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From: General Secretariat of the Council  
To: Delegations  
Subject: Investing in Youth Employment: Implementation of the Youth Guarantee

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Delegations will find attached the PT country fiche.

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## PORTUGAL

### 1. Conclusions - 2017 multilateral surveillance review of the implementation of the YG

The labour market for young people in Portugal is improving, however the youth unemployment rate remains higher than the EU average and segmentation continues to be a concern. There is a wide network of partnerships in place to deliver the YG, and individualised support is provided. Portugal shows a high level of sustainable integration, indicating the quality of offers made. NEETs remain a heterogeneous group, some of whom need tailored support in order to be in a position to accept offers they may receive. An outreach strategy is in place, focused on those hardest to reach.

Some challenges remain: there are an increasing number of young people in the preparatory phase of the Guarantee. There is a need for impact evaluations which Portugal plans to undertake at the end of 2020, in the context of the strategy designed with the support of the ILO. Measures to improve the quality of services are planned as well as the additional training for case workers in public employment services.

Overall there has been good progress in implementing the YG in Portugal but efforts need to be sustained.

### 2. YG monitoring 2016: key data

#### Highlights

- ❖ Improved quality of data following resolution of a number of small technical issues.
- ❖ On average in 2016, more than half (54.8%) 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 two in five (19.9%) for more than a year. Increasing numbers are staying in the YG for long periods without an offer.
- ❖ Two fifths of those leaving the YG in 2016 (40.6%) took up an offer within four months of registration, slightly fewer than in 2015 (43.2%).
- ❖ On average during 2016 almost six in ten (59.1%) of all NEETs aged under 25 were registered in the YG scheme. This is a noticeable improvement on 2015 (48.8%), although at least part of the increase is linked to the increasing retention of young people for longer periods.
- ❖ More than half of those leaving the YG in 2016 (56.7%) were known to be in a positive situation 6 months later.
- ❖ Longer-term follow-up data for those leaving in 2014 and 2015 suggest that outcomes are sustainable.

## Introduction

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; participants who are not registered with the PES are approached by the Employment and Vocational Training institute, working in partnership with other entities.

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.

## 1 Quality of data

### 1.1. Key changes compared to 2015

A number of changes have been made to the Portuguese YG monitoring data for 2016, in addition to the improvements already implemented in the previous data collection. Together, these contribute to improved completion of data and better alignment with the specifications of the YG Indicator Framework.

A number of technical changes have been made. Firstly, the removal of duplicate entries for participants in apprenticeships that lasted longer than a year. This change reduces the numbers of entrants and stocks data, though the impact is anticipated to be minor. Secondly, the recording of exits to traineeships has been improved so that some previously recorded as employment exits are now recorded correctly. Finally, the flagging of participants with YG previous experience in entrants data has been improved to ensure correct recording. Finally, 2015 data were revised to cover four providers in addition to the PES, which are covered in the 2014 and 2016 data (see below).

#### *Correction of technical issues:*

- Removal of some incorrect re-entries into the YG for participants in apprenticeships lasting more than a year.
- Improved recording of previous YG experience in entrants data.
- Correction of reporting of some exits to traineeships that were previously recorded as employment offers.
- 2015 data were revised to also cover four more providers than the PES (Institute for Sport and Youth, Social Economy Cooperative Antonio Sergio, General Directorate for Local Authorities, and the Agency for the Investment and External Trade of Portugal), as done in the 2014 and 2016 data collections.

Data for 2014 and 2015 were revised accordingly and thus, data are comparable across years.

## 1.2. Data quality 2016

As in previous years, Portugal provided all data requested in accordance with the definitions of the YG Indicator Framework. Since any changes applied have been corrected retrospectively (except coverage, see above), data are comparable over time.

Some of the exits to education cannot still be monitored, and it is expected that in forthcoming data collections data will be revised and that the proportion of participants for which exit destination is unknown will be reduced (currently 33%).

Details of the data provided and any divergence from the definitions are presented in [Table 1](#).

**Table 1: Completion and comparability of direct monitoring data, 2016**

Coverage of data	
<b>Providers</b>	Data cover the mainland only - Madeira and the Azores are not covered.  - The providers covered are the following: Public Employment Services (PES); Institute for Sport and Youth; Social Economy Cooperative Antonio Sergio; General Directorate for Local Authorities; and Agency for the Investment and External Trade of Portugal.
<b>Participants</b>	Persons aged between 15 and 30 registering in the YG scheme. Individuals who were already registered with the PES end of February 2014 were also transferred to the YG following an assessment of their individual action plans.
Completion of data	
<b>Missing data</b>	None.
Data recording	
<b>Exits by destination</b>	- Exits to inactivity include participants refusing offers with no justification (they are also de-registered from the PES). - Proportion of unknown destinations: 33%
<b>Follow-up T</b>	- Proportion of unknown situations (6m after exit): 29%
Comparability of data	
<b>Definitions</b>	- No known divergences from the specifications of the Indicator Framework
<b>Across time</b>	- Data are comparable.

Source: YG monitoring template (quantitative data).

## 2 Monitoring results

This section presents the results of YG monitoring on the basis of the [Indicator Framework for Monitoring the Youth Guarantee](#). Aggregate monitoring indicators are based on data from the EU Labour Force Survey and are considered comparable between countries. Direct and follow-up monitoring indicators are, however, based on national administrative data and, although they are in principle based on a common methodological framework, differences in definitions, institutional practices and the capacity to collect all of the necessary data, particularly in relation to follow-up, may impact on the comparability of data between countries. Readers are recommended to refer to the [Notes about the data](#) in annex to this report.

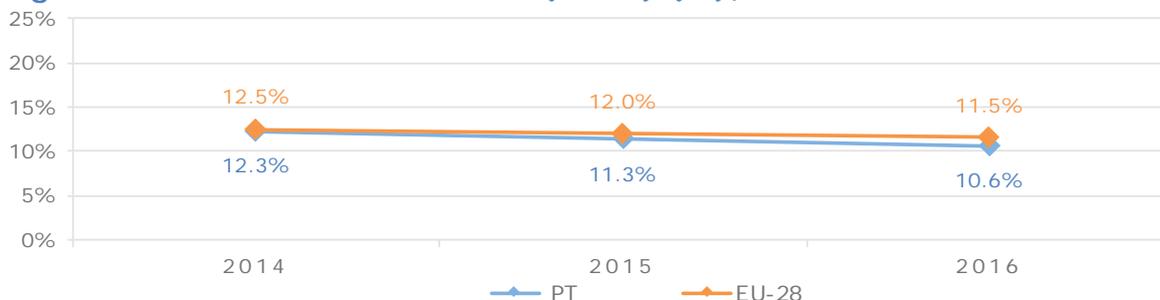
### 2.1 Aggregate monitoring: Macroeconomic indicators

Indicators for aggregate level monitoring of the YG are based on data from the EU Labour Force Survey (LFS) and are intended to monitor the general situation of young people in the EU. The evolution of these indicators through time represents an indirect means of monitoring the effects of implementing the YG and may also reflect the impact of preventive measures to help young people avoid falling into unemployment or inactivity. The aggregate level indicators are complemented by the direct and follow-up level indicators that monitor the efficiency and

effectiveness of YG delivery and help to disentangle the impact of policy measures from general economic developments.

The main indicator for YG monitoring at the aggregate level is the NEET rate for young people aged 15-24 – i.e. the proportion of people aged 15-24 that are not in employment, education or training. In 2016, the NEET rate in Portugal was 10.6%, slightly below the EU average of 11.5%. Compared to 2014, the year the YG implementation started, the NEET rate in Portugal has improved (reduced) by 1.7 percentage points (pp), while the situation across the EU has improved by 1.0 pp (see Figure 2).

**Figure 2: Main indicator: NEET rate (15-24) (%), 2014-2016**



Source: Eurostat, Labour Force Survey, data extracted 19 October 2017.

## 2.2 Direct-monitoring: effectiveness of YG implementation

The main indicator for direct monitoring shows that, on average in 2016, 54.8% of young people aged 15-24 were still in the YG preparatory phase beyond the 4-month target, above the EU average of 49.1%, and an increase of more than 9 pp compared to 2015 (see Table 3). This implies that the effectiveness of implementation is declining and that it is becoming more difficult for the Portuguese PES and other providers to deliver offers within the 4-month target period. The much larger increase compared to 2014 shown in the table is to be expected as this was the first year of the YG implementation so that durations of more than 4 months could only occur for part of the year (May onwards).

**Table 3: Main indicator: Proportion of young people in the YG preparatory phase beyond the 4-month target, 2016**

Still in the YG preparatory phase after 4 months:	2016	2014-2016 change (pp)	EU average Total (15-24)
Total (15-24)	54.8%	+31.7	49.1%
<b>Breakdown by age</b>			
15-19	56.2%	+34.4	46.2%
20-24	54.2%	+30.8	49.3%
<b>Breakdown by gender</b>			
Men	53.9%	+31.4	48.0%
Women	55.6%	+32.0	49.9%

Source: DG EMPL, YG monitoring database, data extracted 14 November 2017.

The proportion of participants registered in the YG for more than 6 months (41.9%) and more than 12 months (19.9%) were also above the EU averages (36.2% and 18.3% respectively, Figure 3) and have increased over time. Indeed, the data indicate a progressive accumulation of young people that have been registered in the YG for long periods.

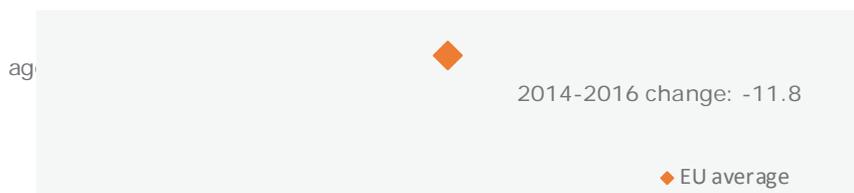
The supplementary indicator on positive and timely exits shows that two fifths (40.6%) of those leaving the YG in 2016 took up an offer within the target period of 4 months (Figure 3), slightly below the EU average of 44.5%. The indicator shows declining performance through time, which tallies with the main indicator in suggesting progressively less effective implementation in terms of meeting the 4-month delivery target.

**Figure 3: YG implementation, direct monitoring indicators, 2016**

Main indicator: Proportion of young people in the YG preparatory phase beyond the 4-month target (durations 4,6 and 12 months) (% YG stock)



Supplementary indicator: Positive and timely exits from the YG preparatory phase (% exits)

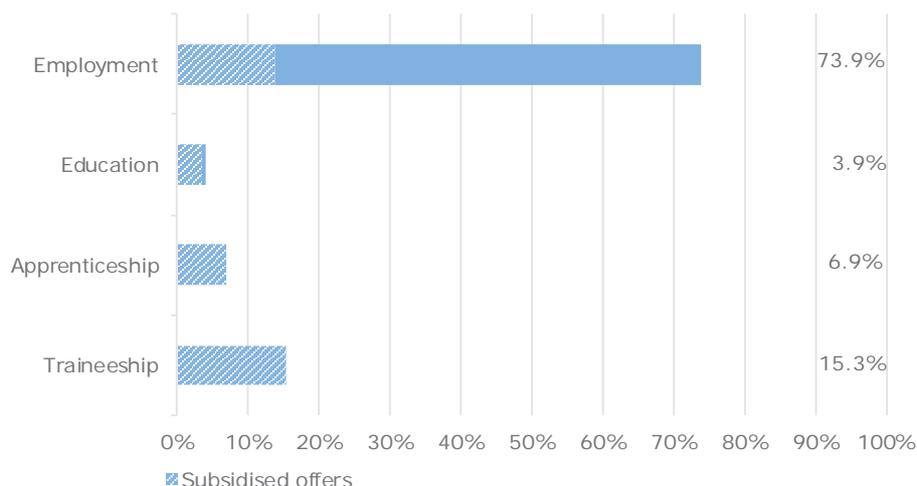


Source: DG EMPL, YG monitoring database, data extracted 14 November 2017.

Two thirds (66.7%) of those that left the YG within the 4-month target went to positive destinations. Almost three quarters of those exited to employment, 15.3% to a traineeship, and just 6.9% and 3.9% to an apprenticeship or continued education offer respectively (see Figure 4). Note that exits to education are likely to be understated as participation in three programmes is not recorded as an exit.

The vast majority of timely education offers (91.0%) and all traineeships and apprenticeships were subsidised, but less than a fifth of employment offers (18.7%). Overall, 60.0% of all offers taken up within 4 months of registration were open market jobs.

**Figure 4: Distribution of positive and timely exits by destination (% timely & positive exits), 2016**



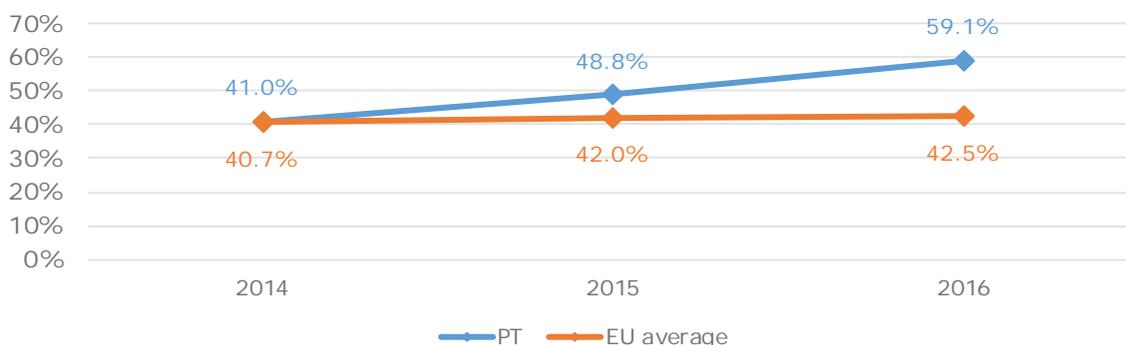
Source: DG EMPL, YG monitoring database, data extracted 14 November 2017.

### 2.3 Direct monitoring: coverage of the YG target population

The Council Recommendation on establishing a Youth Guarantee<sup>1</sup> aims to ensure that all young people under the age of 25 years receive a good-quality offer of employment, continued education, an apprenticeship or a traineeship within four months of becoming unemployed or leaving formal education. Reaching the entire population, and in particular those that do not come forwards on their own initiative, is one of the key challenges confronting YG providers in all countries.

The second supplementary indicator for direct monitoring uses NEET rates and population data published by Eurostat together with the annual average stock of participants in the YG preparatory phase in order to estimate the proportion of the NEET population that is covered by the YG scheme (see Figure 5). Note that the criteria used to delimit the NEET population used in the denominator, which is derived from the EU Labour Force Survey (LFS), may differ from the specific conditions applied in each country to register in the YG, so that the two populations may not fully overlap. In other words, the LFS NEET population is a proxy for, rather than an exact measure of, the YG target population. Consequently, results for this indicator should be considered as the best available estimate of the coverage of YG schemes.

**Figure 5: YG participants as a proportion of the NEET population (%), 2016**



Source: DG EMPL, YG monitoring database, data extracted 14 November 2017.

<sup>1</sup> <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:C:2013:120:0001:0006:EN:PDF>

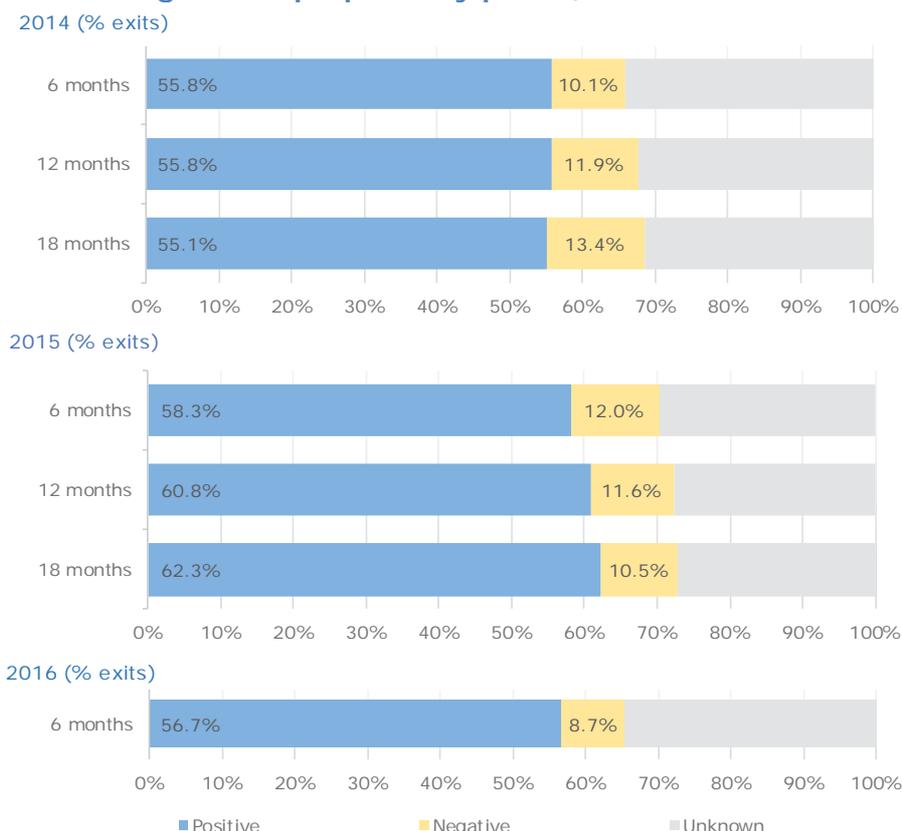
In Portugal, in 2016, almost six out of ten (59.1%) NEETs aged 15-24 were covered by the YG, well above the EU average of 42.5%. Note however, that this figure may be overstated as participants participating in PES training that does not break the unemployment spell are still counted in stocks. The coverage rate has improved progressively through time as the YG scheme has become more established. However, it should also be noted that the increasing retention of significant numbers for longer periods (19.9% for more than a year) will also contribute to an apparent improvement in coverage as this retention will increase the average stock.

## 2.4 Follow-up: sustainability of YG outcomes

The main follow-up indicator on the situation of young people after exiting the YG preparatory phase shows that, in Portugal, 56.7% of those leaving during 2016 were known to be in a positive situation (i.e. in employment, education, an apprenticeship, or a traineeship) 6 months after exit. This figure is above the EU average of 48.5% and at similar levels compared to 2014 and 2015 participants, though in practice the result is likely to be understated due to the high proportion in an unknown situation (34.6%, Figure 6).

Longer-term follow-up data for 2014 and 2015 suggest that these positive outcomes are sustainable, as the proportion of participants known to be in a positive situation 12 and 18 months after exit remains around the same 55-60% level, with results again above the EU averages (48.6% and 50.5% respectively for participants leaving the YG in 2015). Again, however, the situation of around a third of leavers remains unknown.

**Figure 6: Follow-up main indicator: Situation of young people 6, 12 and 18 months after exiting the YG preparatory phase, 2014-2016**



Source: DG EMPL, YG monitoring database, data extracted 14 November 2017.

## 2.5 Additional results for the 25-29 age-group

The Portuguese YG scheme also covers young people aged 25-29. Accordingly, optional data for the 25-29 age-group were provided and key results are shown in [Figure 7](#).

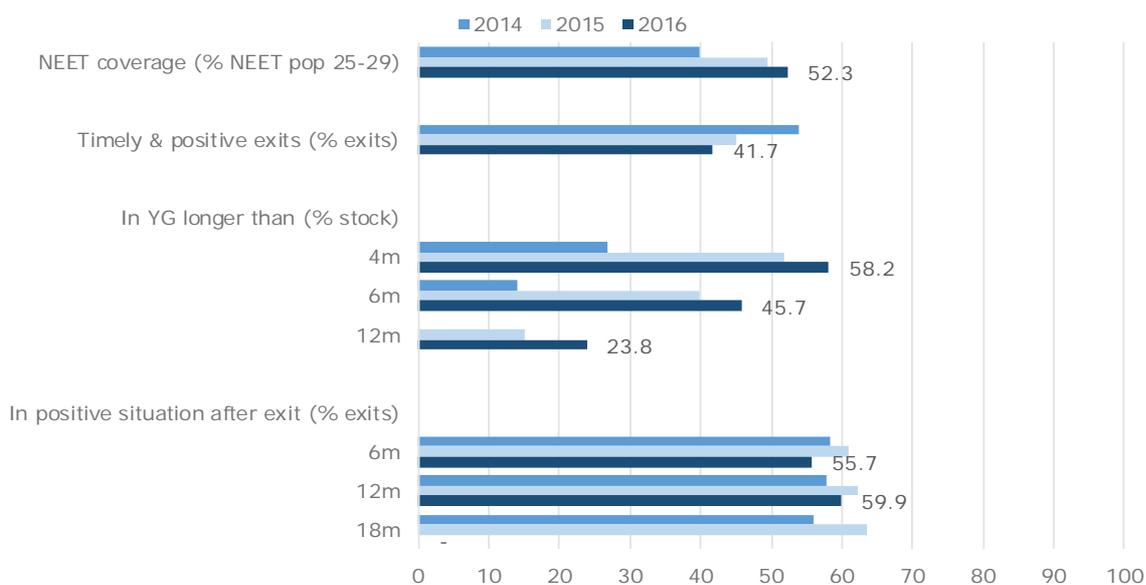
The proportion of people aged 25-29 registered for more than 4 months in the YG is similar to, but slightly above, that for those aged 15-24 (58.2% vs 54.8%). As with the younger age-group, this proportion has increased compared to the previous year (51.9%). The higher retention rate for those aged 25-29 applies also to longer retention periods (45.7% vs 41.9% for more than 6 months, 23.8% vs 19.9% for more than 12 months).

The proportion of timely and positive exits is marginally above that for the 25-29 age-group than for the younger age group (41.7% vs 40.6% for the younger age group) but has again declined noticeably through time, reinforcing the earlier impression that implementation is becoming less effective.

Just over half (52.3%) of NEETs aged 25-29 were covered by the Portuguese YG in 2016. This figure is well above the EU average of 33.6% but lower than the figure for the younger age group (59.1%).

As with the main 15-24 target group, more than half (55.7%) of those leaving the YG in 2016 were known to be in a positive situation 6 months after exit but the proportion of unknown situations is also high. Longer-term follow-up data for 2014 and 2015 indicate that positive outcomes are sustainable.

**Figure 7: Key indicators for the 25-29 age-group, 2014 – 2016**



Source: DG EMPL, YG monitoring database, data extracted 14 November 2017.

# Annex

## Notes about the data

**Comparability.** Data are compiled on the basis of a common methodology - the [Indicator Framework for Monitoring the Youth Guarantee](#), endorsed by the Employment Committee (EMCO) in May 2015, and the accompanying methodological manual – and are therefore considered broadly comparable between countries. Nevertheless, it is important to bear in mind that the data for direct and follow-up monitoring are derived from national administrative registers that are designed to support and monitor specific national systems, which vary in terms of the processes followed and definitions applied and may, therefore, result in some inherent differences between countries. These differences are, however, expected to be relatively minor and more important differences are those that derive from the way in which YG schemes have been implemented and the capacity of countries to provide complete data.

In relation to implementation, the size and composition of the population registered in the YG will initially be different for countries that implemented the YG as a completely new approach and monitored inflows starting from zero, compared to countries that implemented the YG as a reinforcement of existing processes and monitored inflows accumulating with the existing stock. Countries in the former group will tend to have a smaller stock with lower average duration. Differences that result from this artefact of the data are guaranteed to reduce through time, evidence of convergence was apparent already in the 2015 data, and continued in the 2016 data.

The capacity of countries to monitor what happens to young people on leaving the YG impacts on the quality of data on both exits and follow-up but particularly for the latter. Almost half of Member States (15) either provide no follow-up data (8) or do not know the subsequent situation of the majority (at least 2/3) of young people passing through the YG (7 countries).<sup>2</sup> The problem derives from a lack of capacity to routinely link administrative registers or legal restrictions to do so. The investment needed to link PES registers and other administrative registers (e.g. social security) would have benefits not only for YG monitoring but also for other EU level data collections (e.g. LTU and LMP) as well as providing a base for policy evaluation at national level.

**Coverage indicator.** The second supplementary indicator for direct monitoring measures the proportion of the NEET population (average across the year) that is registered in the YG preparatory phase (annual average stock). Whilst data for the numerator are derived from administrative data in each country, the only available comparable data on the size of the NEET population that can be used as a denominator derive from the EU Labour Force Survey. This uses a definition of NEETs that is common across countries<sup>3</sup> but which may vary from the definitions applied in the context of national YG schemes and in the administrative data used to monitor these. Results should thus be interpreted as an estimation, rather than a definitive measurement, of the extent to which YG schemes achieve the objective of reaching all young people that become, or are already, NEET.

**EU level data.** Figures labelled “EU-28” used in aggregate level monitoring are based on aggregates of all NEETs in all Member States and therefore represent weighted averages, which can be significantly influenced by the situation in a small number of large countries. Figures labelled “EU average” are unweighted averages of all available country figures. In relation to the destination of exits and follow-up data, the EU averages are liable to be understated due to significant numbers of unknown destinations or subsequent situations in some countries.

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<sup>2</sup> Based on 2016 data for Follow-up T-1 (i.e. data on the situation of participants who left the YG preparatory phase in 2015).

<sup>3</sup> See [http://ec.europa.eu/eurostat/statistics-explained/index.php/Glossary:Young\\_people\\_neither\\_in\\_employment\\_nor\\_in\\_education\\_and\\_training\\_\(NEET\)](http://ec.europa.eu/eurostat/statistics-explained/index.php/Glossary:Young_people_neither_in_employment_nor_in_education_and_training_(NEET))