



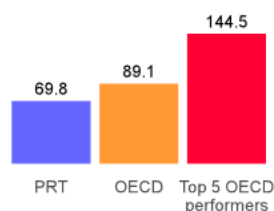
## Performance gaps

## Recommendations

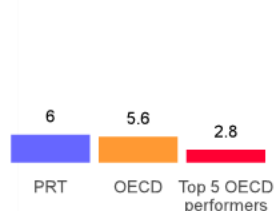
### Product and labour markets functioning

- Participation in training is low. Some ambitious training programmes are in place, but those not included in these programmes benefit from limited incentives and opportunities to seek training. Resources for active labour market policies and public employment services are relatively low.
- Increases in house prices have reduced housing affordability and may affect labour reallocation.
- Despite significant progress, the duration of insolvency procedures remains elevated, lowering the liquidation value of failing firms.
- Expand training programmes and boost incentives to participate, especially for workers in jobs that are more affected by the digital and green transitions. Provide more individualised job-search and training support to jobseekers, especially younger ones.
- Accelerate the digitalisation of public employment services to free up resources and support caseworkers.
- Revise land use regulations and limit discretionary powers of municipalities in licensing procedures to spur business investment in dwellings, boost housing supply and support labour mobility.
- Encourage the use of out-of-court procedures to prevent court congestion and accelerate insolvency procedures.

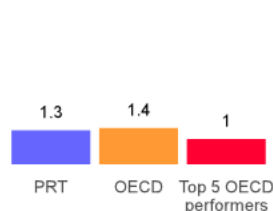
**Labour productivity**  
GDP per employee, USD  
2022



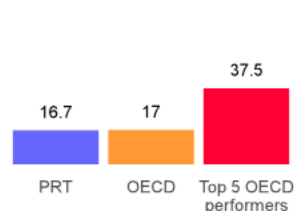
**Unemployment rate**  
%, 2022



**Product Market Regulation**  
Economy-wide  
From least to most restrictive  
Index of 0-6, 2018



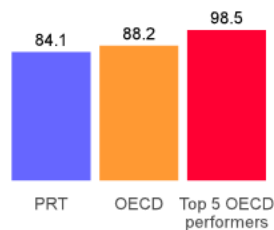
**Active labour market policies**  
expenditure per unemployed  
% of GDP per capita  
2020 or latest available



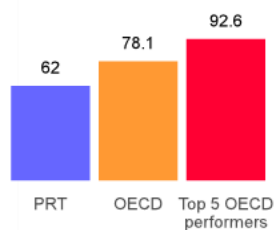
### Digital transition

- Small firms lack expertise in digital technologies. Low digital skills, particularly among older and less-educated workers, limit the uptake of digital technologies.
- Schools and teachers are not well equipped to use and teach ICT.
- Broadband prices are high by international standards, reflecting low competitive pressures, holding back the use of digital tools.
- Expand programmes for small firms to acquire digital training, advisory services and information on security and privacy.
- Ensure the completion of the planned expansion of digital resources and ICT training to schools and teachers in the Recovery and Resilience Programme.
- Reduce barriers to consumer mobility across telecommunications providers.

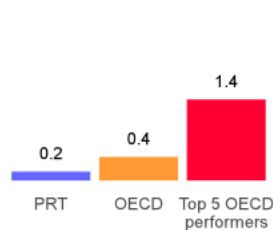
**Households with broadband Internet access at home**  
%, 2021 or latest available



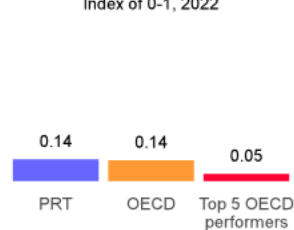
**Businesses with a website or home page**  
%, 2021 or latest available



**Business R&D expenditure in information industries**  
% of GDP, 2019 or latest available



**OECD Digital Services Trade Restrictiveness Index**  
From least to most restrictive  
Index of 0-1, 2022

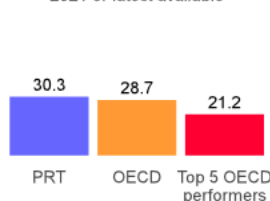


### Inclusiveness, social protection, and ageing

- Despite labour market improvements over recent years, in-work poverty remains high.
- The pandemic has highlighted structural weaknesses in the healthcare system, including inefficient budgeting procedures, shortages of nurses and long-term care workers, insufficient resources in primary care and prevention, as well as social and geographic health disparities. The ageing population will increase financial pressures.
- Strengthen labour inspections to prevent abuses in the use of fixed-term and non-standard contracts.
- Extend performance-based remuneration and improve working conditions and training opportunities.
- Strengthen budgeting procedures, accountability and coordination across the health system.

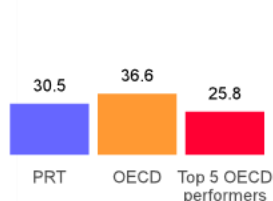
#### Mean poverty gap after taxes and transfers

Line at 60% of median disposable income  
2021 or latest available



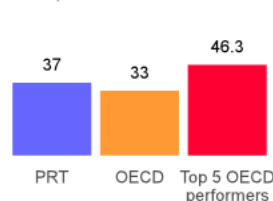
#### Impact of socioeconomic background in PISA reading score

%, 2018



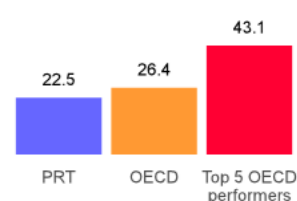
#### Strength of redistribution

Differences in Gini coefficients between market & disposable income relative to coef. on disposable income  
%, 2021 or latest available



#### Income levels provided by cash minimum-income benefits

% of median disposable income, 2021 or latest available

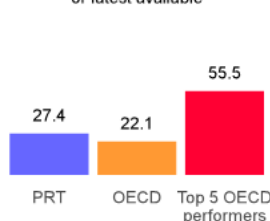


### Climate transition

- Portugal is broadly on track to reach its 2030 greenhouse gas emission targets. Renewable electricity production has increased rapidly. However, air quality remains a concern and emissions from the transport sector are high.
- Carbon price signals are unclear, varying by sector and fuel type.
- Accelerate investment in electric mobility and public transportation and adjust vehicle taxes in proportion to emissions.
- Improve price signals on the use of fossil fuels while providing financial support to shift to greener consumption choices, particularly for low-income and vulnerable households or for large up-front costs.

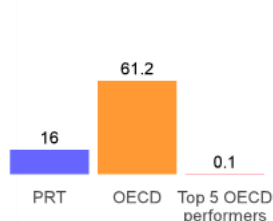
#### Share of renewables in the energy mix

%, Average over 2019-21 or latest available



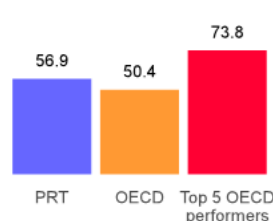
#### Share of population exposed to more than 10 µg/m3 of PM2.5

%, Average over 2017-19



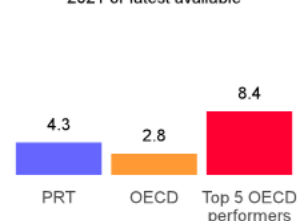
#### Carbon pricing score

%, at EUR 30 per tonne CO2, 2018



#### Environmentally-related government R&D budget

% of total government R&D 2021 or latest available

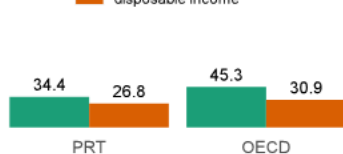


## Overall performance

#### Economy

Thousands USD per capita 2022 or latest available

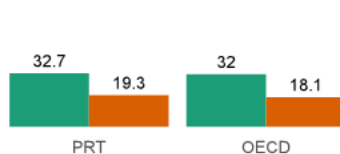
Gross Domestic Product  
Household gross adjusted disposable income



#### Inequality and poverty

2021 or latest available

Gini coefficient after taxes and transfers (index of 0-100)  
Poverty rate, line at 60% of median disposable income (%)



#### Environment and climate

1 unit of GDP, 2021

0.17 GHG emissions  
0.24 (OECD)

#### Welfare cost of premature deaths due to ambient particulate matter

% GDP equivalent, 2019





From:

## Economic Policy Reforms 2023

Going for Growth

Access the complete publication at:

<https://doi.org/10.1787/9953de23-en>

### Please cite this chapter as:

OECD (2023), "Portugal", in *Economic Policy Reforms 2023: Going for Growth*, OECD Publishing, Paris.

DOI: <https://doi.org/10.1787/0108926b-en>

This document, as well as any data and map included herein, are without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of any territory, city or area. Extracts from publications may be subject to additional disclaimers, which are set out in the complete version of the publication, available at the link provided.

The use of this work, whether digital or print, is governed by the Terms and Conditions to be found at <http://www.oecd.org/termsandconditions>.