

Technical Notes

Chapter I – Public Administrations

Public Administrations: the public administration sector includes institutional units (entities) that correspond to non-market producers whose production is intended to individual and collective consumption and that are financed by compulsory payments made by units belonging to other sectors, as well as all institutional units whose main function is the income redistribution and the national wealth (*European System of National and Regional Accounts 2010 - SEC 2010, §2.111 and following*).

For the purpose of public employment statistics, the **Public Administration sector** encompasses the entities included in the following subsectors, in accordance with the new universe defined by the Portuguese National Statistics-National Accounts Department (INE/DCN in Portuguese):

Table 7.1 – Public Administrations and their subsectors

CENTRAL ADMINISTRATION (except social security funds)		State	It includes organizations whose revenues and expenses are within the of scope the General State Account (corresponding to State integrated Services)
		Autonomous Funds and Services	It encompasses organizations with financial and administrative autonomy, financed for the most part with transfers from other public administration units and with taxes that are attributed to them
		Non-profit institutions (NPI)	It groups the NPI that are non-market producers and are controlled by central administration units
REGIONAL AND LOCAL ADMINISTRATION (except social security funds)	Regional Administrations of the Azores and Madeira	Regional Government bodies	It includes organizations whose revenues and expenses are within the scope of the Regional Government Account
		Autonomous Funds and Services	It encompasses organizations with financial and administrative autonomy, financed for the most part with transfers from other regional administration units with taxes that are eventually attributed to them.
	Local administration	Districts	District assemblies
		Municipalities	City Councils
		Parishes	Parish Councils
		Autonomous Services	It encompasses organizations with financial and administrative autonomy, financed for the most part with transfers from other Local Authority units and with taxes and local fees that are eventually attributed to them.

		Non-profit institutions (NPI)	It groups the NPI that fulfil essentially non-market activities and are controlled and financed for the most part by local administration
SOCIAL SECURITY FUNDS		Social security funds of central administration	It includes all central and regional institutional units whose main activity consists of granting social benefits.
		Social Security Funds of regional administrations of the Azores and Madeira	

Sources: INE, IP; Regulation (EU) NO 549/2013 of the European Parliament and Council, of 21 May 2013, Official Journal L 174, of 26-06-2013

Recruitment in general government

Recruitment restrictions

Recruitment restrictions were set by a Resolution of the Council of Ministers of 2006 within the framework of the Public Administration Reform Programme in place in 2005-2006. The Resolution introduced:

- A replacement rate for central government stating that the recruitment of employees without public employment legal relationship for an indefinite period of time should abide by the recruitment rule of one entrant employee for, at least, two employees' leavers for retirement, resignation, removal from post, dismissal or other form of un-attachment;
- That the staff needs should be filled, preferably, by way of staff recruitment, from those who hold already employment relationship to Public Administration and of staff in a special mobility situation.

The restriction of new admissions has been reinforced and extended to local government by the state budget law of 2010. Furthermore, as from June 2010, the state budget consolidation law established the recruitment freeze by prohibiting the holding of open competition procedures by central, local and regional administration services with a view to forming public employment legal relationships for an indefinite, definite and definable period of time, to applicants who do not possess a public employment legal relationship for an indefinite period of time previously formed.

State budget law for 2011 stated that any unfreezing (inclusive in health, education, security and taxes) assumes exception nature and presupposes previous authorisation of the member of the Government responsible for finance area.

Staff reductions

Due to the sovereign debt crisis the Portuguese Government was forced to request the European Union financial assistance under the European Financial Stabilisation Mechanism. Therefore, in May 2011 a "Memorandum of Understanding on Specific Economic Policy Conditionality" has been negotiated and signed by Portuguese authorities, the European Commission, the European Central Bank and the International Monetary Fund. This memorandum defined measures and reforms that were implemented from June 2011 to mid-2014.

As regards public sector employment Portuguese authorities had to limit staff admissions to achieve annual decreases in 2012-2014 of 1% per year for central administration and 2% in local and regional administrations. The aim was to ensure that the aggregate public sector wage bill as a share of GDP decreased in that period.

Furthermore, in order to increase the efficiency and cost-effectiveness of the public administration, management positions and administrative units in central administration have been reduced until the end of 2011. The Government promoted the needed initiatives to attain similar results at local and regional level until the end of 2012.

PAY IN PUBLIC ADMINISTRATIONS

Within the scope of current expenses' control measures the pay policy in general government has suffered some adjustments.

Salary freezes

The compensation freeze resulted from the lack of publication for 2010 of an Order increasing the salaries, allowances and bonuses amounts.

Salary Cuts

Budget consolidation law for 2010 established a reduction, on an exceptional basis, of 5% in the gross monthly salary of holders of political posts and managers of state-owned enterprises and public institutes, as of 1 July 2010. In September same reduction was fixed for the members of civil and military houses of the President of Republic, offices of members of the Government, offices of Regional Governments, offices for personal support of mayors and councillors of municipalities and civil governments.

State Budget Law for 2011 has laid down a reduction of monthly gross total compensations to public employees, as from 1st January 2011, as follows:

- a) 3.5% over the total amount of compensations higher than €1,500 and lower than €2,000;
- b) 3.5% over the value of €2,000 accrued to 16% over the value of the total compensation that exceeds €2,000, making up a global rate that ranges between 3.5% and 10%, in the case of compensations equal or higher than €2,000 up to €4,165;
- c) 10% over the total value of compensations higher than to €4,165.

Gross monthly total compensation is considered that which results from the aggregate value of all cash benefits, namely:

- Basic salary;
- Allowances;
- Pay supplements, including emoluments, bonuses, grants, attendance fees, allowances, representation expenses and supplementary, extraordinary and in rest days or official holidays work;

Holiday and Christmas allowances are considered autonomous monthlies, subject to equal reduction.

Data disclosed (in this page) regarding the monthly average basic salary and the monthly average gain for general government subsectors since October 2011, have shown variations as a result of the application of different policy measures of pay reductions along with the impact of administrative reorganization measures on all public administration subsectors and on the variation of the public employees numbers.

i) From **October 2011 to October 2013**, the monthly gross compensations above €1,500 have undergone a reduction between 3.5% and 10%, depending on the total value of the public employee's monthly compensation;

ii) In **January and April 2014**, the respective compensations include: a reduction between 2.5% and 12% for compensations above €675;

iii) In **July 2014**, the compensation value corresponds to the monthly gross compensation without any reductions according to a Constitutional Court Judgment (declaring unconstitutional some 2014 Budget Law rules);

iv) In **October 2014** salary reductions referred to between 2011 and 2013 were again applied. On the other hand, public employees covered by the Minimum Guaranteed Monthly Salary (RMMG) had an update by €20 in the basic salary, that changes from €485 to €505, amount that has been in force between 1 October 2014 and 31 December 2015.

v) Throughout the **year 2015**, the value of compensations above €1,500 includes the reversal of the pay reduction by 20%.

vi) In **2016**, the pay reduction has been progressively eliminated, with quarterly reversals. In the **1st quarter** a reversal of 40% in compensations paid as from 1 January until 31 March was applied, in the **2nd quarter** a reversal of 60% in compensations paid as from 1 April until 30 June, in the **3rd quarter** of the year, as from 1 July, a reversal of 80% and in the **4th quarter** of the year, as from 1 October, there was the full elimination of the pay reduction.

On the other hand, the amount of the Minimum Guaranteed Monthly Salary (RMMG) was updated changing from €505 to €530, as from the first day of 2016.

CONCEPTS

Estimated average age – Data collection is made in 5 year steps. The estimated average age results from the average point of the age groups weighted by the number of public employees in each one of the groups.

Youth rate of public administrations' public employees, by application of the youth rate of the population in working age – Relationship between the younger half and the elderly half of public administrations' public employees, defined as the coefficient between the number of public employees under 39 years of age and the number of public employees aged over 40 years (usually expressed by 100 (102) public employees aged 40 or above).

Renewal rate of public administrations' public employees, by application of the renewal rate of the population in working age – Relationship between the public employees who potentially are entering and those who are leaving the public administrations, defined as the coefficient between the number of public employees aged between 20 and 29 years and the number of public employees aged between 55 and 64 years (usually expressed by 100 (102) public employees aged 55-64 years).

Technical skill level = Number of public employees with higher education level / Total public employees X 100.

Basic monthly salary: gross amount (before compulsory statutory and optional pay deductions) in cash and/or in kind paid on a regular basis and guaranteed to public employees in the reference period and corresponding to the normal working period.

Monthly average gain: basic salary, bonuses, benefits or regular supplements and compensation for supplementary work.

Feminization rate = Number of public employees of female gender / Total public employees X 100.

Normal working period: number of weekly working hours in force in the public service for the respective professional category, set or authorized by law or set by collective labour regulation instrument or in the Employment Contract, period beyond which the work is paid as extra/supplementary. In the same entity there may be different normal working periods.

Administration ratio: Number of public employees in public administrations/ Total population X 100

Full-time public employee: public employee whose normal working period has duration equal or higher than the normal working period in force in the service for the respective career or in the respective profession.

ABBREVIATIONS AND CONVENTIONAL SIGNS

BOEP – Public Employment Statistical Bulletin

DCN – National Accounts Department of Statistics Portugal, PI

DEEP – Public Employment Statistics Department

DGAEP – Directorate General for Administration and Public Employment

INE, I.P. – Statistics Portugal, P.I.

M - Men

MW – Total (men and women)

NPI – Non-profit institutions

No. - Number

p – Provisional

Q - Quarterly

SIEP – Public Employment Statistical Synthesis

W – Women

% - In percent

For rounding off purposes, totals may not correspond to the sum of parts.

See also: https://www.ine.pt/xportal/xmain?xpid=INE&xpgid=ine_qualidade