



# Youth Guarantee country by country

*Portugal*  
*October 2020*

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## Introduction and context

The [Youth Guarantee](#) has become a reality across the EU. It has facilitated structural reforms and innovation in policy design across EU Member States.

This document provides extracts from official Commission documents on the implementation of the Youth Guarantee in Portugal. It contains extracts from:

- The country report drawn by the Commission for Portugal in the context of the [European Semester](#);
- The conclusions of the thematic multilateral surveillance review of the [Employment Committee \(EMCO\)](#).
- Results from the data collection on Youth Guarantee schemes.

A section at the end of the document is devoted to the assessments made by the Commission and EMCO the previous year.

Portugal presented a [Youth Guarantee Implementation Plan](#) on 31 December 2013.

Portugal is eligible for the Youth Employment Initiative.

## Commission's assessment

### From the 2020 country report for Portugal (EN - PT):

**“Positive labour market developments continue, though more moderately than in recent years.** Employment reached 76.5% in Q3-2019, while unemployment stood at 6.4%, 0.2 pps lower than the previous quarter and slightly above the EU average. Long-term unemployment fell from 2.9% in Q3-2018 to 2.8% in Q3-2019, but remains slightly above the EU average (2.5%) and still accounts for around 44.9% of total unemployment.”

**“Portugal’s economic performance remains favourable. The economy continues to grow faster than the EU average, estimated at 2% in 2019, though the growth rate has slowed somewhat.** The employment rate stands above the Europe 2020 target, while unemployment has reached its lowest level for 17 years. Both long-term and youth unemployment continue to fall, but remain above the EU average.”

**“Youth unemployment remains relatively high, though measures have been taken to tackle the challenge.** Youth unemployment (15-24) stood at 18.2% in Q3-2019, above the EU average of 14.4%. The proportion of young people neither in employment nor in education or training (NEETs) decreased from 9.3% in 2017 to 8.4% in 2018 (below the EU average of 10.4%). However, the NEET rate differs greatly between regions in Portugal, from 17.8% in the Azores to 7.2% in the Centro region. The share of NEETs covered by the Youth Guarantee (55.4%) remains well above the EU average (40.9%) and more than two fifths of those leaving the Youth Guarantee registry in 2018 (44.0%) accepted an offer within four months of registration (an increase of almost 4pps from 2017). Outreach to the most disengaged to ensure a wider Youth Guarantee coverage and more effective results are remaining challenges but overall Portugal has established a significant set of measures in terms of personalised guidance and activation to improve labour market access and further reduce long-term unemployment of young people.”

**“Minimum wages keep increasing.** The monthly minimum wage increased to €600 in 2019 and the government approved a new increase to €635 for 2020. This places the Portuguese minimum wage among the highest in the EU when compared to the median wage in the same country, with a ratio of 61% (latest OECD data for 2018). Consequently, a comparatively large proportion of workers (almost 20%) earn the minimum wage. While increases in the minimum wage improve jobseekers’ incentives to accept a job, they may also increase risks to the employment of young and low-skilled workers.”

*For further youth-related matters please refer to the country report.*

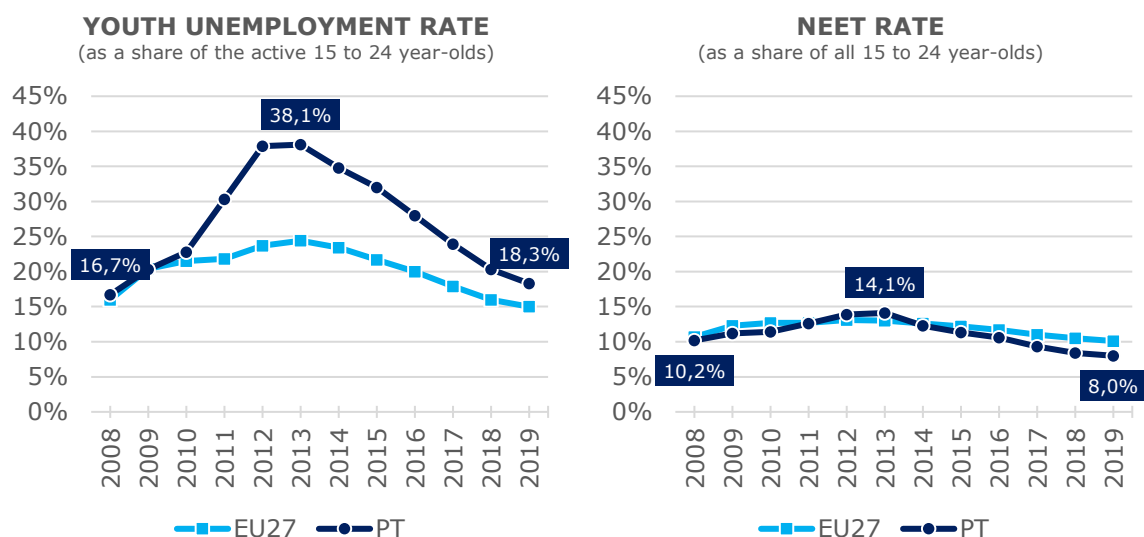
## EMCO's assessment

### **Conclusions of the Employment Committee's multilateral surveillance review on youth employment, October 2019:**

In Portugal implementation of the Youth Guarantee is well advanced and has contributed to lower youth unemployment and NEET rates. Portugal has established a broad network of partners at national and local level. In terms of outreach, the new national outreach strategy is in place and efforts to implement the strategy and provide information are largely underway. There are various channels of communication with NEETs in place, some of which are very up-to-date with the latest technology, such as updated websites, use of mobile phone applications, social media, etc. As regards personalised guidance and activation, there is a wide range of measures and tools in place, which is especially important in reaching youth furthest away from the labour market and education. An effective monitoring system is in place which provides all the data required for follow-up. Outreach challenges remain; for instance, additional efforts are needed to reach a larger number of non-registered young unemployed and inactive young people. Further efforts are needed to improve partnerships in order to optimise network cooperation and operation, while coordination of efforts at local level and involvement of local authorities should also be improved. On traineeships there is a clear legislative framework and the setup is largely in line with the Quality Framework for Traineeships, with significant results deriving from the professional traineeship measures for both ALMPs and open-market traineeships

## Youth Guarantee monitoring – Key data

### 1. Main trends in young people's labour market performance



Source: Eurostat, LFS (une\_rt\_a, edat\_lfse\_20)

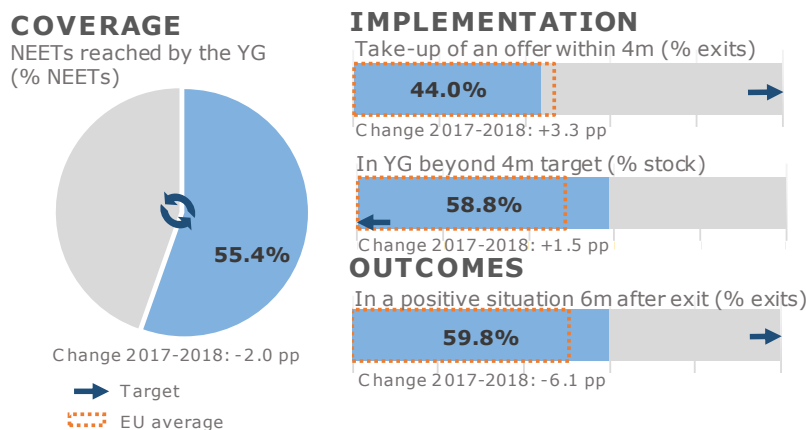
### 2. Youth Guarantee delivery

The Portuguese [Youth Guarantee Implementation Plan](#) was presented in December 2013 and the YG scheme, open to NEETs under 30, was introduced in March 2014. The public employment services (PES) are responsible for management of the YG scheme and for coordinating partnerships across all levels and sectors of the country. Implementation involves ministries, youth organisations, trade organisations, as well as social partner organisations and other relevant institutions working on education and vocational training and social inclusion.

Young people registered as unemployed with the PES and eligible for the YG are flagged accordingly while participants who are not registered with the PES are approached by the Employment and Vocational Training institute, working in partnership with other entities. Individuals can also register for the YG through a dedicated online portal.

A dedicated [Youth guarantee website](#) was launched in January 2014. The portal allows participants to sign-up in order to be registered for the YG, and presents information on the scheme and the services and offers available. Organisations can also register to join the network of YG providers. Further information can be found both in the [implementation plan](#) and in the dedicated [website](#).

## YG monitoring data 2017-18



Source: DG EMPL, YG monitoring database, data extracted 09 December 2019.  
NEETs data were extracted from Eurostat, Labour Force Survey on 21 June 2019.

On average in 2018, approaching three in five (58.8%) of those registered in the Portuguese YG at any point during the year had been waiting for an offer for more than 4 months, and a third (33.1%) for more than a year. Increasing numbers are staying in the YG for long periods without an offer.

More than two fifths of those leaving the YG in 2018 (44.0%) took up an offer within four months of registration, increased compared to 2017 (40.7%) and close to the EU average (46.7%).

On average during 2018, almost six in ten (55.4%) of all NEETs aged under 25 were registered in the YG scheme, fewer than in 2017 (57.4%) but still well above the EU average (38.9%).

Six in ten of those leaving the YG in 2018 (59.8%) were known to be in a positive situation 6 months later. Longer-term follow-up data for those leaving in previous years suggest that outcomes are sustainable.

## Previous year

### From the 2019 country report for Portugal (EN - PT):

**"Key labour market indicators are close to precrisis levels as the labour market situation continues to improve, though at a decelerating pace.** The unemployment rate has reached 2008 levels and stood at 6.7 % in Q4-2018 (below the euro area average of 8 %), while the employment rate (seasonally adjusted, age group 20-64) continued to grow steadily up to 75.4 % in Q3-2018 (above the Europe 2020 target of 75 %) decelerating somehow from 75.3 % in the previous quarter. The long-term unemployment rate fell from 4.3 % in Q3-2017 to 3 % in Q3-2018, now close to the EU average of 2.9 %. Conversely, although decreasing, youth unemployment (15-24 year olds) remains sizeable (19.3 % in Q3-2018 compared to 14.9 % in the EU), though the share of young people (15-24) neither in employment nor in education or training (NEET) of 9.3 % in 2017 was below EU average of 10.9 %. Regional differences on key labour market indicators are moderate (the unemployment rate ranged between 6.9 % and 10.4 % in 2017)."

**"Youth Guarantee measures have been far reaching and contributed to lower youth unemployment and NEET rates.** On average during 2017 almost 6 out of every 10 NEETs aged under 25 were registered in the Youth Guarantee scheme (compared to an EU average of 40.5 %). More than half of those who left the Youth Guarantee in 2017 (54 %) were in employment or in education and training six months later. Followup data on the long-term outlook suggest that outcomes are sustainable. However, achieving the target of providing an offer within four months is proving difficult. The percentage of young people still in the preparatory phase (i.e. not having received a quality offer of employment, education or training) after 4 months stood at 58 % in 2017, above the EU average (51 %). This is delaying labour market access and may slow down the reduction of long-term unemployment among young people."

**"Active labour market policies achieved positive results but there is scope for wider coverage and focus on upskilling.** Hiring support measures like Contrato-Emprego and traineeship programmes like Estágios Profissionais (which includes a bonus award for traineeship to open-ended employment contract conversion called Prémio-Emprego) brought about good results in terms of outreach and engagement of the main target groups. The take-up of both measures is high (above 70 % under Contrato-Emprego and around 95 % for Estágios Profissionais) and the main targets are widely covered (open-ended hiring and youth). However, the envisaged twofold measure Contrato-Geração, that combines hiring support and exemptions from social security contribution, which was announced in late 2017, remains on hold and according to national authorities will only be implemented in 2019. By promoting young people's integration into the labour market while allowing the elderly to make a smooth transition to retirement, this measure has the potential to promote intergenerational fairness and cushion the expected impact of population ageing, which represents a key challenge and a priority for investment."

**"Recent increases in house prices (see Section 4.2.2) can put housing affordability at risk in urban areas.** [...] The government launched a 'New Generation of Housing Policies' strategy in May 2018 which acknowledges the problem, notably for lone-parent households and young people. The strategy aims at promoting universal access to adequate housing, for instance by increasing the share



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*of public supported housing and lowering the housing overburden within the rental regime.”*

*For further youth-related matters please refer to the country report.*

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## **Links to further information**

### **Youth Guarantee Knowledge Centre – Including promising examples from Portugal**

<http://ec.europa.eu/social/main.jsp?catId=1327&langId=en>

### **Youth Guarantee Implementation Plan**

<https://dre.pt/application/dir/pdf1sdip/2013/12/25300/0704907055.pdf>

### **Where to register for the Youth Guarantee?**

<http://ec.europa.eu/social/main.jsp?catId=1218&langId=en>

### **National Youth Guarantee Website**

<https://www.garantiajovem.pt/>

### **Youth Wiki Portugal**

<https://eacea.ec.europa.eu/national-policies/en/content/youthwiki/overview-portugal>