Ministry of Economy and Digital Transition
GVA	Gross value added
ICS	Institute of Social Sciences
ICT	Information and communication technologies
IEFP	Institute of Employment and Vocational Training
IHRU	Institute for Housing and Urban Rehabilitation
IMF	International Monetary Fund
INE	Statistics Portugal
ISCTE-IUL	Institute of Labour and Enterprise Sciences – University Institute of Lisbon
MTSSS	Ministry of Labour, Solidarity and Social Security
NGO	Non-governmental organization
NHS	National Health Service
PDR2020	Rural Development Programme
PT2020	Portugal 2020 partnership agreement between Portugal and the European Commission
PIT	Personal Income Tax
PPE	Personal Protection Equipment
SIBS	Sociedade Interbancária de Serviços (Interbank Services Company)
SME	Small and medium-sized enterprises
SURE	Support to mitigate Unemployment Risks in an Emergency
UGT	General Union of Workers