The background features a light blue gradient with a complex pattern of thin, intersecting lines forming a grid. Overlaid on this grid are several sets of concentric circles, creating a ripple effect. A bright light source in the top-left corner creates a lens flare effect, illuminating the scene.

Managing Government workforce in the context of an ageing population: recent measures in Portugal

The current reform in Portuguese Public Administration

Luís Evangelista

BACKGROUND: THE STABILITY AND GROWTH PROGRAMME 2005-2009

(Presented in June 2005 and approved by the EU Commission)

Crucial aims for the 2005-2009 period:

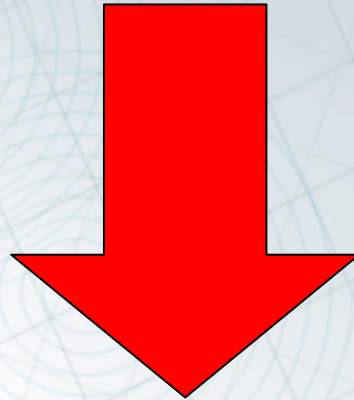
- ✓ an economic growth path allowing the economy to convergence towards European levels, reaching GDP growth rate of by 2009.
- ✓ a sharp reduction in the overall deficit from 6.8% (estimate) to a figure below 3% in 2008.
- ✓ a reduction of public debt from 67% to 64.5% in 2009.

In 2006, for the first time in decades, the budget deficit and public expenditure decreased, while the economy grew.

The decrease by 1.7% of expenditure represented 60% of the deficit decrease, which fall from 6 to 3.9%.

New objectives: in 2007, the budget reduction, estimated at 3.7%, is set at 3.3%, allowing to look at 2008 as the year when the deficit will be below the 3% agreed in the EU's Stability and Growth Pact.

Change in Administration marked by a procedural paradigm



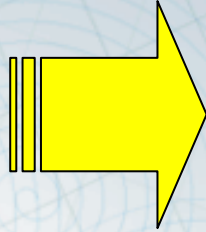
PA inspired by management by results
and more customer-oriented

The background features a light blue gradient with a complex pattern of thin, light blue lines. These lines form a grid of squares and circles, creating a technical or architectural aesthetic. A bright light source in the top-left corner casts a soft glow across the scene.

Regarding the Human Resources

Structural reorganization of Administration

Approval of
micro-structures
phase (on going)



Definition of the profile of competences



Identification of work posts required



Assessment of staff competences in
each organization



Suitability of staff to work posts

N° OF PUBLIC ADMINISTRATION STAFF (Civil Servants)

Total: 737.774

Direct Administration +
organs of Sovereignty

568.384

Autonomous Regional
Administration

37.740

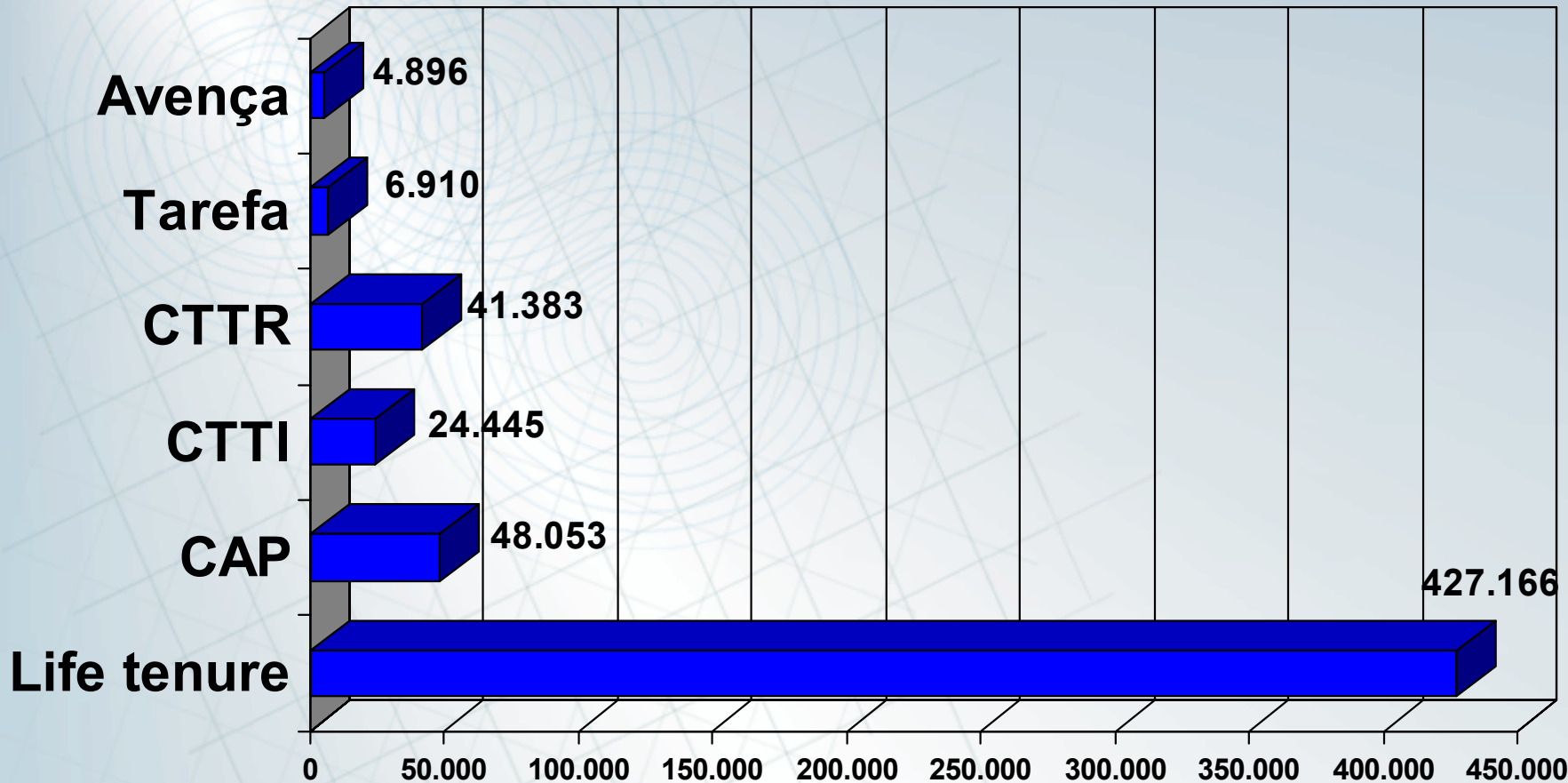
Local Authority
Administration

130.650

Source: BDAP (Database of PA)

Data on 31st of December 2005

Type of Contract (Central Adm.)



Distribution by genre



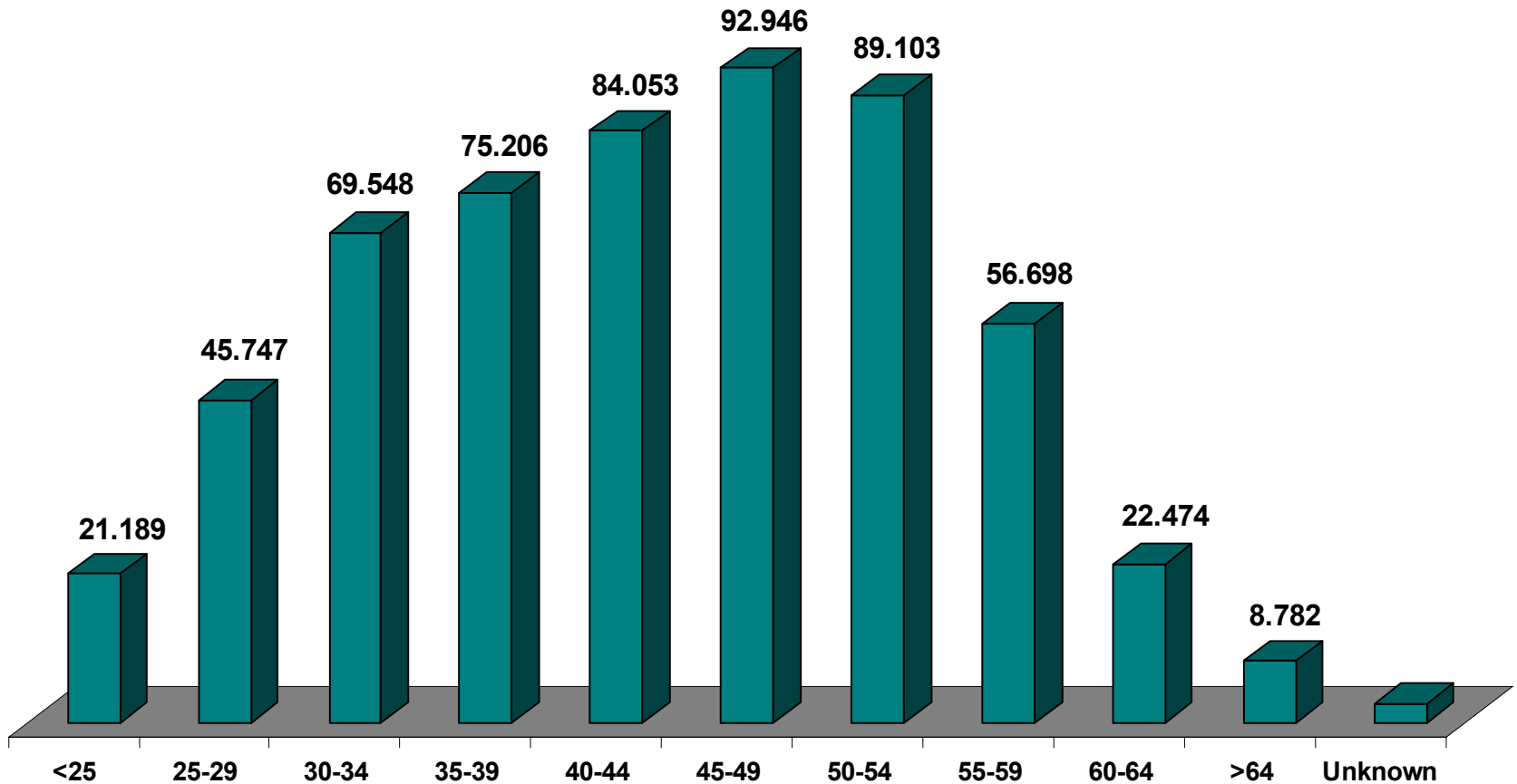
61%



39%

Direct and Indirect State Administration, Organs of Sovereignty and Support Services

AGE STRUCTURE



Revision of Retirement Statute (Social Security System)

Law n° 60/2005, of 29th of December

Point of depart...

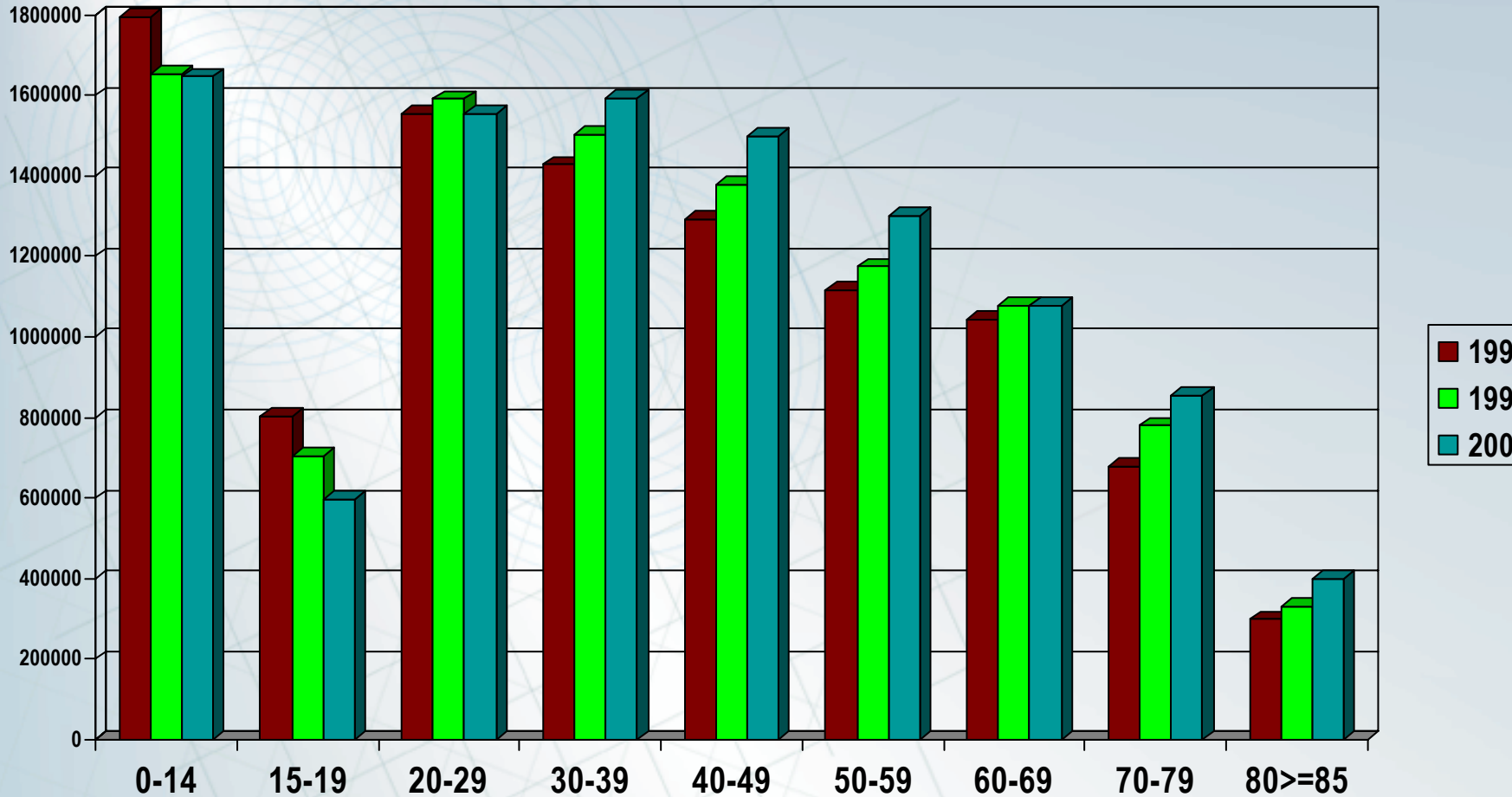
- ✓ Life expectancy is now more than 77 years, and can be expected to rise (increasing the numbers of pensioners and the number of years they remain in the system).
- ✓ The financial situation of the social security is near a breakdown.
- ✓ There are huge differences between the public and the private sectors schemes, what is, among others, source of unfairness.

LIFE EXPECTANCY (projections for 2040)

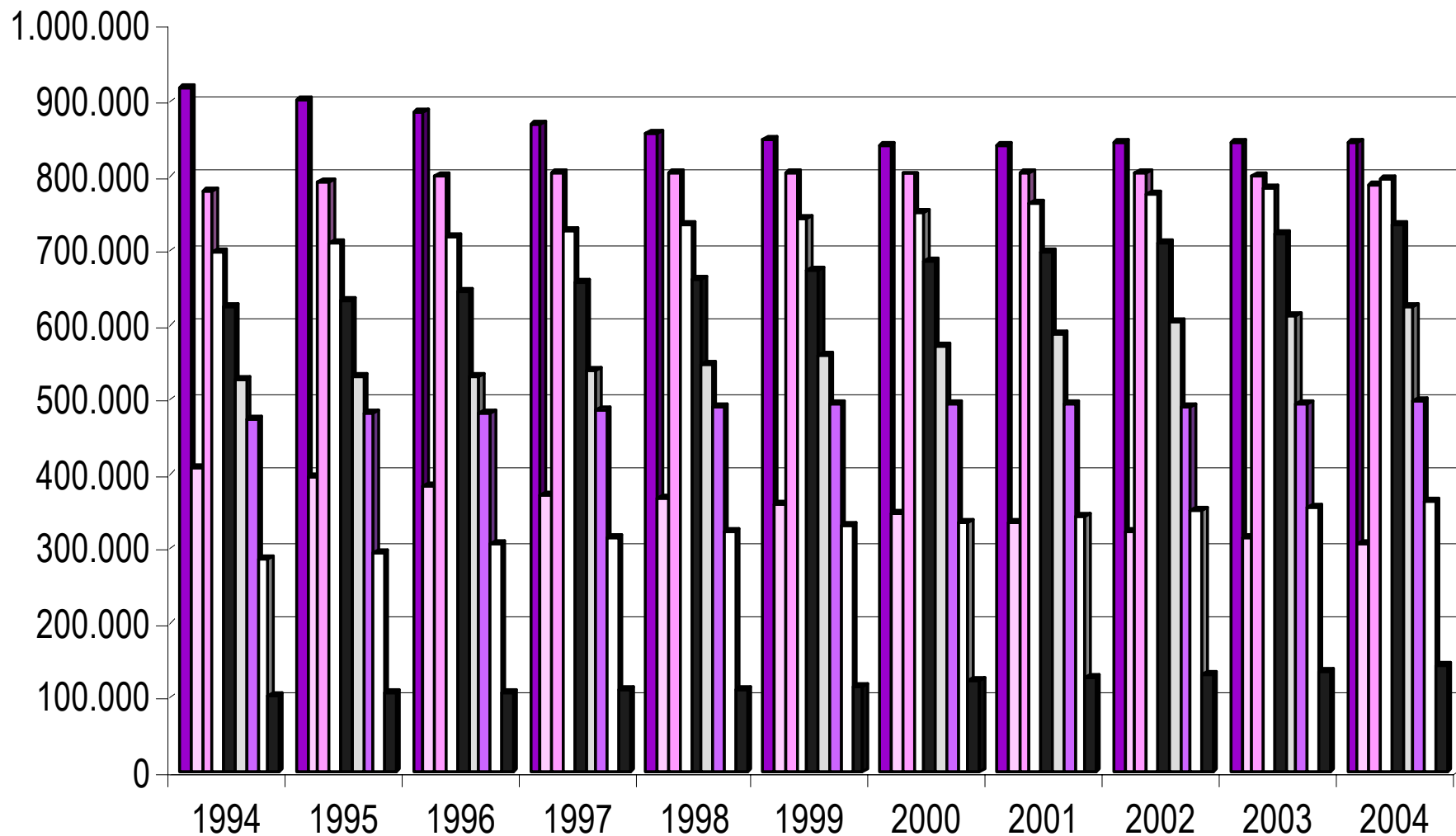
Country	Men	Women	Country	Men	Women
Germany	83.2	86.6	Norway	84.2	87.5
Austria	83.7	83.3	Poland	81.5	85.6
Belgium	83.8	87.3	Portugal	82.8	86.2
Denmark	83.1	86.0	Spain	83.4	87.0
Finland	83.6	87.5	Sweden	84.3	87.5
France	83.9	87.6	Switzerland	84.5	88.2
Greece	83.3	86.6	United Kingdom	83.3	86
Ireland	82.8	86.2	USA	83.8	87.3
Italy	83.0	87.0	Island	84.8	87.5
Luxembourg	83.0	87.2	Japan	85.8	88.7
OECD Average	83.1	86.6	Canada	83.8	87.4

Source: OECD, based on data of the United Nations and World Bank, 2005.

Evolution of Total Population by Age

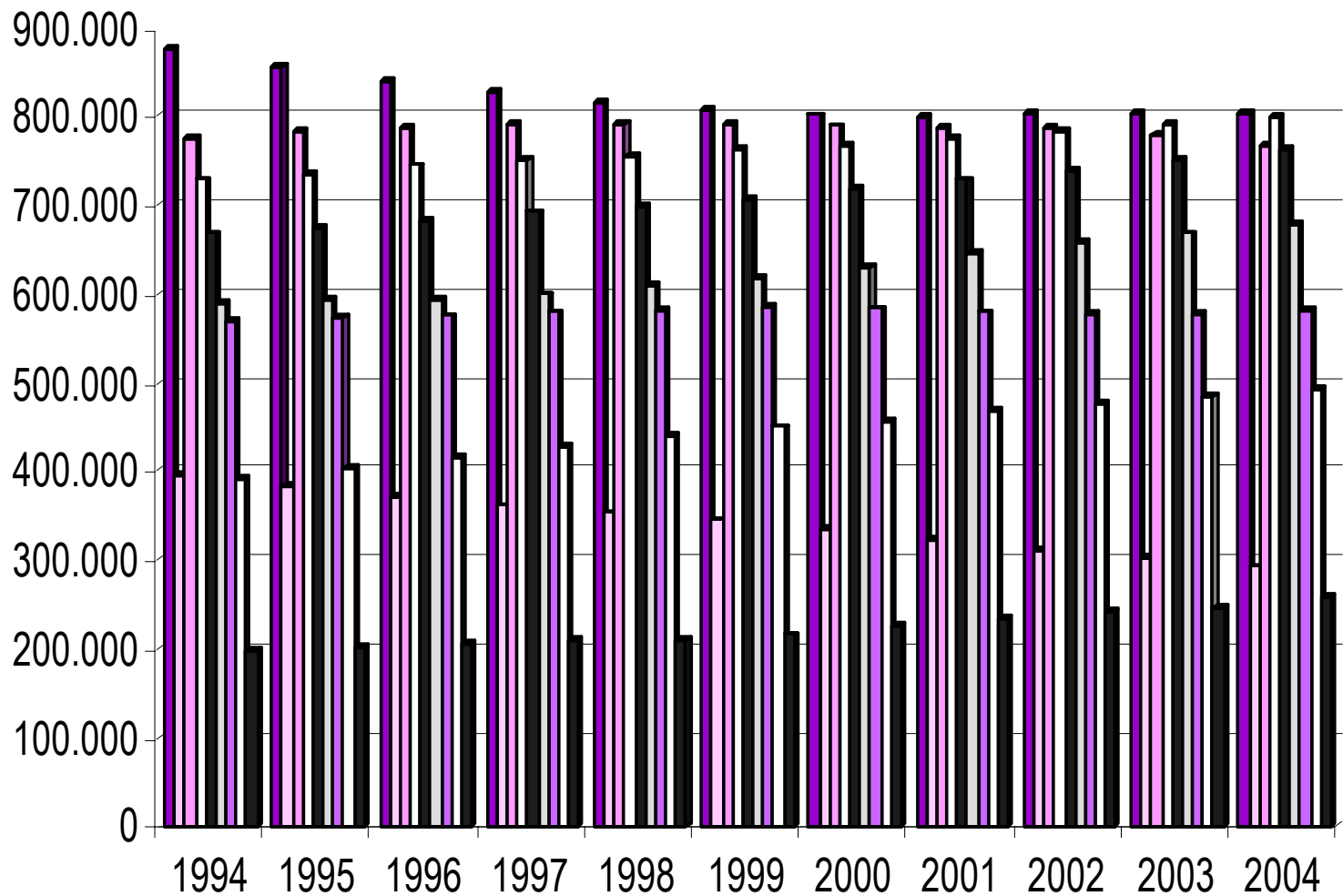


Evolution of Population - Men



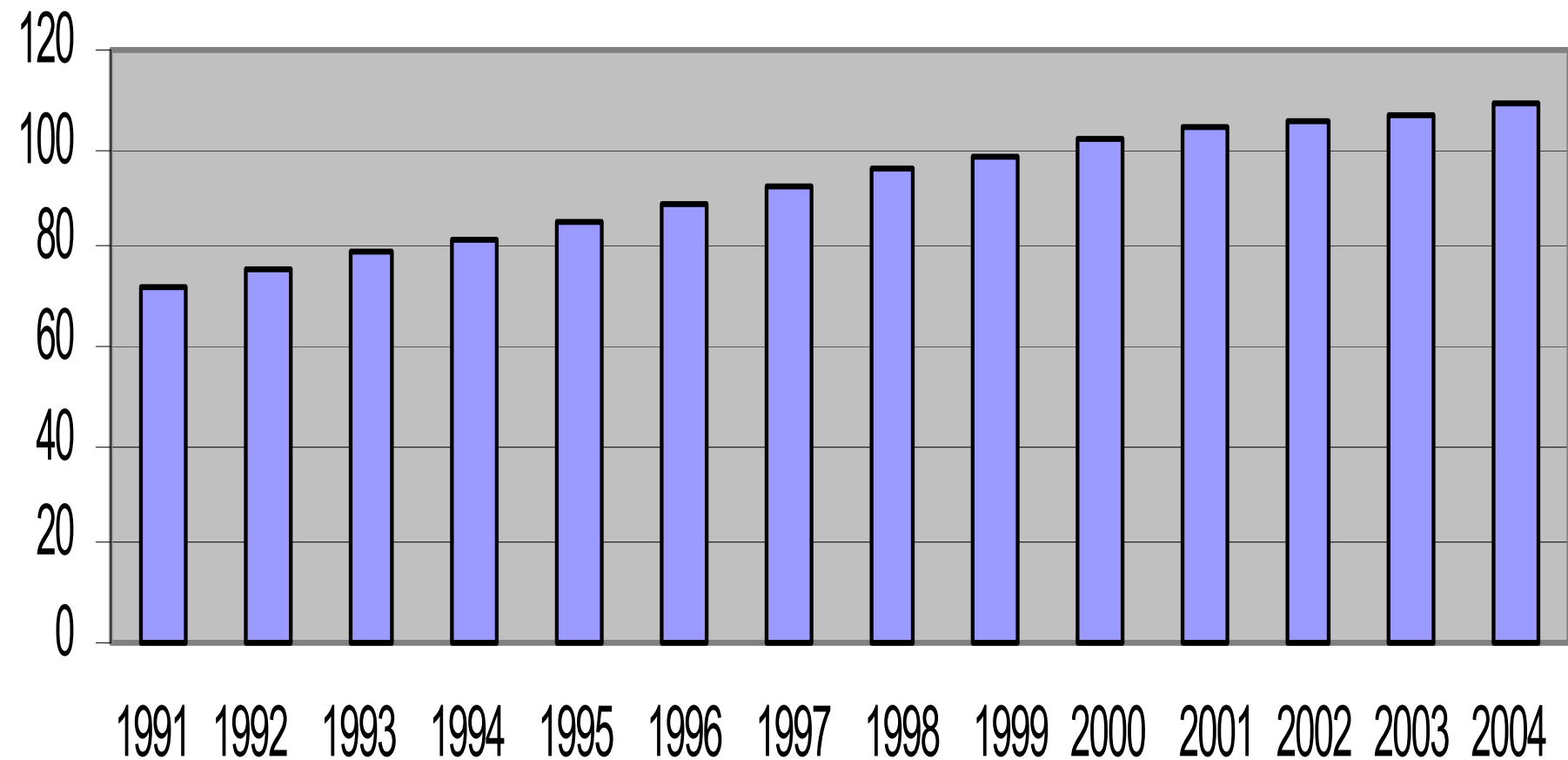
0-14 15-19 20-29 30-39 40-49 50-59 60-69 70-79 80 >=85

Evolution of population - Women



■ 0-14 □ 15-19 □ 20-29 □ 30-39 ■ 40-49 □ 50-59 □ 60-69 □ 70-79 ■ 80 >=85

Ageing Index of Population



Retirement age – situation before the reform

Civil Service

60 Years of age

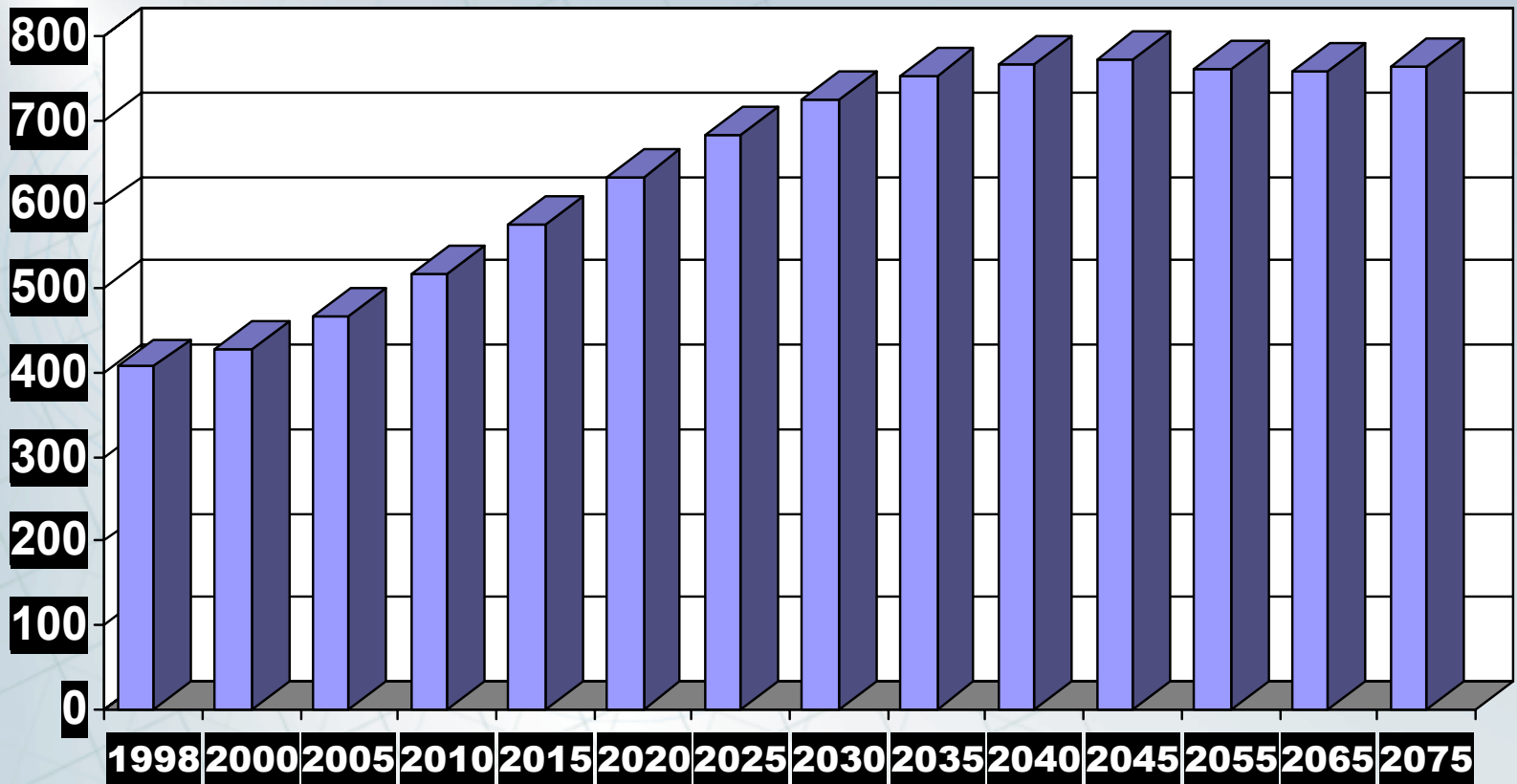
36 Years of service

Private Sector

65 Years of age

40 years of service

Total number of pensioners and retired people



Financial problems linked to ageing

Year	N° of subscribers	N° of pensioners	N° of retired civil servants	Expenses incurred with pensions in Euros
1980	500 597	46 024	79 630	62 264,64
1985	583 802	69 505	124 673	252 053,67
1990	653 842	94 831	158 731	598 406,68
1995	637 749	105 761	258 053	2 562 747,12
2000	747 449	117 333	309 077	4 164 736,03
2004	737 355	123 419	368 264	5 986 647,79

MEASURES

to ensure the strengthening of equity and future sustainability of social protection systems, as well as to follow the evolution of the average life expectancy:

MEASURES

- ✓ The legal retirement age will rise from 60 to 65 years
- ✓ Abolish the incentives for early retirement
- ✓ Changes in the formula used to calculate the pensions
- ✓ Cut out several special regimes
- ✓ Lifelong learning/ Continuous learning
- ✓ Flexible working arrangements

The CGA (a public fund subsystem) will be *closed* as a subsystem and there will be no new entrants and this subsystem will gradually converge to the conditions prevailing in the private sector social security system, based on the following points:

From January 2006 all the new public servants (in general) will fall in the scope of the private sector social security system.

For the new public servants, contributions will be in line with the private sector system, both for the employee and for the employer.

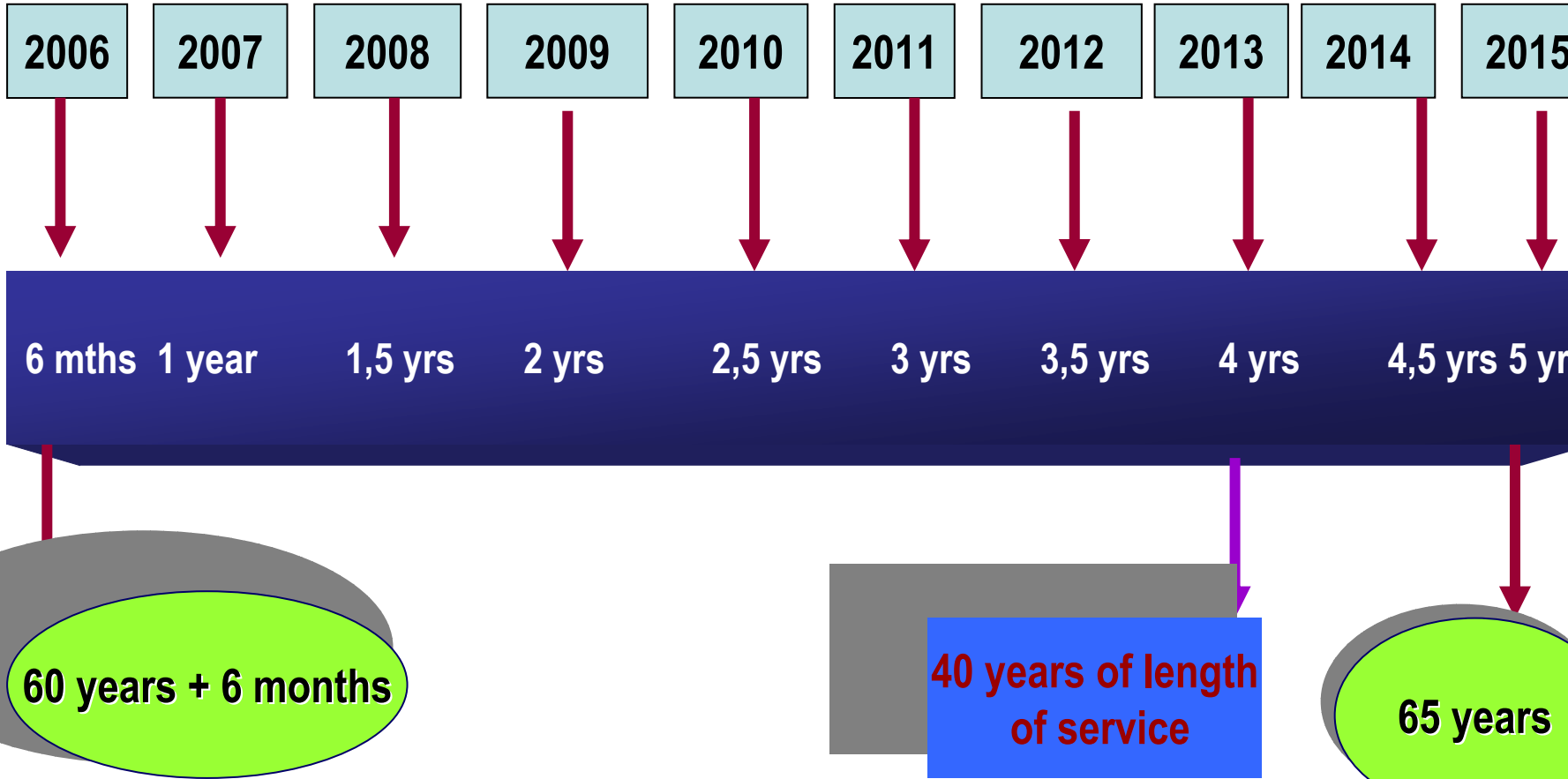
The legal retirement age for public servants will rise in stages from 60 to 65 during the period from 2006 to 2015 on the basis of six months for each year.

The number of years needed to receive a full pension will be extended in stages from 34 to 40 years during the period 2006-2013, on the basis of six months for each year

Increase in retirement age (gradually)

(For those now working in Public Service)

10 years



The formula used to calculate retirement pensions for public servants entry in the PA before 1993 was changed (the figure for the pension will be reached from the weighted average of the pension they would have received under the former formula (CGA) and the pension calculated applying the formula of the private sector social security system, with the weighting ascertained by the proportion of the contributory period up to end of 2005 (CGA) and after 2005 (private sector system))

No incentives for early retirement:

Penalization of 4,5% in relation to the pension calculated by the number of years lacking to complete 60 years of age

Flexible working arrangements

1. Special part-time work system (over 55 years old and at the end of the professional lives)
2. Special regime of a four-day week (reduction of one day or two half-days, in the normal period of a week's work → 80% of the basic remuneration)
3. Part-time work (may be performed daily in the morning or in the afternoon or three times a week) → 50% of the basic remuneration.

1. A special part-time work system was established of performing of half of the week or month work period: for civil servants at the end of their professional lives and aged over 55 and who are at five or fewer years from the date where, under normal conditions they will be entitled to retirement.

This special work regime does not prejudice the calculation of length of service of the civil servant for career progression and retirement purposes: it is regarded as the performance of work on a full-time basis.

2. Another special regime of a four-day week was established for civil servants, in the reduction of one day or two half-days, in the normal period of a week's work.

the performance of work on a four day week basis is taken into consideration for career progression and retirement purposes. Civil servants who choose the four day week are entitled to receive 80% of remuneration, and holiday and Christmas allowances as well as the luncheon allowance.

3. Civil servants with more than three years length of service may request reduction of the working period provided that this does not imply any prejudice to the service. Part-time work can be requested, namely, when they are handicapped or undergo a serious illness or whenever a competent Medical Board recommends the performance of functions on a part-time basis.

Part-time work is taken into account proportionally, for career and seniority purposes; retribution corresponds to 50% of the basic remuneration to which civil the servant is entitled.

To retain institutional memory

Changes in the working methods:

- ▶ The setting up of working groups involved a wider age range
- ▶ Tutoring of trainees by older civil servants during the probation period

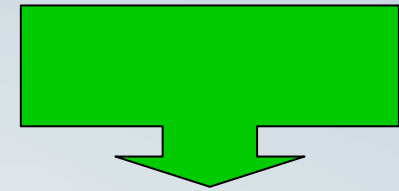
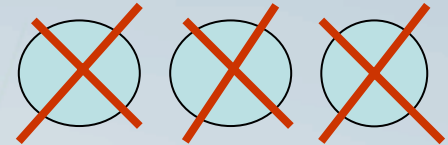
Creation of internal networks of sharing of information



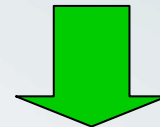
Current workforce adjustment policy

Re-casting of State central administration

Reduction of services



Special Mobility Situation



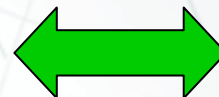
Better redistribution of the human resources

Decentralisation of functions towards local administration

De-concentration of functions to regional and local levels



Workforce adjustments



Qualification of PA Human Resources

Priority given to the development of the Operational Programme of PA (POAP)

Typologies of training:

- Training for managers and senior staff
- Training for improvement and specialization
- Training for support to mobility and resuming activity in other sectors
- Initial training

the specific case of older staff: suitable training courses with a view to their re-grading or vocational retraining/conversion or the development of new skills, particularly in the ICT area.

Modernising without excluding older staff is the challenge that the Portuguese Public Administration is currently facing. All training shapes are integrated in an annual training plan, included in the respective organisational activity plan.

SPECIAL MOBILITY REGIME

Law n° 53/2006, of 07 of December
and

Decree-law n° 200/2006, of 25 of October

SPECIAL MOBILITY REGIME OF PUBLIC ADMINISTRATION CIVIL SERVANTS

The aime:

Based on the reorganization of services (abolishment and merger) promote the staff rationalization

To improve mobility of Public Administration Human Resources

To Promote training, re-grading and vocational retraining and resuming of professional activity

Making the surplus Staff effective

A Staff Exchange Regime (mobility) are set in place several years ago but it was never been used in full

Employees deemed to be surplus or unfitted for their post will be placed on the Special Mobility Regime (SME) while awaiting a new post

At the end of three months on that situation they lose their job-related pay till approximately one-six of their previous pay

An employee on the Special Mobility Regime cannot refuse a post that is offered, at risk of losing security of tenure

As an incentive to move into the private sector, any employee on the Special Mobility Regime will have an automatic right to take unpaid leave and, in some cases, they can work in the private sector holding the link to PA and one part of the previous salary.

Special Unit to manage the Staff management under a special mobility situation to

- Follow up assessment studies for human resources needs in the PA

- Follow-up and fostering of all processes relating to staff in a special mobility situation (centralized processing of civil servants salaries under a special mobility situations- SMS), by:

☑ Seeking that they resume functions at the earliest convenience

☑ Fostering officially their application to open competition procedures

☑ Promoting their professional re-qualification, by means of strengthening their competences and skills, as well as improving their employability conditions, pinpointing their motivations and vocations

☑ Managing their vocational training, including diagnosis of needs, training plans and their and appraisal

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THANK YOU FOR YOUR ATTENTION !