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# ▶ Profile of Portugal's Young NEETs

Niall O'Higgins, Kate Brockie





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**Niall O'Higgins, Kate Brockie**

**Employment, Labour Markets and Youth (EMPLAB)**

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## ► Acknowledgements

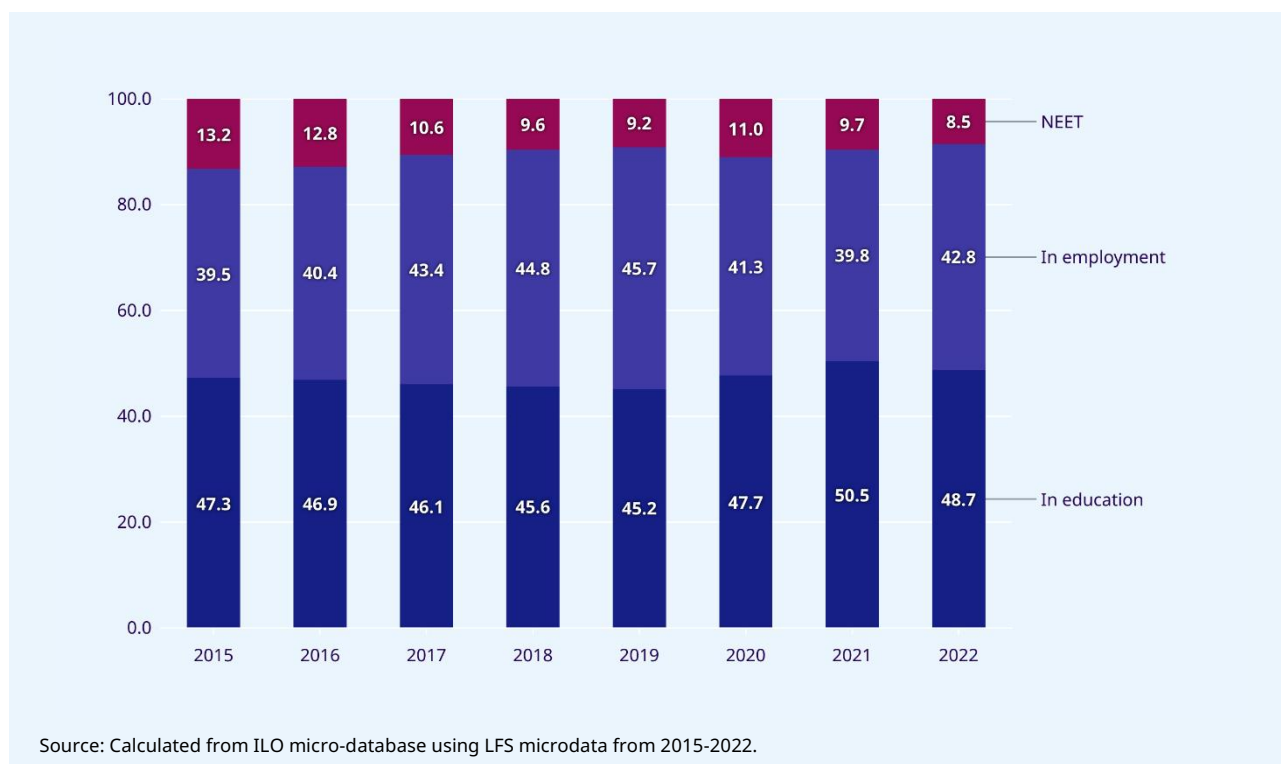
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## ► Introduction and overview

The share of Portugal's young people not in employment, education, or training (NEET) consistently declined following the introduction of the Youth Guarantee in the country in 2014, at least until the COVID-19 pandemic hit in 2020 (figure 1). In 2022, there were 1,633,000 young people aged 15-29 in Portugal, amongst whom, 805,000 (49.3 per cent) were actively participating in the labour market being either employed or unemployed. Despite the pandemic, between 2015 and 2022, the NEET rate for young people<sup>1</sup> fell from 13.2 per cent to 8.5 per cent. An even larger reduction in female NEET rates was witnessed over the period, from 14.4 per cent to 8.7 per cent. By 2022, there were 138,900 young NEETs in the country (8.4 per cent of whom had a migrant background). Among these young NEETs, around 77,000 were unemployed (including re-entrants) and 61,800 inactive (outside the labour market).

► **Figure 1: Activity status of young people aged 15-29 in Portugal, 2005-2022**



The COVID-19 pandemic led to an increase in NEET rates from 9.2 per cent in 2019 to 11.0 per cent in 2020. However, NEET rates had almost completely recovered to their pre-COVID levels by 2021, falling to 9.7 per cent. By 2022, NEET rates had reached their lowest level of 8.5 per cent. It is notable that the employment to population ratio of young people fell significantly with the onset of the pandemic, whilst participation in education increased. This trend of falling employment and rising educational participation continued with the recovery in 2021. In other words, prior to the pandemic, improvements in NEET rates were primarily associated with increased employment amongst young people, whilst following the onset of COVID-19, between 2019 and 2021 the share of young people in education rose sharply, in part compensating for the employment losses and accounting for the partial recovery in NEET rates in 2021. In 2022, NEET rates fell further and, importantly, youth employment is now also recovering; between 2021 and 2022, the employment to population ratio of young people increased from 39.8 to 42.8. This

<sup>1</sup> Throughout the profile, unless otherwise stated, 'young people' and 'youth' refer to individuals aged 15-29.

serves to emphasize the importance of distinguishing between the shorter- and longer-term effects of the pandemic on youth labour markets, which will be discussed further.

► **Box 1: NEET Subgroups**

NEET status	Description	Labour force participation
<b>Short-term unemployed</b>	Not in employment, education or training but are a) actively seeking work; and b) available to start work. Have been unemployed for less than 12 months	In labour force
<b>Long-term unemployed</b>	Not in employment, education or training but are a) actively seeking work; and b) available to start work. Have been unemployed for 12 months or more.	In labour force
<b>Re-entrants</b>	Not in employment, education or training but have found employment and will commence work within three months.	In labour force
<b>Discouraged</b>	Not in employment, education or training but are not actively seeking work. This may be because they do not believe that there are job opportunities out there, or they do not know how to look for them.	Outside labour force
<b>NEET due to family responsibilities</b>	Not in employment, education or training, and are not actively seeking work and/or available to work due to family responsibilities, such as caring for a family member	Outside labour force
<b>NEET due to illness/disability</b>	Not in employment, education or training, and are not actively seeking work and/or available to work due to illness or disability.	Outside labour force
<b>NEET due to other reasons</b>	Not in employment, education or training, and are not actively seeking work and/or available to work. This residual subgroup captures young people that do not fit into the previous 6 groups.	Outside labour force

Source: Summarised from Mascherini and Ledemaier (2016)

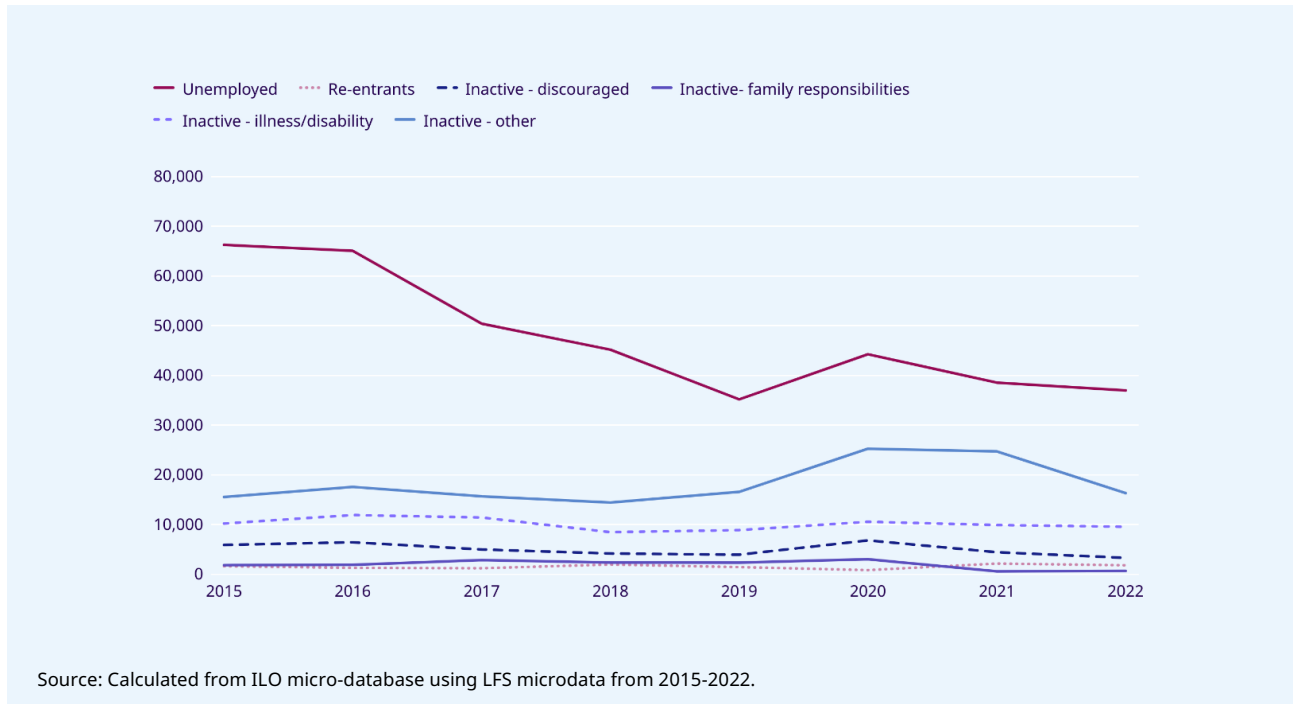
The reasons for being NEET are many and various, and perhaps the key unifying characteristic of young people who are NEET is their heterogeneity. First, a distinction may be drawn between young unemployed NEETs (active NEETs) and young NEETs who are outside the labour market (inactive NEETs). Inactive NEET young people are neither employed nor in education, but are also not actively seeking and/or available for work. Mascherini and Ledermaier (2016) propose a further sevenfold breakdown of NEETs incorporating three groups of the unemployed: re-entrants who have found jobs but have not started work yet,<sup>2</sup> as well as the short- and long-term unemployed separately classified. In addition to this, there are four sub-groups of inactive-NEETs: discouraged NEETs, young people who are NEET due to family responsibilities, youth that are NEET due to illness or disability, and a highly heterogeneous ‘other’ group, comprising all those young NEETs not elsewhere classified (box 1). This breakdown not only helps to distinguish between different types of young people who are NEET, but aids the identification of especially vulnerable young people in order to direct appropriate responses, which may differ greatly by type of young NEET.

One key point is that the reduction in NEET rates witnessed in Portugal over the period 2015-22, in common also with the period 2013-15, was mostly attributable to the reduction in the number of unemployed NEETs for both

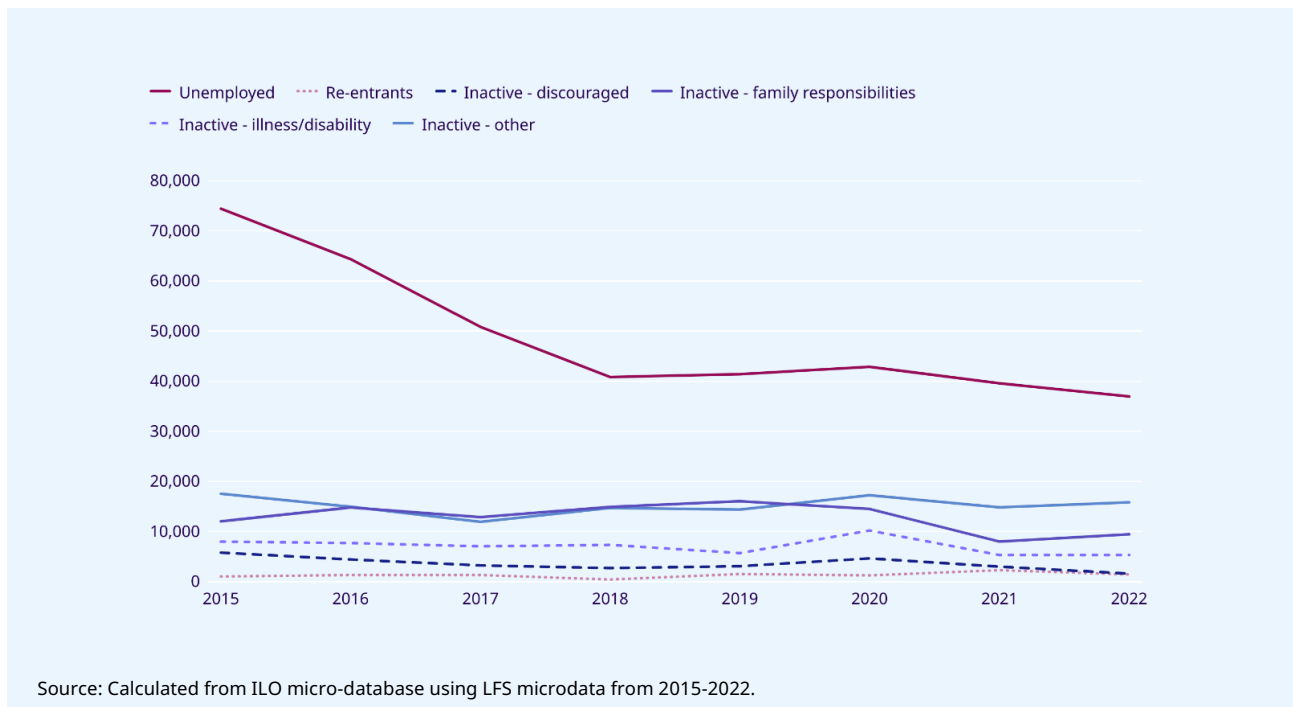
<sup>2</sup> Typically one also includes re-entrants amongst the active NEETs, although this small group of young people, who have already found a job, but have not yet started, are not actively searching for work since they have already found it and consequently they are not strictly speaking unemployed. In any event, this small group is clearly not a focus of attention for the PES, inasmuch as they have already found work.

young men and young women (figures 2a, 2b). Between 2015 and 2022, the number of young NEETs fell by around 81,000, while the number of unemployed NEETs declined by 66,000.<sup>3</sup> This decline in economically active NEETs (re-entrants and unemployed) reflects a reduction of around 29,000 young men and 37,000 young women.

► **Figure 2a: Male NEETs by subgroup, 2015-2022**



► **Figure 2b: Female NEETs by subgroup, 2015-2022**



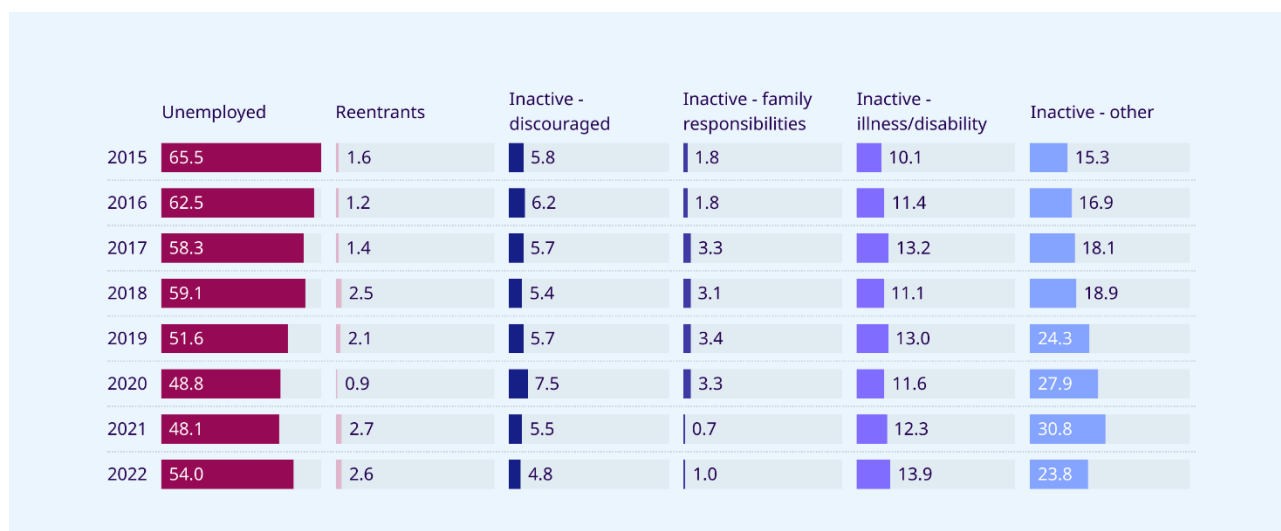
The overall size of the inactive NEET group changed very little over the period 2015-22, however its composition did alter significantly. Amongst inactive young men, the largest sub-group is the residual 'other' group, which increased

<sup>3</sup> To be precise, the number of Active NEETs (including re-entrants) fell by an estimated 66,172, whilst all NEETs fell by 80,977.

in size by around 9,000 between 2015 and 2021 before reducing again in 2022 to levels similar to 2015.<sup>4</sup> This residual 'other' group is highly heterogeneous, and would bear further investigation. For young women, substantial numbers also find themselves in the 'family responsibilities' category – unsurprisingly a much smaller share of young men find themselves in this sub-group. Young women who were NEET due to family responsibilities totalled around 9,400 in 2022. Prior to the onset of the COVID-19 pandemic, this group was increasing in size, but since 2019 has contracted, suggesting a need for further investigation into what lies behind this change.

The change in NEET composition is even clearer if one looks at the share of each sub-category of NEET over time (figures 3a, 3b). The share of the unemployed fell from nearly two-thirds in 2015 to less than one half in 2021, though its share increased to 53.2 percent in 2022 as levels of NEETs due to other reasons decreased substantially. Especially for inactive young women between 2019 and 2021, there was a noticeable increase in the share of young NEETs due to illness or disability, which fell again sharply for women in 2022. There has also been a trend towards growth in the 'other' sub-group, primarily due to an increase in the share of young male NEETs in this category, though this share of young men fell again to 23.8 percent in 2022, reflecting an absolute decline from 24,700 in 2021 to 16,300 in 2022.<sup>5</sup> For young women, the share of NEETs in the 'other' category continued to grow, reaching 22.2 percent in 2022. Noticeable too, is the increase in the proportion of young NEETs who were not looking for work due to family responsibilities prior to the pandemic. This is observable amongst both young men and young women, although in Portugal this group is almost entirely female (93.6 percent). For now, observe that the share reached a peak in 2019 and since then fell, increasing slightly again in 2022.

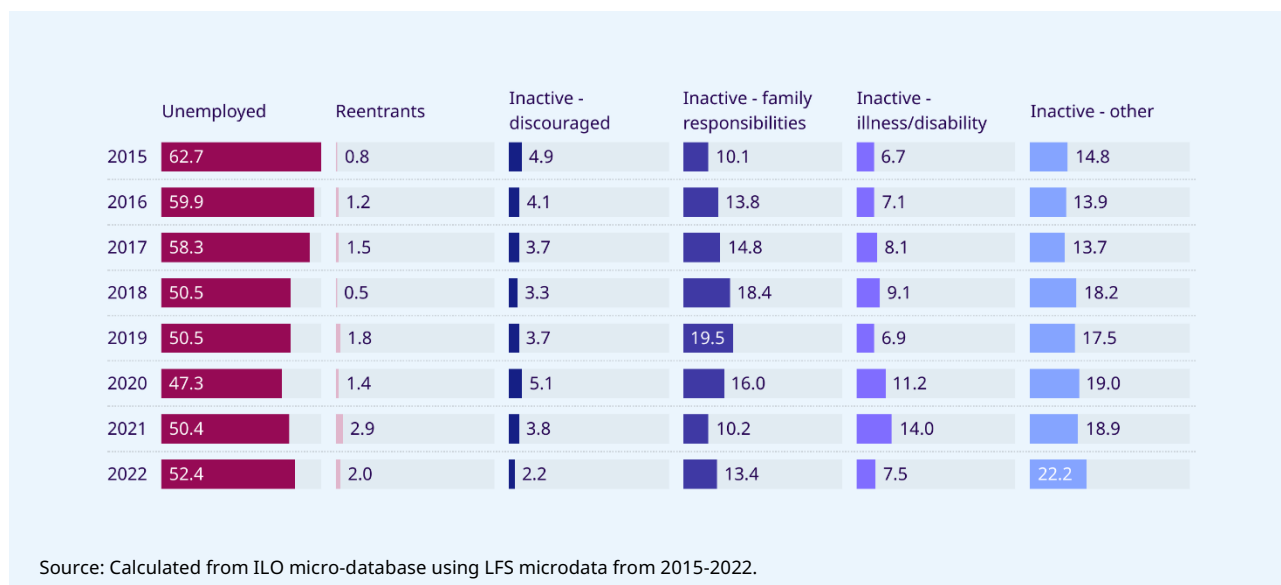
► **Figure 3a: Male NEET composition, 2015-2022**



<sup>4</sup> Male NEETs due to other reasons totalled 15,513 in 2015 and 16,292 in 2022.

<sup>5</sup> The precise numbers are 24,681 in 2021 and 16,292 in 2022

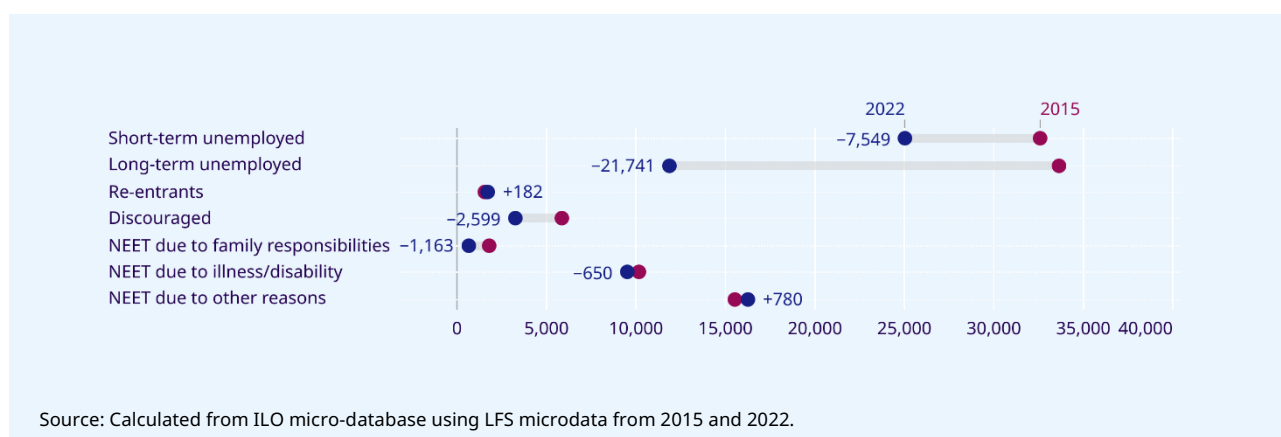
► **Figure 3b: Female NEET composition, 2015-2022**



Summarising the changes, separately by sex, the numbers of unemployed young people fell for both sexes (figures 4a, 4b). As already observed, NEET rates fell more amongst young women (from 14.4 per cent in 2015 to 8.7 per cent in 2022) than amongst young men (from 12.1 per cent to 8.3 per cent).<sup>6</sup> Amongst young men and young women, the reduction in active NEETs was primarily due to a sharp reduction in the long-term unemployed. Overall, the change meant an encouraging reduction in the share of the long-term unemployed in overall youth unemployment and among total NEETs. The number of re-entrants increased over the period. However, one can observe (figures 3a, 3b) that this had to do with the relatively big upswing observable in 2021, attributable to the nascent post-lockdown recovery. The share of re-entrants remained high in 2022, compared to 2015, though the absolute increase in re-entrants is relatively small given the decreasing total NEET population.

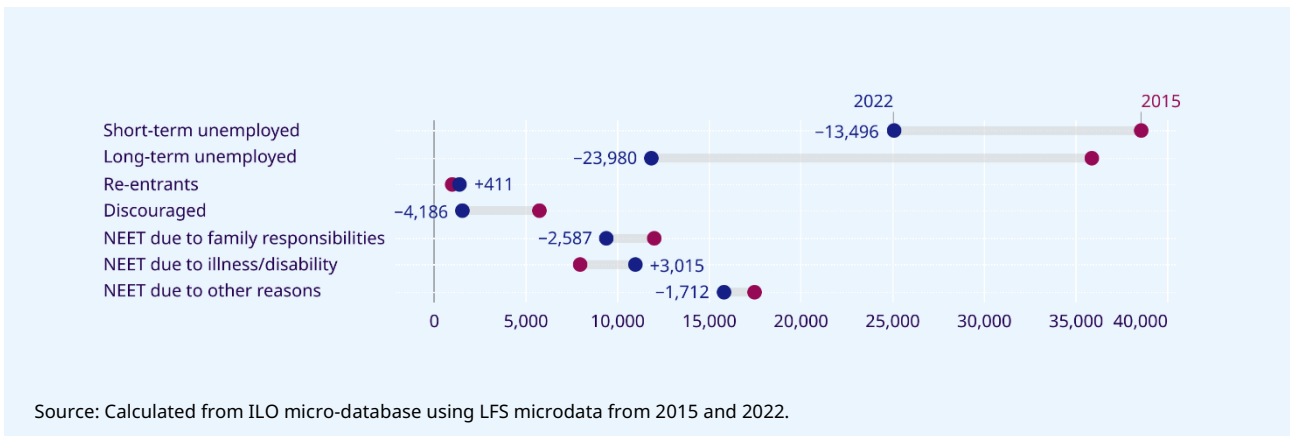
Amongst inactive NEETs, the numbers fell for all sub-groups except the number of young men in the ‘other’ group, and the number of young women in the ‘NEET due to illness/disability’ category. Figures 3a and 3b show how the shares of NEET youth in these subgroups peaked in 2021, but since declined dramatically in 2022.

► **Figure 4a: Change in male NEETs by sub-group, 2015-2022**



<sup>6</sup> Hence overall, the gender inequality in NEET rates, long present in Portugal, has come down. This is primarily due to the labour market impacts of the COVID-19 pandemic and the extent to which this change is likely to be permanent is discussed further below.

► **Figure 4b: Change in female NEETs by subgroup, 2015-2022**





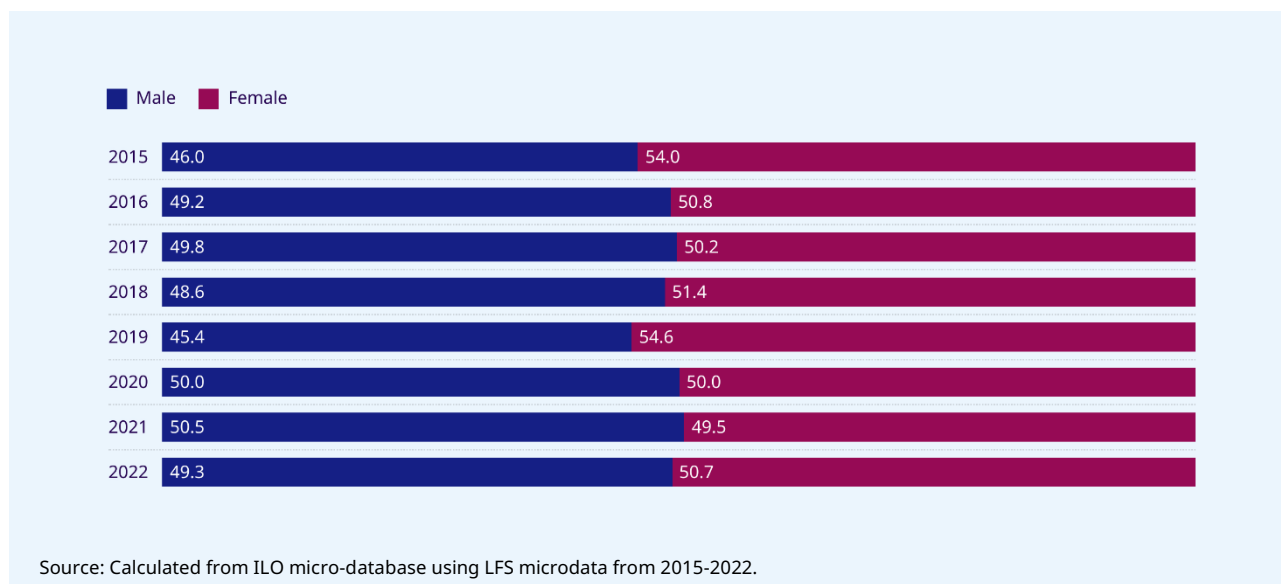
## ► 2. NEET composition 2015-2022

The composition of the young NEET population has changed considerably over the period, influenced between 2015 and 2019 by the general recovery in youth labour markets in the country following the Global Financial and Economic Crisis (GFEC) of 2008-9, as well as possibly by the implementation of the Youth Guarantee in 2014. Between 2019 and 2022, youth labour markets were subject to the further turmoil inflicted by the COVID-19 pandemic and subsequent partial recovery. Young people were especially hard hit by the pandemic throughout the world (ILO, 2021), however, in EU countries, including Portugal, recovery in 2021 and 2022 was relatively swift .

### Gender

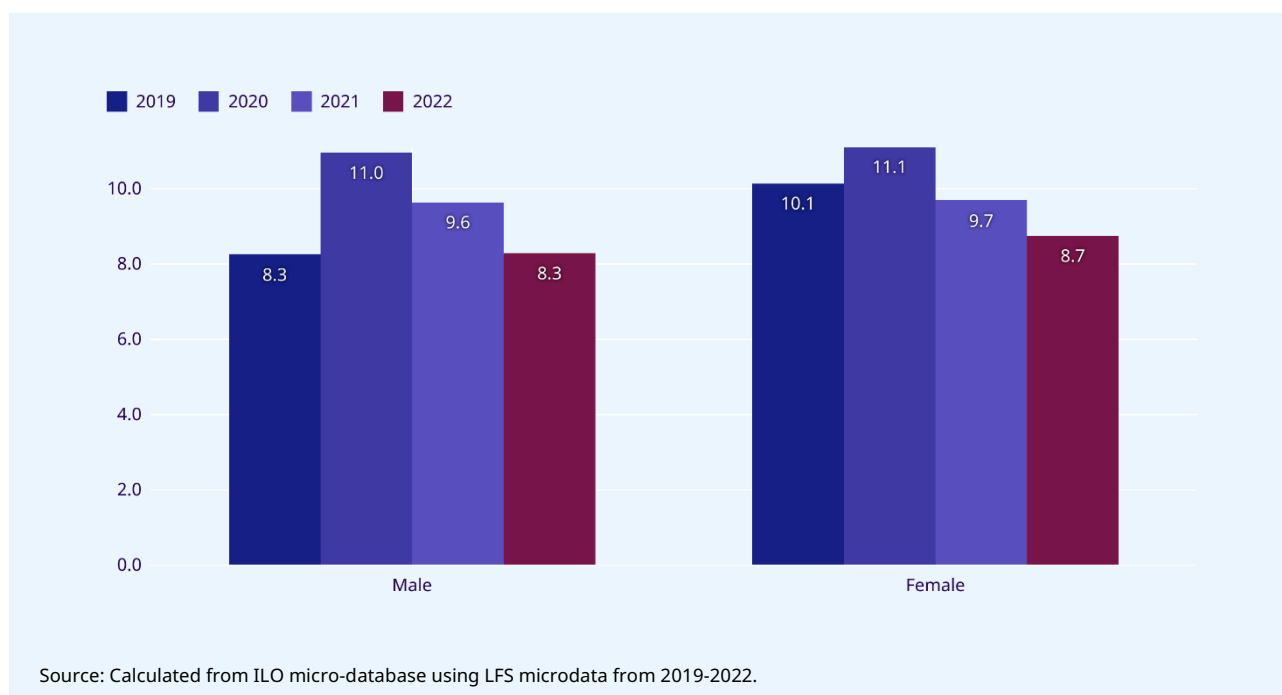
As already noted, the overall gender disparity in NEET rates had disappeared by 2021. This was, however, very much to do with the economic shock associated with the pandemic, which affected employment and NEET rates of young men more than those of young women. Looking more carefully at the gender composition of NEETs over the entire period, one can observe significant variability over time (figure 5). The disparity first fell in 2016 and 2017, before increasing again in 2018 and 2019, and once again disappearing with the onset of COVID-19 in 2020. In 2022 there were some signs of a re-emergence of the gender disparity in NEET rates – with young men at 8.3 per cent and young women at 8.7 per cent in 2022 (figure 6). This trend suggests that, if left unchecked, gender disparities may well increase further. It is notable that while absolute female short-term and long-term unemployment was historically much higher than among males, the absolute numbers of the short-term (25,000) and long-term unemployed (11,900) were by 2022 nearly exactly equal for young women and young men.<sup>7</sup> The re-emerging gender disparities are driven by young NEET women who are outside the labour force, particularly concentrated in the NEET due to family responsibilities group.

► **Figure 5: NEET composition by sex, 2015-2022**



<sup>7</sup> In 2022, there were 25,049 young men in short-term unemployment and 25,050 young women. 11,900 young men and 11,875 young women were in long-term unemployment.

► **Figure 6: NEET rates by sex, 2019-2022**



## Age

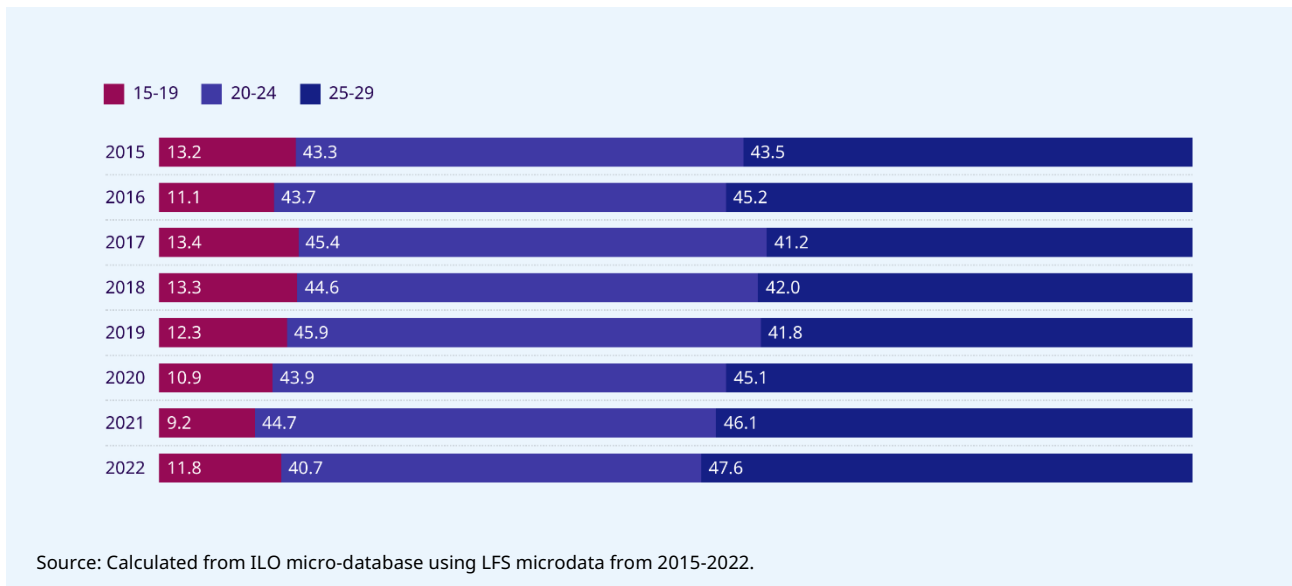
There has also been a significant shift in the age composition of NEETs (figure 7). To some extent, this composition is influenced by demographic factors; that is, variations in the population size of the three age-groups. The significant fall in the teenage (15-19 year old) NEET rate from 5.2 per cent in 2015 to 2.7 per cent in 2021 in part reflects the ongoing longer term, and largely successful, efforts in Portugal to reduce the rates of early school-leaving.<sup>8</sup> The trend was also influenced by an increase in the employment to population ratio (from 5.7 per cent in 2015 to 7.6 per cent in 2019). With the onset of the COVID-19 pandemic (2019-21), there was a marked increase in the participation of young people in education.

Of some concern, however, between 2021 and 2022 there was an increase in both the share and absolute number of NEET teenagers, which increased from 14,600 in 2021 to 16,300 in 2022, reflecting a drop in the share of teenaged youth in education from 93.4 percent to 92.0 percent during the same period.

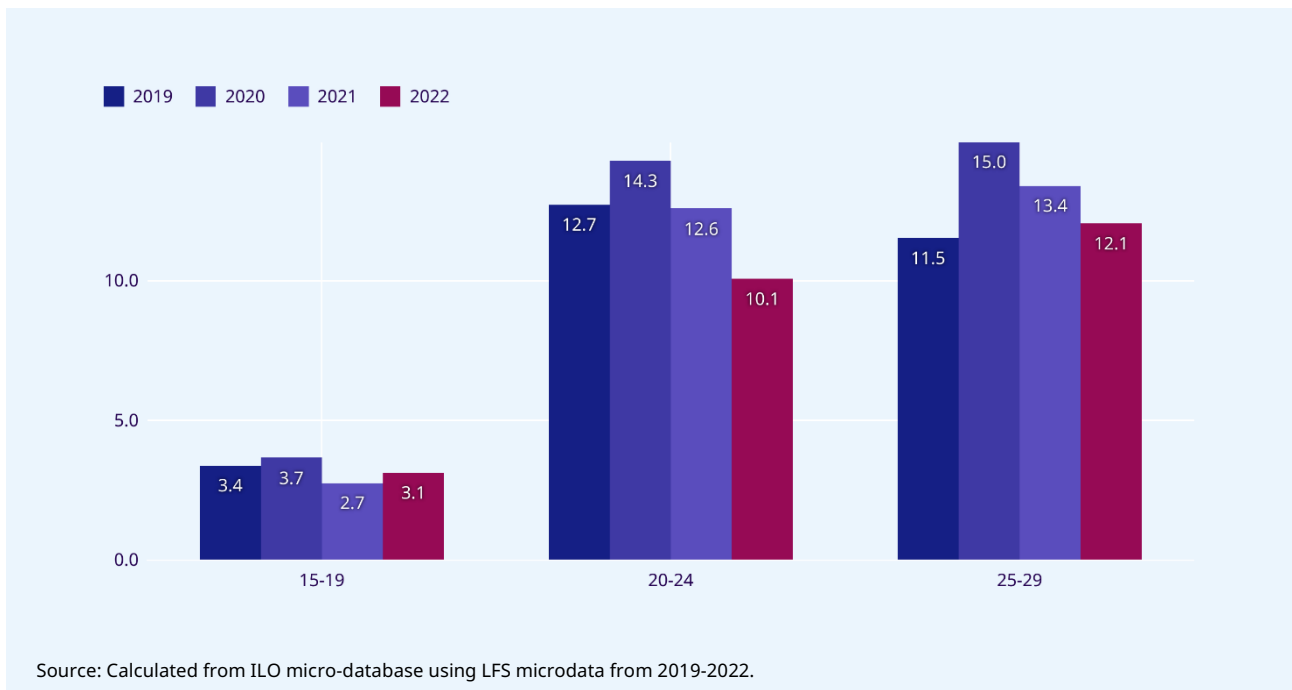
Another significant emergent issue, which did not seem to be disappearing with 'post-pandemic' economic recovery, regards the young adult (25-29) age-group. Young adults had been contracting as a share of NEET between 2016 and 2019, but since the onset of COVID-19, they have become the largest of the three age-groups. Between 2015 and 2019, NEET rates amongst young adults (aged 25-29) was consistently lower than the NEET rates of 20-24 year olds. Since 2020, the situation has reversed. In 2022, the NEET rate of 25-29 year olds was 12.1 per cent compared to 10.1 per cent amongst 20-24 year olds (figure 8).

<sup>8</sup> In Portugal between 2002 and 2021 the rate of school leaving – the share of 18-24 year olds who had completed at most lower secondary education – fell from 45.0 per cent in 2002 to 5.9 per cent in 2021 (Eurostat, <https://ec.europa.eu/eurostat/>). The corresponding change in EU27 countries as a whole was from 16.9 per cent in 2002 to 9.7 per cent in 2021.

► **Figure 7: NEET composition by age, 2015-2022**



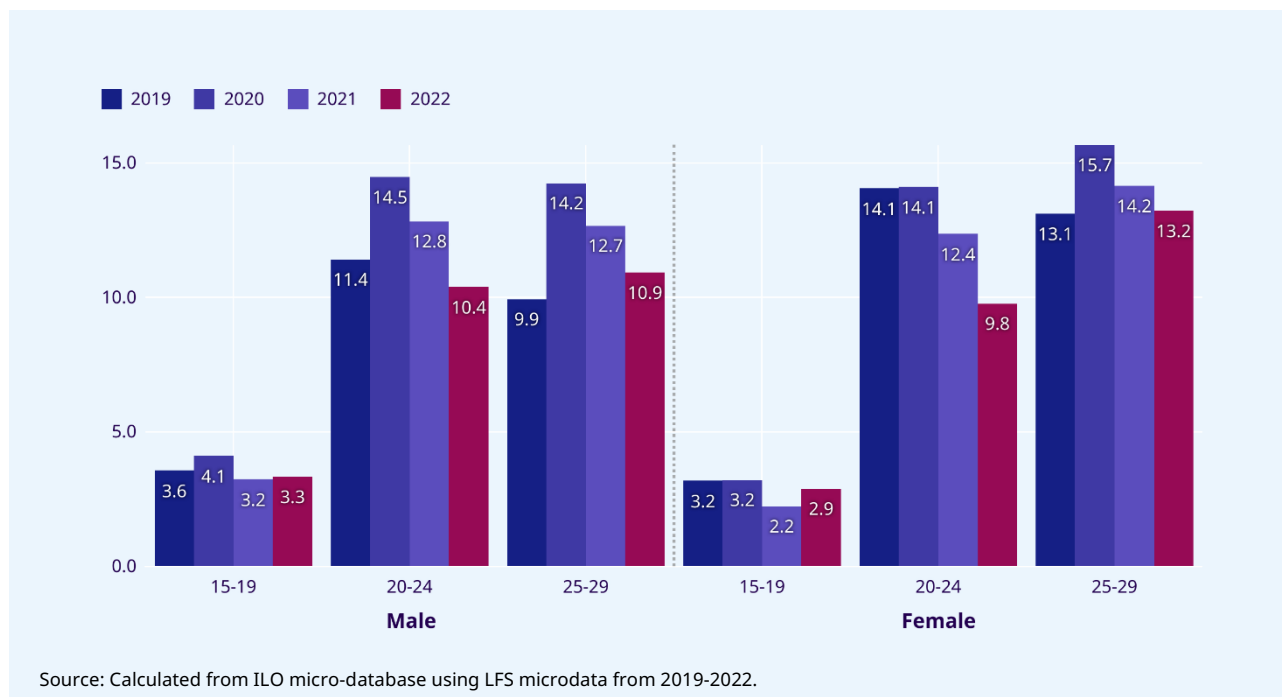
► **Figure 8: NEET rates by age, 2019-2022**



Although the reduction of NEET rates has continued into 2022 for both age-groups, this reduction has been significantly larger amongst 20-24 year olds than amongst 25-29 year olds, such that in 2022 we observe a widening of the gap in NEET rates between 20-24 year olds and 25-29 year olds.

Looking at the situation by age and sex, it is clear that it is young women aged 25-29 who are bearing the brunt of these negative changes. The NEET rate among young women aged 25-29 is 13.2, compared to 10.9 for their 25-29 year old male counterparts (figure 9).

► Figure 9: NEET rates by age group and gender, 2019-2022

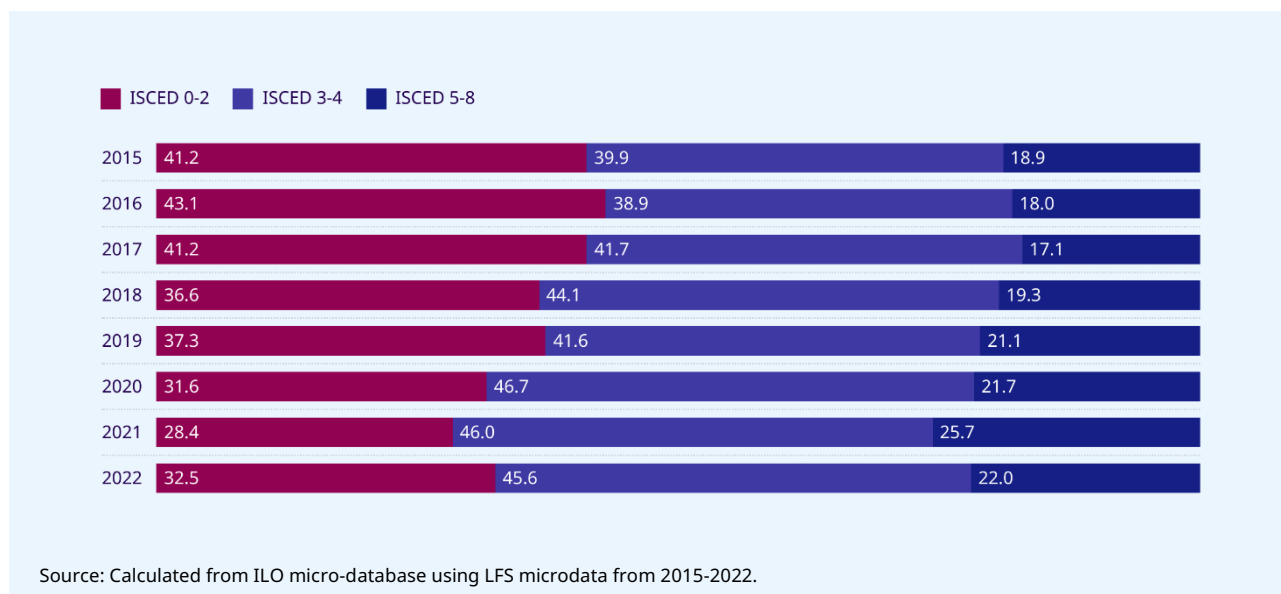


## Educational Attainment

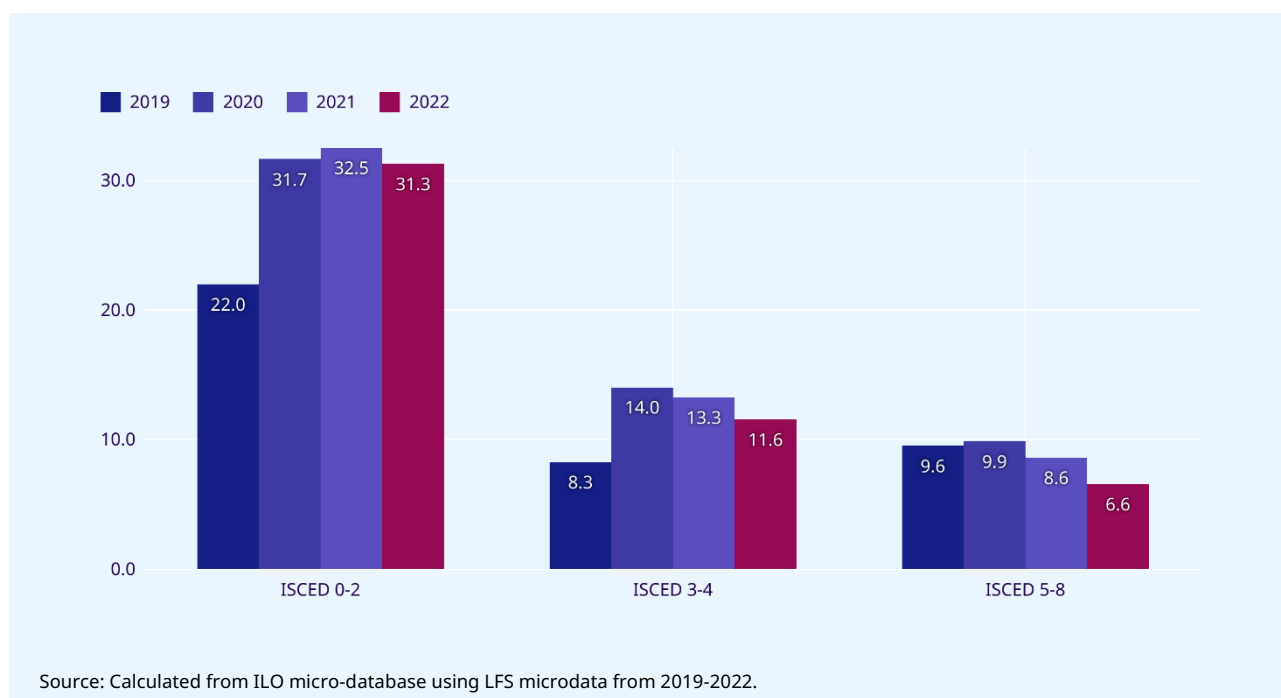
Another key characteristic for identifying appropriate targeting of NEET youth is educational attainment. Here the distinction between NEET composition and NEET rates becomes even more significant. Between 2015 and 2021 the share of the least educated – young people attaining ISCED levels 0-2 – amongst young NEETs contracted significantly, from 41.2 per cent in 2015 to 28.4 per cent in 2021 before increasing again to 32.5 per cent in 2022 (figure 10). However, the absolute number of NEETs with ISCED 0-2 levels of education remained relatively constant, at around 45,000. The falling share reflects the sharp decline in the share of young people as a whole who attain only low levels of education. Notable too, the share of NEETs with ISCED 5-8 levels of education, despite their increased share in the youth population, reduced from 25.7 to 22.0; in absolute terms, a decrease of around 10,200 highly educated NEETs between 2021 and 2022.

The NEET **rate**, the share of young people who are NEET, gives a very different picture. The NEET rate by educational attainment provides an indication of the likelihood of young people of differing levels of educational attainment being NEET. Some care is needed. In order to get a meaningful comparison, it is best to limit attention to older young people (aged 25-29). At lower ages many young people are still in (secondary or tertiary) education and hence comparing NEET rates by educational attainment for 15-24 year olds can be misleading. Examination of NEET rates for young people aged 25-29 shows that, while the least educated comprise a continually declining share of NEETs over time, the likelihood of being NEET is much larger amongst this group than it is for young adults with higher levels of educational attainment (figure 11).

► **Figure 10: NEET composition by education level, 2015-2022**



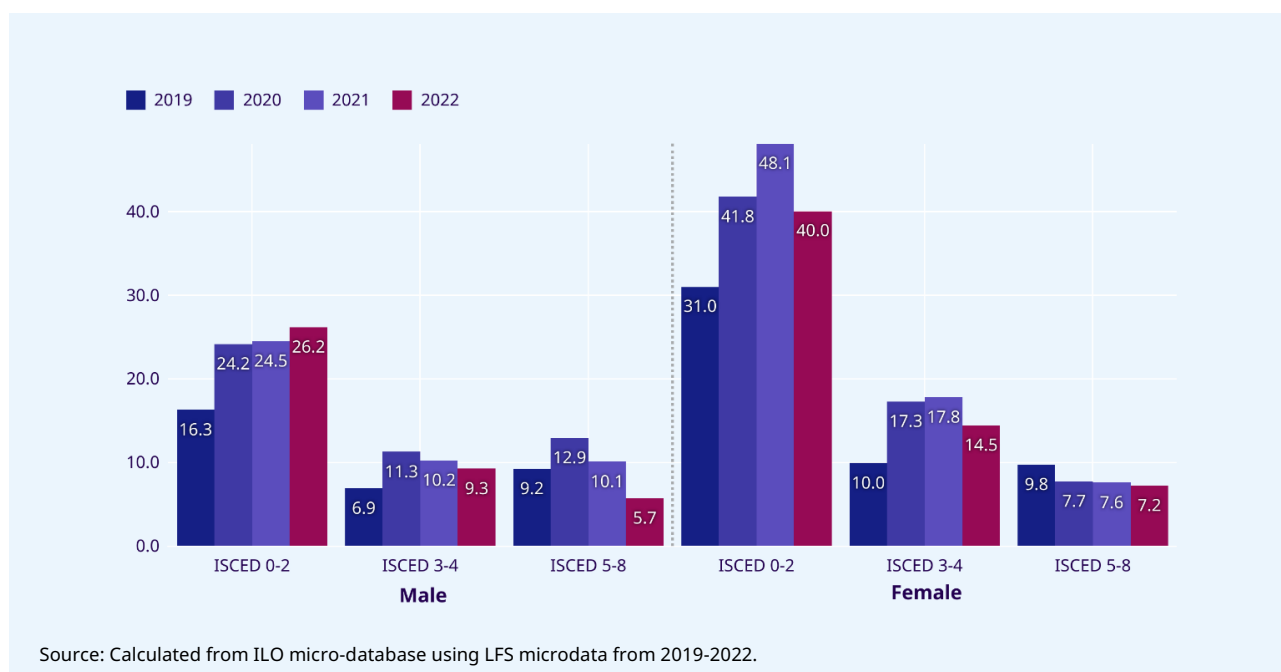
► **Figure 11: NEET rates of young people aged 25-29 by education level, 2019-2022**



Even prior to the onset of the pandemic, the least educated young adults were more than twice as likely to be NEET than those with higher levels of education. In 2019, young people with educational attainment of ISCED levels 0-2 had a NEET rate of 22.0 per cent compared to 8.3 per cent (ISCED levels 3-4) and 9.6 per cent (ISCED levels 5-8). The pandemic led to an especially large increase in NEET rates amongst the least educated and, in contrast to young people with higher levels of education, this continued to increase also in 2021. Although the NEET rate of this group came down slightly to 31.3 per cent in 2022, it remains well above the pre-COVID-19 rate of 22.0.

Looking at the evolution during the pandemic of the NEET rates of 25-29 year olds by sex, one can observe that, again, it is the least educated women aged 25-29 who are facing the greatest difficulties (figure 12).

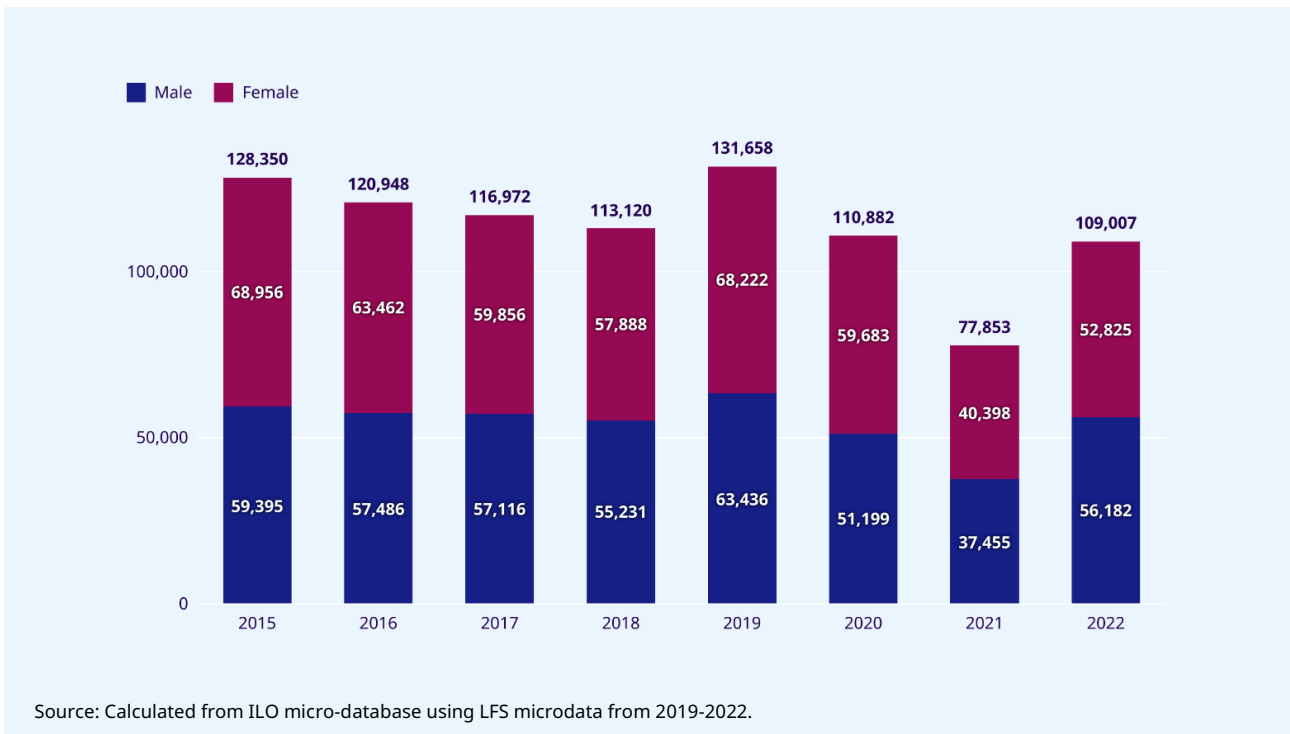
► **Figure 12: NEET rates of young people aged 25-29 by education level and gender, 2019-2022**



## Migrant status

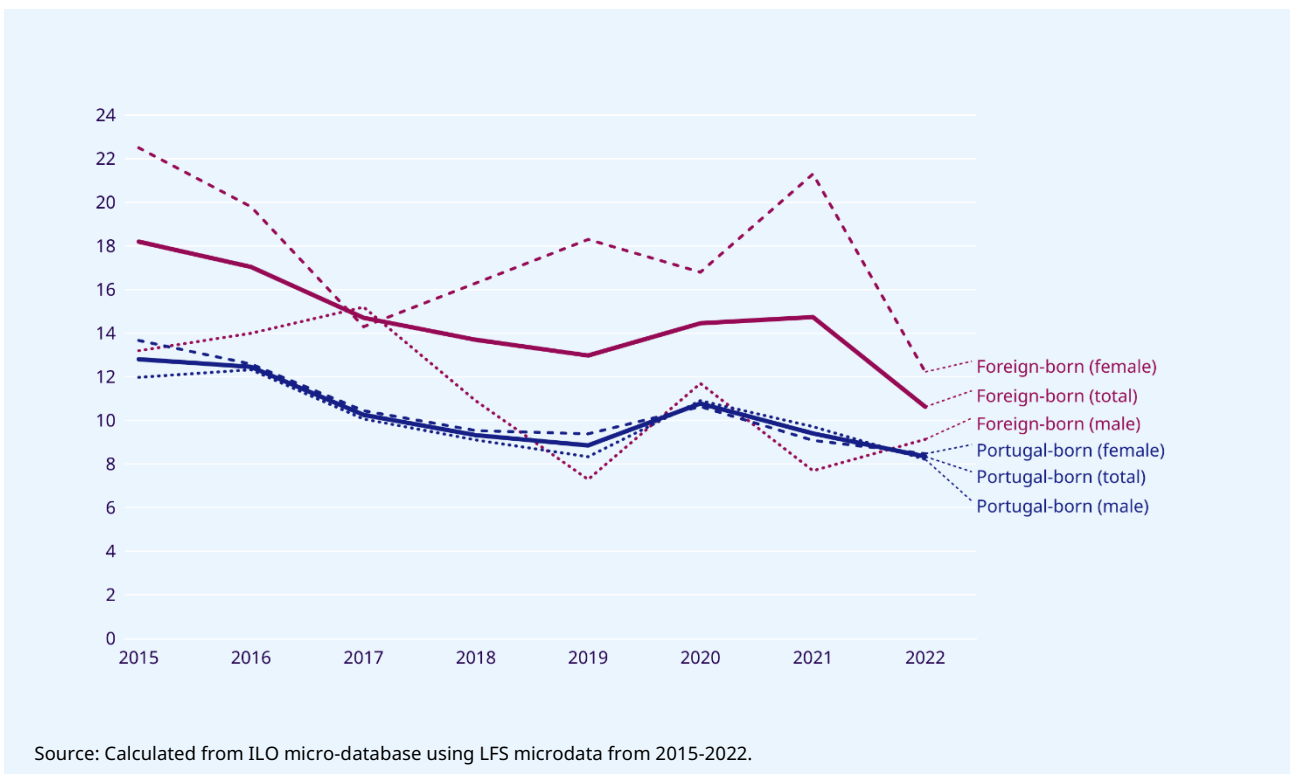
Migrant youth, here identified as young people born outside of Portugal, have quite different characteristics to Portuguese-born youth. The size of the foreign-born youth population varied significantly between 2015 and 2022, although much of this variation is attributable to the COVID-19 pandemic (figure 13). Between 2015 and 2018 there was a gradual reduction in the numbers of foreign-born young people, with an especially strong reduction in the numbers of young foreign-born women. This was reversed in 2019, again with a particularly large increase in young foreign-born women. However, with the onset of the pandemic in 2020, the numbers of foreign-born youth dropped sharply by over 20,000. This decline continued into 2021, so that the share of the foreign-born youth population fell from around 10 per cent of the youth population in Portugal in 2015 (ILO, 2015) to around 7 per cent in 2021, primarily during the period 2019-2021. The number of foreign-born young people again increased in 2022, with this group now reflecting a majority share of male youth while it was previously female-dominated.

► **Figure 13: Young people born outside of Portugal by gender, 2015-2022**



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► **Figure 14: NEET rates by country of birth and gender, 2015-2022**

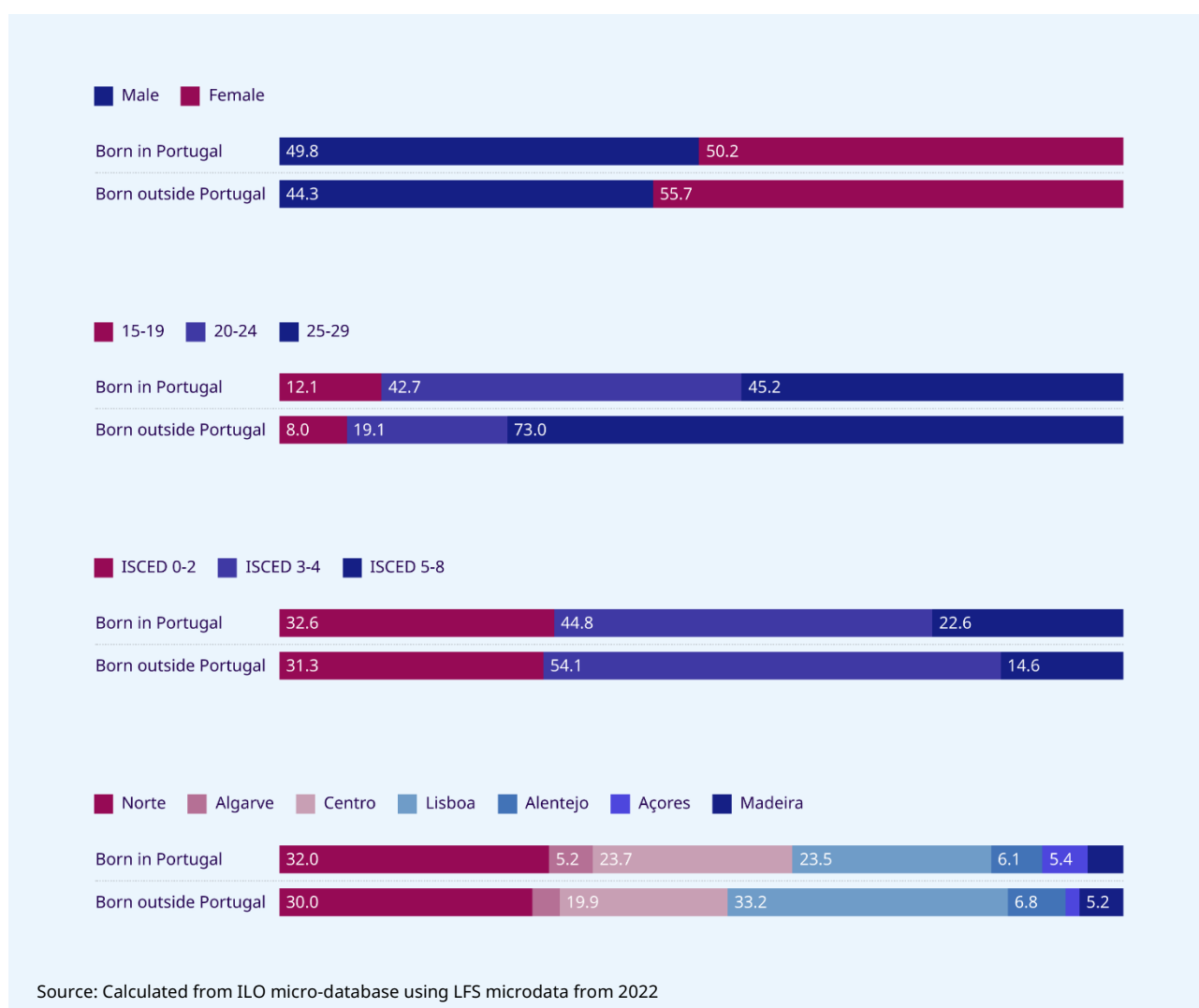


Throughout the period, NEET rates for young people born outside the country have been higher than those of native-born young people (figure 14). This is primarily due to the high NEET rates of young foreign-born women. The pandemic-related increase in NEET rates amongst young migrants was more moderate than for native-born young people, and amongst young migrant women NEET rates actually fell between 2019 and 2020, plausibly

because the regulation of labour markets occurred primarily through pandemic-related restricted entry to and exit from Portugal. The NEET rates of foreign-born youth continued to increase rather than decrease in 2021, although in 2022 there had been a visible recovery in NEET rates amongst foreign-born young people. NEET rates among foreign-born youth reached their lowest point in 2022, driven by a sharp decrease in the NEET rates of young foreign-born women. The gap between foreign-born NEET rates and Portugal-born NEET rates also reached its lowest level in 2022.

Young foreign-born NEETs have rather different characteristics to Portuguese-born youth, largely reflecting their differing population demographics (figure 15). One exception is that young foreign-born NEETs are more likely to be female; as noted, this is not true amongst foreign-born youth as a whole. More closely related to their demographics, foreign-born NEETs are older, and compared to their native-born colleagues, a larger share of them have attained ISCED 3-4 levels of education (with correspondingly smaller shares having the lowest and highest levels of education). The geographical dispersion of foreign-born NEETs is also different with an especially large concentration in the Lisbon area and smaller shares in the island regions. Again, this largely reflects the geographical distribution of young foreign-born youth as a whole.

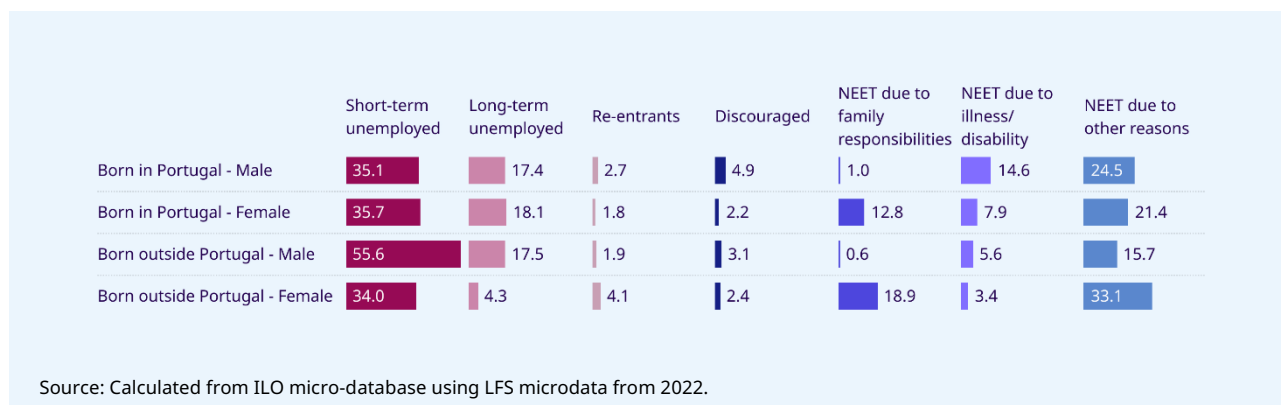
► **Figure 15: Characteristics of NEETs aged 15-29 born inside and outside of Portugal, 2022**



Notable is the fact that some of these characteristics, such as the smaller share of young people with low levels of educational attainment (ISCED 0-2) and the geographical dispersion of migrant youth, are associated with lower NEET rates in the population as a whole, suggesting that the higher NEET rates observable amongst foreign-born youth have to do with significant additional barriers faced specifically by foreign-born youth in accessing the Portuguese labour market.

The distribution of foreign-born youth across NEET sub-groups is also different to that observable amongst young people born in the country (figure 16). Foreign-born men are more likely to be active NEETs than Portuguese-born youth. Amongst young foreign-born women, a relatively small share are long-term unemployed (4.3 per cent) and a large share are NEET due to family responsibilities (18.9 per cent) compared to young NEETs born in Portugal. There are relatively few discouraged NEETs amongst their numbers, and relatively few are NEET due to illness or disability. Finally, amongst young foreign-born women, a substantial proportion of NEETs fall into the residual 'other' category. This too would be worthy of further investigation.

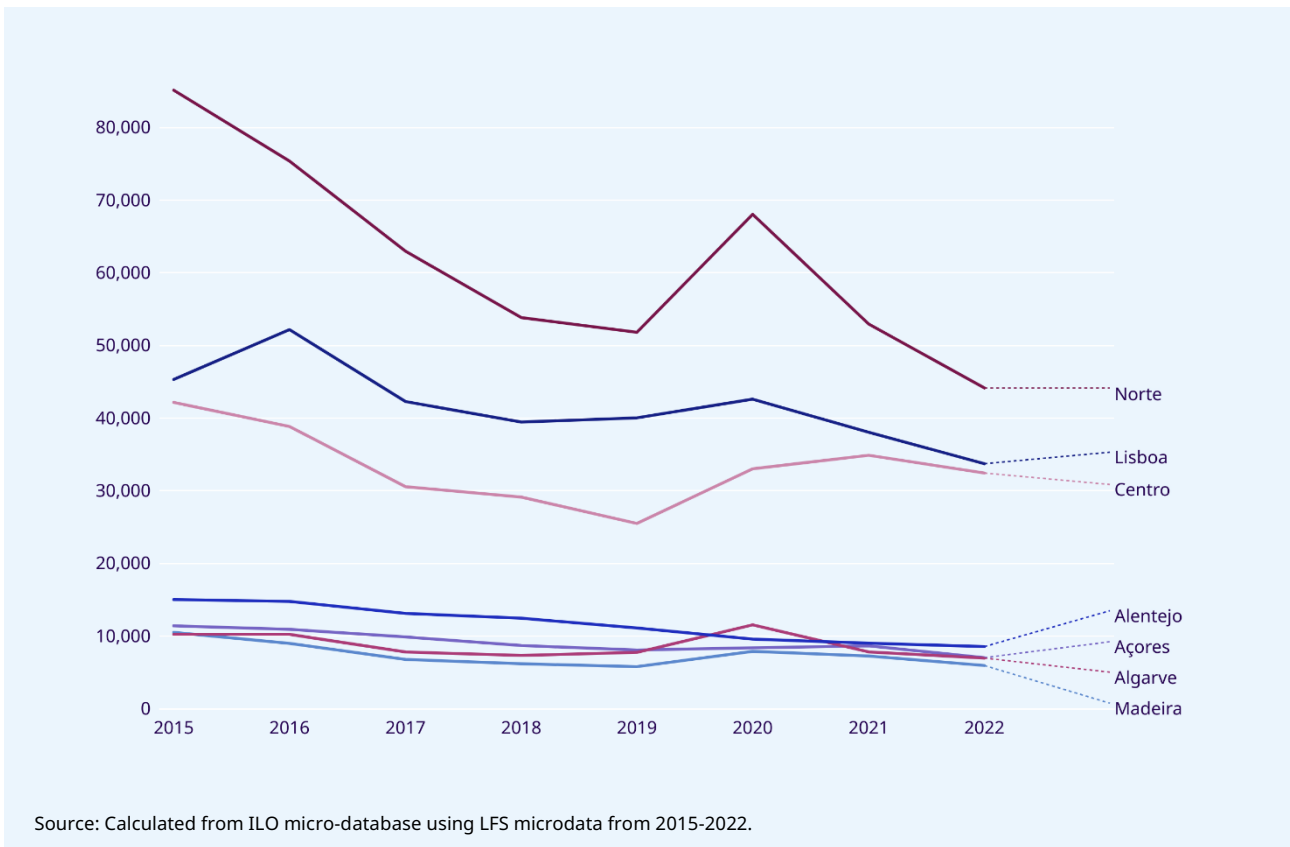
► **Figure 16: NEET sub-groups by sex and country of birth, 2022**



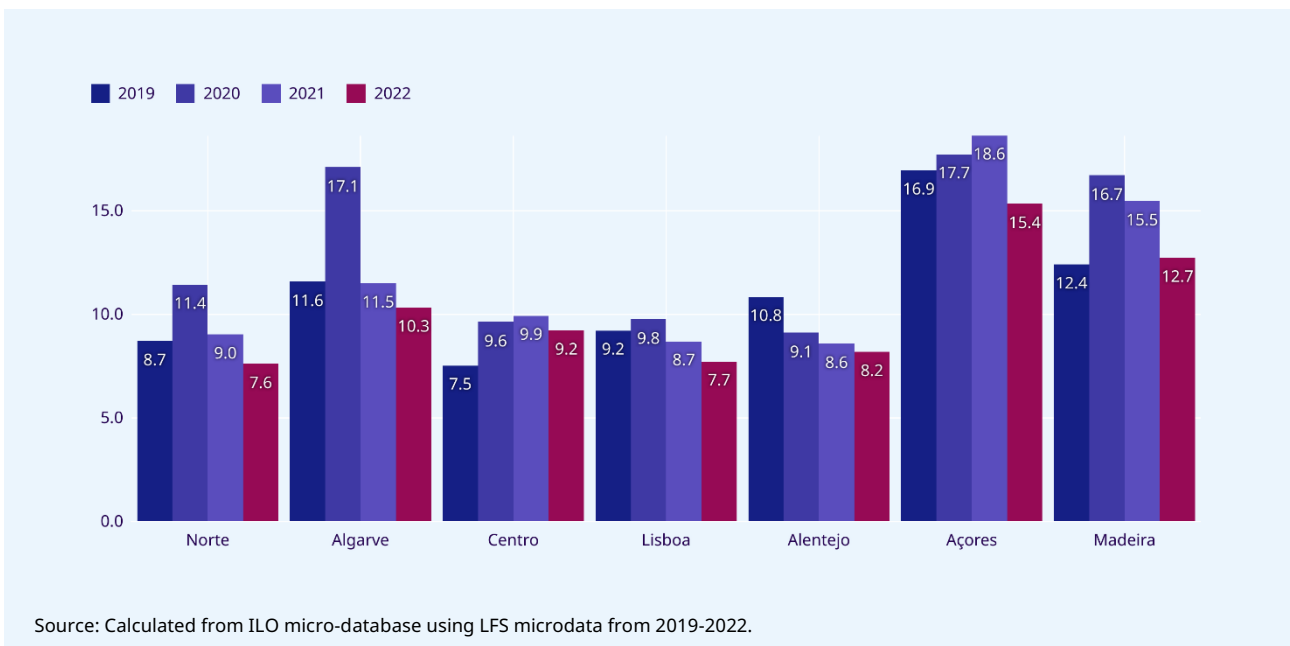
## Region

Another characteristic which is of key importance in informing the implementation of the Youth Guarantee concerns the regional distribution of NEET youth and of NEET rates. Young NEETs are not evenly distributed across the seven Portuguese regions, nor are the changes over time the same across regions (figure 17). This of course depends in part on demographics – the size of youth populations in the regions – but also on the employment effects of the pandemic and the response to it. The Northern region has by far the largest number of NEETs, but more significantly it also saw the largest percentage increase in NEETs (31.6 per cent) in 2020 of all the regions except Madeira (36.1 per cent). A number of regions – most notably Lisbon – have witnessed a progressive reduction in the number of NEET youth with a relatively minor increase in 2020, whilst others – the Central region in particular – experienced an increase in 2020, which continued into 2021 before dropping again slightly in 2022.

► **Figure 17: NEET by region, 2015-2022**



► **Figure 18: NEET rates by region, 2019-2022**



Looking at NEET rates for 2019-2022 one obtains a different and complementary picture (figure 18). The highest NEET rates are to be found in the island groups, Açores and Madeira - understandable in part given the effects of the pandemic on tourism. NEET rates remain high in these two regions in 2022. In the Central region too, along with Madeira, the NEET rate had not recovered to the level observed pre-COVID-19 in 2022.

## Determinants of NEET status

One can take the descriptive analysis a step further by analysing the factors associated with NEET status – as well as its sub-groups – in more formal statistical models. Table 1 reports the results of estimating the probability of being NEET as opposed to not-NEET in 2022, taking into consideration various factors including those explicitly examined above. The table reports marginal effects; that is, the percentage point (p.p.) change in the probability of being NEET associated with the specific characteristic (compared with the base characteristic).<sup>9</sup> For example, in 2022 young men aged 25-29 have a probability of being NEET which is 13 p.p. higher than that of teenagers, down from the 17 p.p. difference observable in 2015.

The analysis largely confirms the above descriptive findings with some additional nuance and also includes the role of work experience. First, controlling for differences in other characteristics, the probability of being NEET increases more with age amongst young women than young men but, for both sexes, this age disparity has reduced slightly over time. On the other hand, the disadvantage of having lower levels of educational attainment has increased over time amongst young women creating a gender disparity also here. It is important to observe that the effect of educational attainment in reducing NEET rates dominates the negative effect of age. That is, young adults (aged 25-29), and especially young adult women, with low levels of education (ISCED 0-2) are much more likely to be NEET than their counterparts with either secondary or tertiary education (see appendix table A1 which reports a probit model including an interaction between age and educational attainment). This is an issue of some concern in as much as a substantial share of young NEETs (18.7 per cent of young male NEETs and 16.2 per cent of young female NEETs) are low educated young adults.

In contrast, the relative disadvantage – in terms of NEET rates – of being foreign-born has increased for men but not women. The model also makes clear that having some previous work experience is a major factor in improving employment chances and reduces the likelihood of being NEET by 8 p.p. for young men and 5 p.p. for young women in 2022; whereas the advantage accruing to those with work experience had been equal at 7 p.p. between young women and men in 2015.

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<sup>9</sup> Evaluated at the mean probability of being NEET. Effects which are statistically significant at  $p < .05$  are reported in **bold**.

► **Table 1: Probability of being NEET by Gender, 2015 and 2022 (marginal effects)**

Independent variables	2015		2022	
	Male	Female	Male	Female
<i>Age group</i>				
15 - 19	(base)		(base)	
20 - 24	<b>0.15</b>	<b>0.16</b>	<b>0.09</b>	<b>0.09</b>
25 - 29	<b>0.17</b>	<b>0.20</b>	<b>0.13</b>	<b>0.15</b>
<i>Education level</i>				
ISCED 0 - 2	(base)		(base)	
ISCED 3 - 4	<b>-0.04</b>	<b>-0.04</b>	<b>-0.05</b>	<b>-0.08</b>
ISCED 5 - 8	<b>-0.06</b>	<b>-0.06</b>	<b>-0.09</b>	<b>-0.11</b>
<i>Previous experience</i>				
No previous work experience	(base)		(base)	
Previous work experience	<b>-0.07</b>	<b>-0.08</b>	<b>-0.07</b>	<b>-0.05</b>
<i>Regions</i>				
Norte	(base)		(base)	
Algarve	<b>0.03</b>	0.00	<b>0.03</b>	<b>0.02</b>
Centro	<b>-0.02</b>	<b>-0.01</b>	<b>-0.01</b>	<b>0.03</b>
Lisbon	<b>-0.03</b>	<b>-0.01</b>	<b>-0.01</b>	<b>0.01</b>
Alentejo	<b>-0.01</b>	<b>-0.01</b>	<b>0.00</b>	<b>0.01</b>
Açores	<b>0.09</b>	<b>0.05</b>	<b>0.05</b>	<b>0.06</b>
Maderia	<b>0.08</b>	<b>0.04</b>	<b>0.01</b>	<b>0.06</b>
<i>Place of birth</i>				
Born in Portugal	(base)		(base)	
Born outside Portugal	<b>0.01</b>	<b>0.08</b>	<b>0.01</b>	<b>0.01</b>

Source: Estimations based on the ILO micro-database using LFS microdata from 2015 and 2022.

## Determinants of NEET sub-group membership

It is useful also to implement a multinomial logit model of NEET sub-group status to assess the extent to which specific characteristics, such as age, sex and educational attainment influence the sorting of young people into different types of NEET. We already saw that controlling for other characteristics through a probit model of the determinants of NEET status adds to the purely descriptive analysis reported above. In the same fashion, the

multinomial logit model permits an examination of the factors related to NEET sub-group membership and how these vary across individual characteristics (table 2).<sup>10</sup>

The results confirm the preceding narrative in this regard, but also add to it. Some specifics are worth emphasising. The results confirm the high relative probability of young women being NEET due to family responsibilities, but also the slightly lower relative probability of young women (compared to young men) of being long-term unemployed or discouraged. The results also add emphasis to the fact that increasing age is strongly associated with being in long-term unemployment, being NEET due to illness or disability, or being NEET due to family responsibilities. Age is also positively associated, albeit to a lesser extent, with being discouraged. In the opposite direction, higher educational attainment reduces the relative probability of being in long-term unemployment, being NEET due to family responsibilities or due to illness or disability. Taking together the two influences of age and educational attainment, it is important to observe that the concentration of young adult (aged 25-29) NEETs in long-term unemployment or NEET due to family responsibilities is not lessened by higher educational attainment (see appendix table A2 which reports the multinomial model logit model of NEET sub-group membership including the interaction between age and educational attainment). That is, although young adults with secondary and tertiary education are much less likely to be NEET than their less educated counterparts, if they are NEET, then higher educational attainment does not necessarily protect them from finding themselves in one of the more intractable NEET sub-groups.

In contrast, as well as being less likely to be NEET, Young NEETs who have previous work experience are also more likely to find themselves in short-term unemployment as opposed to the other sub-categories of NEET.

Focusing on regional variation, young NEETs in the Açores, Algarve and in the Central region are especially likely to find themselves in some of the more persistent forms of NEET, albeit to varying degrees. Young NEETs in the Açores are more likely (compared to the Northern region) to be such as the long-term unemployed, the discouraged, or to be NEET due to family responsibilities; in the Algarve, there is a relatively high likelihood of being NEET due to family responsibilities or to disability or illness; whilst, in the Central region, the highest relative probabilities are associated with long-term unemployment and (again) family responsibilities. As regards migrants, the pattern is rather different. Controlling for all other factors, foreign-born youth are more likely to find themselves in short-term unemployment or as re-entrants, but they are much less likely than their Portuguese-born counterparts to be long-term unemployed, discouraged, or NEET due to illness or disability. This last point is significant. We already saw that foreign-born youth are not, on average, more likely than Portuguese-born youth to possess characteristics which in themselves are associated with a higher likelihood of being NEET such as low educational attainment; here we find that foreign-born youth are less, rather than more, likely to find themselves in less tractable NEET sub-groups. This serves to emphasise the fact that such young people face additional barriers in accessing decent work compared to their Portuguese-born counterparts which are not captured here.

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<sup>10</sup> Analogously to the probit model results reported in table 1 above, in table 2 we report the estimated average marginal effects for the multinomial logit model. These show the percentage point change in the probability of belonging to the specific NEET sub-group associated with a change in one of the individual characteristics, such as the young person's age, compared to its base category. Thus, for example, the results show that, holding other individual characteristics constant, the relative probability of being in long-term unemployment is four p.p. lower for young women than young men. Note that by construction, the sum of the relative probabilities associated with being female (or indeed any individual characteristic) is 0. Thus, this specific result is driven by the high relative probability of young women being NEET due to family responsibilities.

► **Table 2: Multinomial logit model of the determinants of membership of different NEET sub-groups, 2022 (Average marginal effects)**

	Short-term unemployment	Long-term unemployment	Re-entrants	Discouraged	NEET due to family responsibilities	NEET due to illness/disability	NEET due to other reasons
<i>Gender</i>							
Male	(base)	(base)	(base)	(base)	(base)	(base)	(base)
Female	<b>-0.04</b>	0.00	<b>-0.01</b>	<b>-0.02</b>	<b>0.13</b>	<b>-0.04</b>	<b>-0.02</b>
<i>Age group</i>							
15 - 19	(base)	(base)	(base)	(base)	(base)	(base)	(base)
20 - 24	<b>-0.16</b>	<b>0.14</b>	<b>-0.04</b>	<b>0.02</b>	<b>0.03</b>	<b>0.01</b>	<b>-0.01</b>
25 - 29	<b>-0.30</b>	<b>0.20</b>	<b>-0.05</b>	<b>0.02</b>	<b>0.11</b>	<b>0.11</b>	<b>-0.09</b>
<i>Education level</i>							
ISCED 0-2	(base)	(base)	(base)	(base)	(base)	(base)	(base)
ISCED 3-4	<b>0.03</b>	<b>-0.04</b>	<b>0.01</b>	<b>-0.01</b>	<b>-0.03</b>	<b>-0.08</b>	<b>0.11</b>
ISCED 5-8	<b>0.22</b>	<b>-0.09</b>	<b>0.02</b>	<b>-0.02</b>	<b>-0.09</b>	<b>-0.14</b>	<b>0.09</b>
<i>Previous experience</i>							
No previous work experience	(base)	(base)	(base)	(base)	(base)	(base)	(base)
Previous work experience	<b>0.25</b>	<b>-0.03</b>	<b>0.02</b>	<b>-0.02</b>	<b>-0.02</b>	<b>-0.16</b>	<b>-0.04</b>
<i>Regions</i>							
Norte	(base)	(base)	(base)	(base)	(base)	(base)	(base)
Algarve	<b>-0.14</b>	<b>-0.02</b>	<b>-0.01</b>	<b>-0.02</b>	<b>0.08</b>	<b>0.05</b>	<b>0.07</b>
Centro	0.00	<b>0.04</b>	<b>-0.01</b>	<b>-0.07</b>	<b>0.03</b>	<b>-0.01</b>	<b>0.02</b>
Lisbon	<b>0.03</b>	<b>-0.04</b>	<b>-0.01</b>	<b>0.00</b>	<b>-0.01</b>	0.00	<b>0.02</b>
Alentejo	<b>0.03</b>	<b>-0.06</b>	<b>-0.01</b>	<b>0.01</b>	0.00	<b>-0.01</b>	<b>0.05</b>
Açores	<b>-0.14</b>	<b>-0.04</b>	<b>-0.03</b>	<b>0.05</b>	<b>0.06</b>	<b>-0.04</b>	<b>0.13</b>
Maderia	<b>-0.05</b>	0.00	<b>-0.01</b>	<b>0.01</b>	-0.01	<b>0.01</b>	<b>0.03</b>
<i>Place of birth</i>							
Born in Portugal	(base)	(base)	(base)	(base)	(base)	(base)	(base)
Born outside Portugal	<b>0.08</b>	<b>-0.09</b>	<b>0.01</b>	<b>-0.01</b>	0.00	<b>-0.05</b>	<b>0.05</b>

Source: Estimations based on the ILO micro-database using LFS microdata from 2022.

Note: the results are reported as average marginal effects. See also note 10 in the text.

**Key points:**

From the above several findings emerge that are relevant to the development of the Youth Guarantee in Portugal in general, but also more specifically with respect to the further development of the outreach strategy.

- Recent years have seen the emergence of older youth aged 25-29 as a group with specific difficulties in accessing the labour market
- The situation of less educated (ISCED 0-2) young people, and especially young women, has also deteriorated

- Taken together, it is clear that there needs to be a greater focus on this older youth group within the Youth Guarantee
- At least until 2021, there has been a reduction in the disparity of NEET rates between young women and young men. However, the gender disparity in NEET rates appears to be re-emerging with recovery in 2022, suggesting that the equalisation of rates was a temporary phenomenon associated with the short-term economic shock of the pandemic.



### ► 3. Vulnerability of NEETs

One reason to be especially concerned about NEETs is the association between NEET status and social exclusion. Three indicators of vulnerability are employed by Eurostat to identify those 'at risk of poverty or social exclusion' (AROPE) and comprise (young) people who are either at risk of poverty, or severely materially and socially deprived, or living in a household with a very low work intensity (box 2).

► **Box 2: At risk of poverty or social exclusion**

**Individuals are considered at risk of poverty or social exclusion (AROPE) if they meet one or more of the following three criteria:**

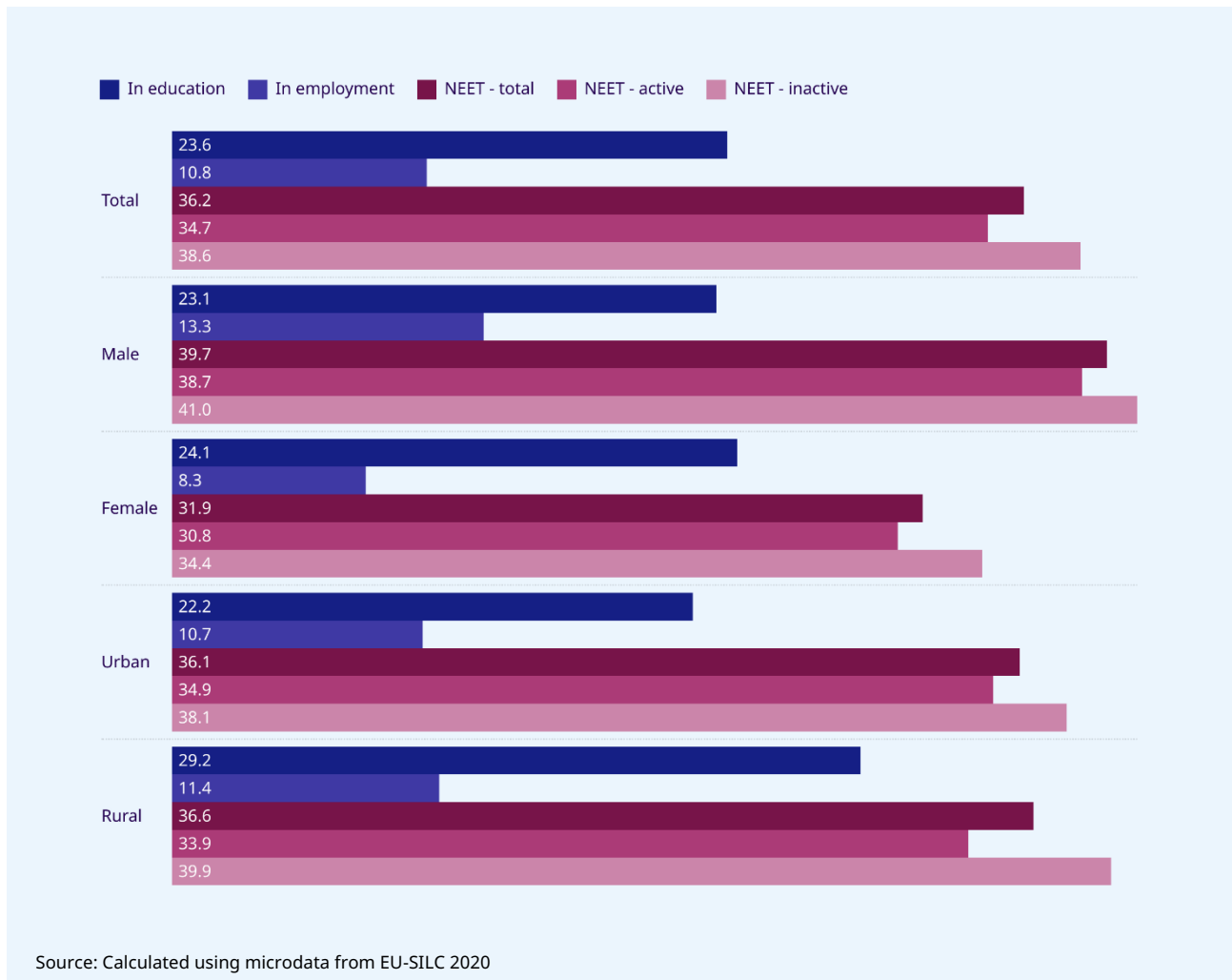
- |            |   |   |
|------------|---|---|
| <b>i</b>   | <b>At risk of poverty</b>                     | as indicated by disposable income under the at risk of poverty threshold, which is set at 60 % of the national median equivalised disposable income after social transfers  |
| <b>ii</b>  | <b>Severe material and social deprivation</b> | as gauged by ability to afford a set of material items or social activities. Individuals cannot afford at least seven out of thirteen deprivation items (six related to the individual and seven related to the household) that are considered by most people to be desirable or even necessary to lead an adequate quality of life |
| <b>iii</b> | <b>Low work intensity</b>                     | as indicated by living in households where adults worked equal to or less than 20 % of their total combined work-time potential during the previous twelve months.  |

At risk of poverty or social exclusion (AROPE) is a main indicator for the EU 2030 target on poverty and social exclusion and is defined by Eurostat. See Eurostat's living conditions glossary for more information.

Young NEETs are much more likely than those in education or employment to satisfy at least one of these criteria and hence be considered at risk (figure 19). One might also observe that inactive NEETs are slightly more at risk than active NEETs; that somewhat surprisingly male NEETs are more at risk than female NEETs; and, that rural NEETs, especially rural inactive NEETs, are more at risk than urban ones.<sup>11</sup>

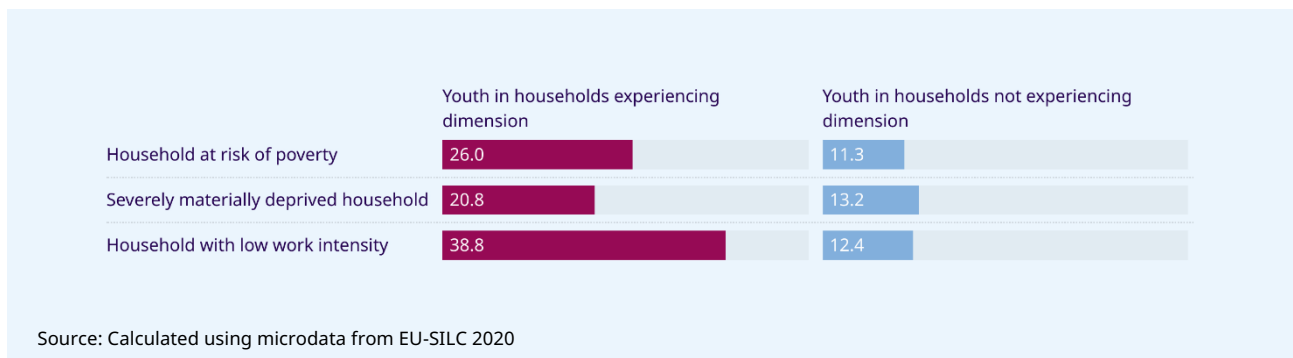
<sup>11</sup> It would also be useful and informative to look at the regional picture, however this is not possible with the EU-SILC micro-data used to recover the AROPE statistics. PES monitoring data could throw some useful light on this.

► **Figure 19: Share of at risk of poverty or social exclusion by activity status, 2020**



The strong association between risks of poverty or social exclusion and NEET is also confirmed by the NEET rates of young people living in households experiencing the different dimensions of vulnerability (figure 20). NEET rates are roughly twice as high for young people living in poorer households whether defined by household income (at risk of poverty) or severe material deprivation, and are over three times as high in very low work intensity households, reflecting the polarisation of work found in many European countries.

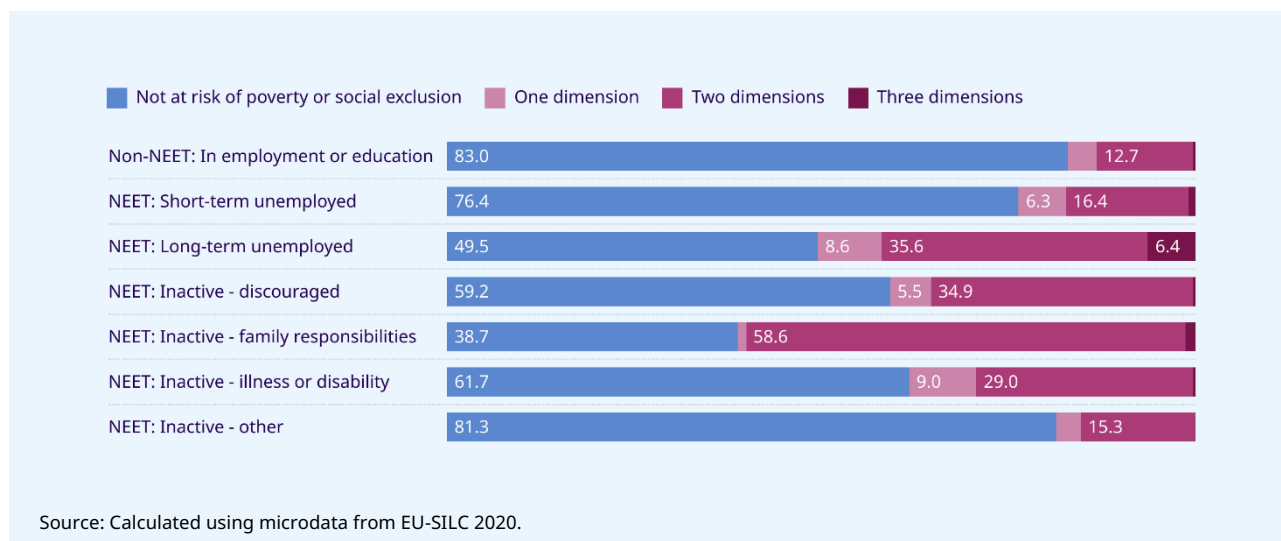
► **Figure 20: NEET rates by indicators of youth at risk of poverty or social exclusion, 2020**



The heterogeneity of NEETs is also reflected in AROPE; some sub-groups of NEETs are more likely than others to fall into the at-risk category. Analysis of NEET sub-groups also allows us to add further detail to the picture emerging above. In particular, the majority of long-term unemployed NEETs as well as NEETs due to family responsibilities

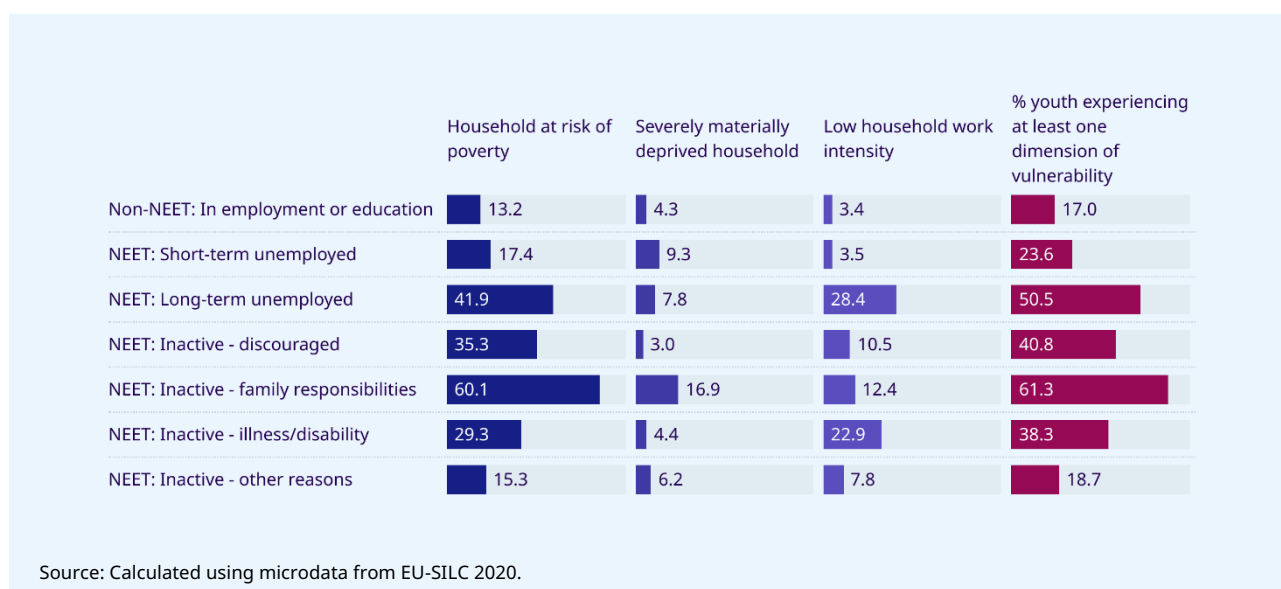
are at risk of poverty or social exclusion (figure 21). Also, the discouraged and those with illness or disability have high rates of risk, whereas young NEETs in the 'other reasons' category and the short-term unemployed have AROPE rates which are nearly comparable to non-NEETs. This emphasises the importance of focussing attention on these higher risk groups and indeed serves to reinforce the basic philosophy of the Youth Guarantee which seeks to ensure that young people are provided with a quality offer of employment, education or training before they become long-term NEETs.

► **Figure 21: Share of young people experiencing dimensions of poverty or social exclusion by NEET subgroup**



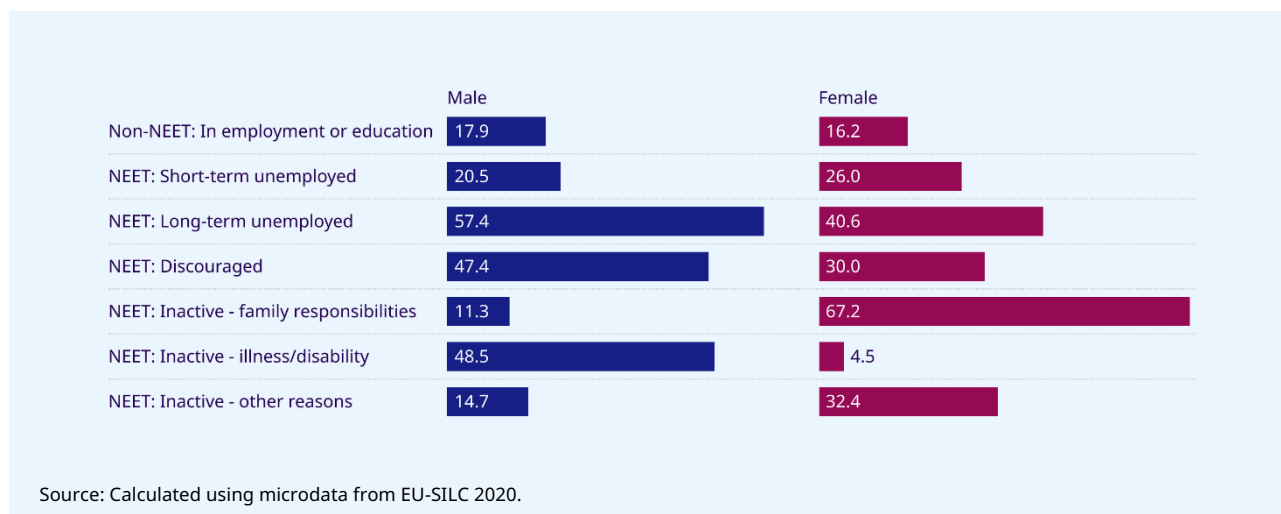
One can also observe that young NEETs due to family responsibilities are at especially high risk of living in poor households (figure 22).

► **Figure 22: Share of youth at risk of poverty or social exclusion by indicator and NEET subgroup, 2020**



As regards gender differences, one may observe that the vulnerability associated with different types of NEET also varies by sex (figure 23). In particular, young women who are NEET due to family responsibilities are particularly vulnerable (compared to young men), implying that the poverty risk associated with family responsibilities concerns young women rather than the few young men in that category. On the other hand, the vulnerability associated with being NEET due to illness or disability is stronger for young men than young women.

► **Figure 23: Youth at risk of poverty or social exclusion by activity status and gender, 2020**



As before, it is instructive to put these different factors together and estimate the probability of being at risk of poverty or social exclusion (AROPE). In this case we associate being 'at risk' with individual characteristics and the different types of NEET status.<sup>12</sup> As before, the output of this statistical model to a degree confirms the findings of the descriptive analysis, with some nuance (table 3). In addition to a model with all variables, a version without the inclusion of NEET sub-groups is reported in column 2. Clearly, the likelihood of belonging to specific NEET sub-groups also depends on individual characteristics. Reporting with and without the sub-groups allows some consideration of the effects of this interaction.

The table confirms that long-term unemployment and NEETs due to family responsibilities are the sub-groups most at risk of poverty or social exclusion. Moreover, the probit model suggests that the latter category of young person – who in Portugal are almost always young women – is the most 'at risk'. Being NEET due to family responsibilities increases the probability of being AROPE by almost 30 p.p. – compared to 17 p.p. in the case of long-term unemployment. Taking this together with the negative marginal effect (of 7 p.p.) reported for females suggests that whilst young women in short-term unemployment are, on average, somewhat less vulnerable than young men in that situation, young women who are NEET due to family responsibilities are clearly a highly vulnerable group. When omitting the sub-groups of NEET (column 2) the difference between young men and young women largely disappears. This reflects the presence of the opposing tendencies amongst young women; on the one hand, young NEET women due to family responsibilities are very likely to be AROPE, on the other, young women in short-term unemployment are slightly less at risk than otherwise similar young men. An analogous consideration applies to young people in long-term unemployment. This again is a source of vulnerability, and, in contrast to 2015, this group is now dominated by young women.

<sup>12</sup> In all of these estimates care should be taken in the interpretation of the reported 'effects'. Specifically, whilst suggestive, one should not assume anything regarding the direction of causality.

► **Table 3: Probability of being at risk of poverty or social exclusion (marginal effects), 2020**

Independent variables	with NEET subgroups	excluding NEET subgroups
<i>NEET subgroup</i>		
Short term unemployed	(base)	
Long term unemployed	<b>0.17</b>	
Discouraged	<b>0.10</b>	
NEET due to family responsibilities	<b>0.29</b>	
NEET due to illness/disability	<b>-0.14</b>	
NEET due to other reasons	<b>-0.16</b>	
<i>Gender</i>		
Male	(base)	
Female	<b>-0.07</b>	<b>-0.01</b>
<i>Age group</i>		
15 - 19	(base)	
20 - 24	<b>-0.06</b>	<b>0.07</b>
25 - 29	<b>-0.04</b>	<b>0.08</b>
<i>Education level</i>		
ISCED 0 - 2	(base)	
ISCED 3 - 4	<b>-0.24</b>	<b>-0.15</b>
ISCED 5 - 8	<b>-0.35</b>	<b>-0.24</b>
<i>Previous experience</i>		
No previous work experience	(base)	
Previous work experience	<b>0.16</b>	<b>0.12</b>
<i>Locality</i>		
Urban	(base)	
Rural	<b>-0.04</b>	<b>0.03</b>
<i>Place of birth</i>		
Born in Portugal	(base)	
Born outside Portugal	<b>0.11</b>	<b>0.06</b>

Source: Estimations based on microdata from EU-SILC 2020.

Some other significant findings emerge which were not obvious from the previous descriptive analysis. The effect of age, for instance. The inclusion of NEET sub-groups suggests that older youth are less vulnerable than teenagers, however, this reflects the greater likelihood that older youth find themselves in more at-risk NEET sub-groups. If sub-groups are excluded from the analysis, then the greater vulnerability of the older age-groups emerges. In other words, young people in their twenties, and especially from 25 and up, are more likely to belong to the more at-risk NEET sub-groups which explains the changing sign of the marginal effect according to whether one includes or excludes NEET sub-groups in the estimates. Similarly, young people in rural areas are particularly at-risk, and this is related to their tendency to belong to NEET sub-groups which themselves are associated with a higher risk of social exclusion. In contrast, foreign-born NEETs, who are more likely than Portuguese-born young people to be NEET, are also more at-risk when they are NEET, even though they are not particularly concentrated in the most at risk sub-groups per se. Indeed, the likelihood of being AROPE amongst immigrants actually increases when NEET

sub-groups are controlled for (column 1). Again, this emphasises the particular situation of young foreign-born NEETs. They are more likely to be vulnerable, but not as a result of their belonging to specific NEET sub-groups which are especially prone to vulnerability.

**Key points:**

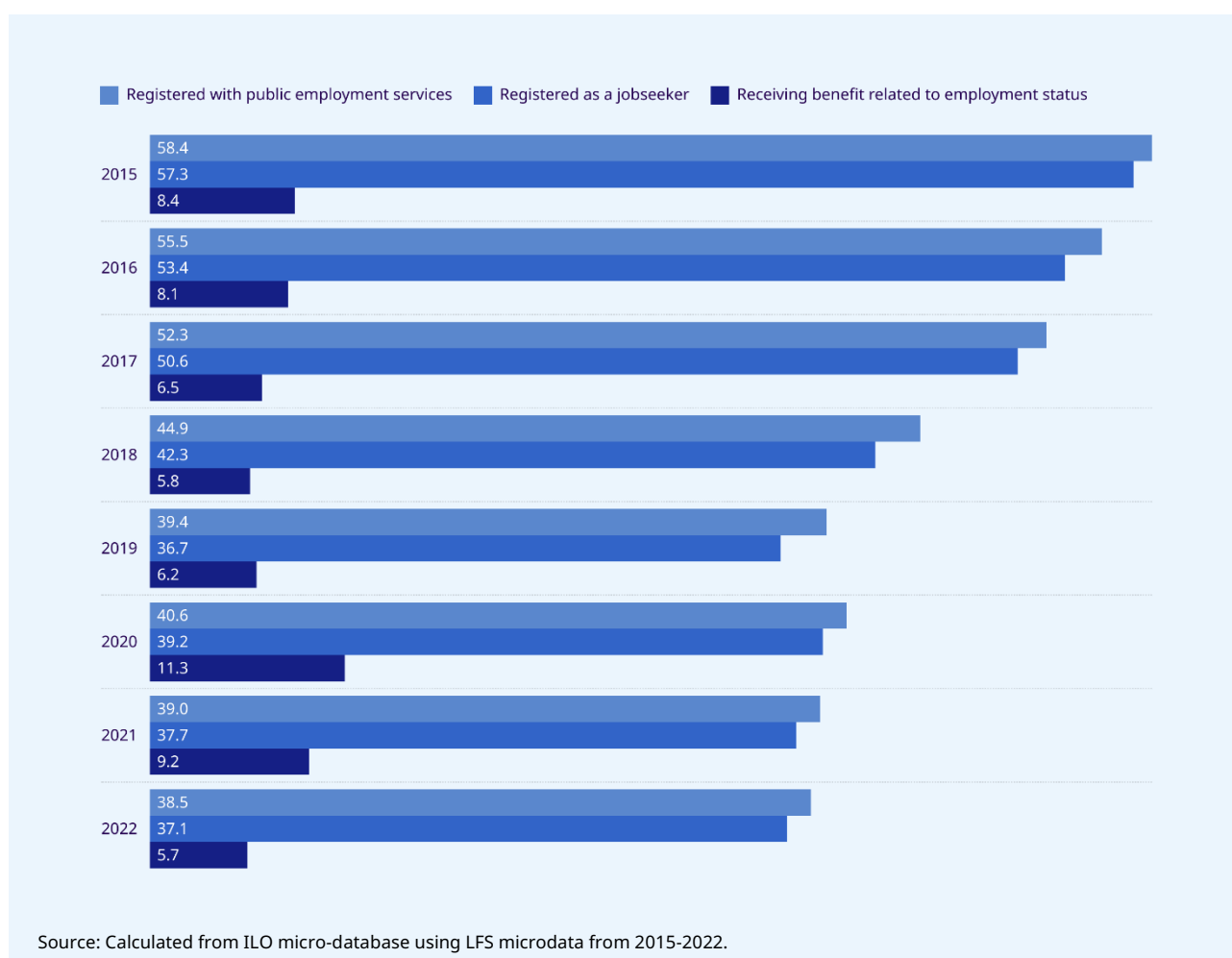
The analysis of risk of poverty or social exclusion associated with NEET status confirms:

- ▶ That NEET status is strongly associated with a much higher risk of poverty and/or social exclusion;
- ▶ That this association is particularly strong for the more intractable NEET sub-groups like the long-term unemployed, the discouraged, and young women who are NEET due to family responsibilities;
- ▶ Vulnerability is also particularly acute amongst some individual characteristics associated with high NEET rates, like young people with low levels of educational attainment, older NEETs and migrants.

## ► 4. Registration of NEETs with Public Employment Services

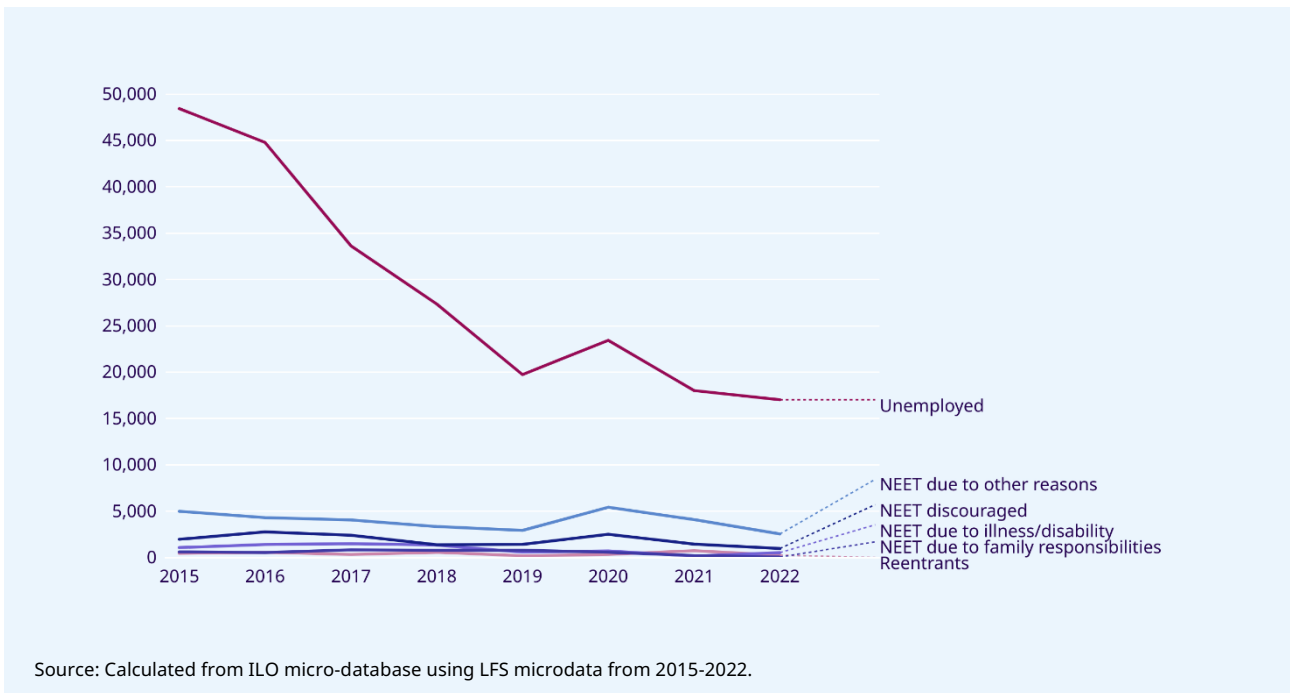
Less than 40 per cent of young NEETs are (or have been in the past) registered with the Public Employment Services (PES) (figure 24). The share of registered young NEETs has decreased by almost 20 p.p. since 2015.

► **Figure 24: Share of NEETs interacting with Public Employment Services, 2015-2022**

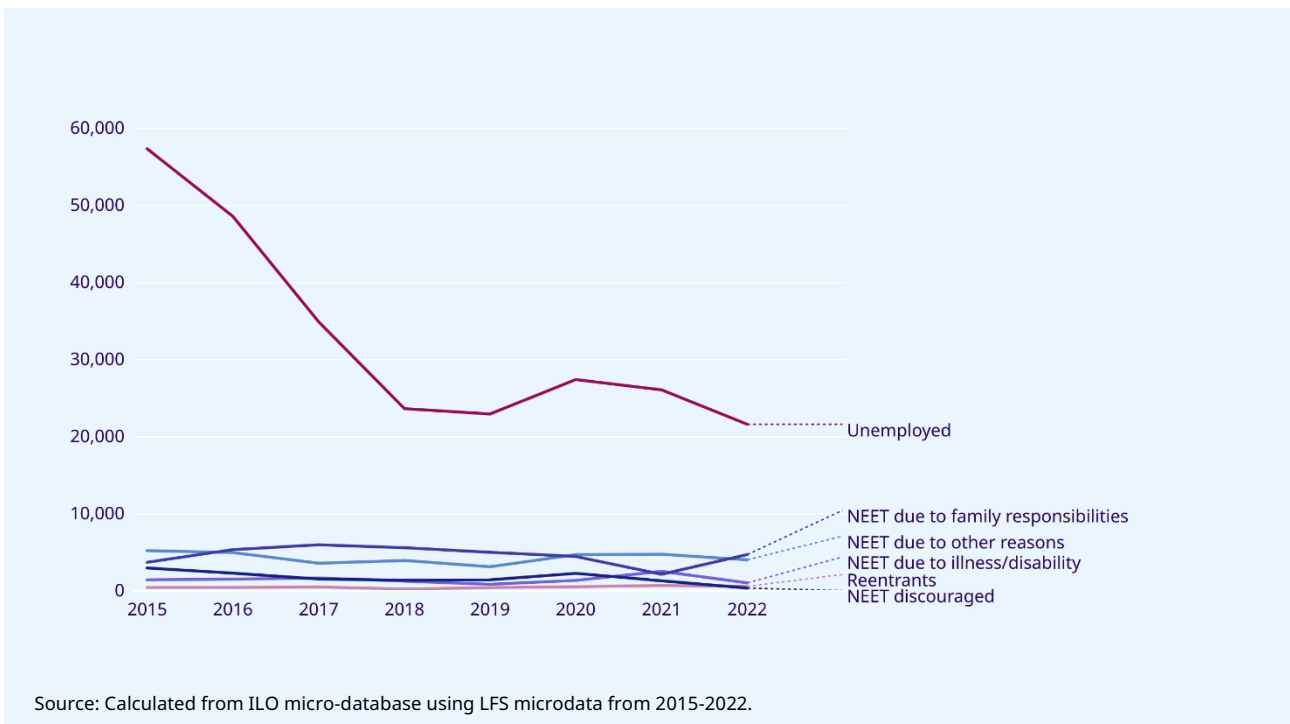


The reduction in PES registration has much to do with the reduction of youth unemployment observable in Portugal (figure 25). Indeed, registered unemployment has fallen by roughly the same amount as did unemployment as a whole over the period.

► **Figure 25a: Male NEET registration with Public Employment Services, 2015-2022**

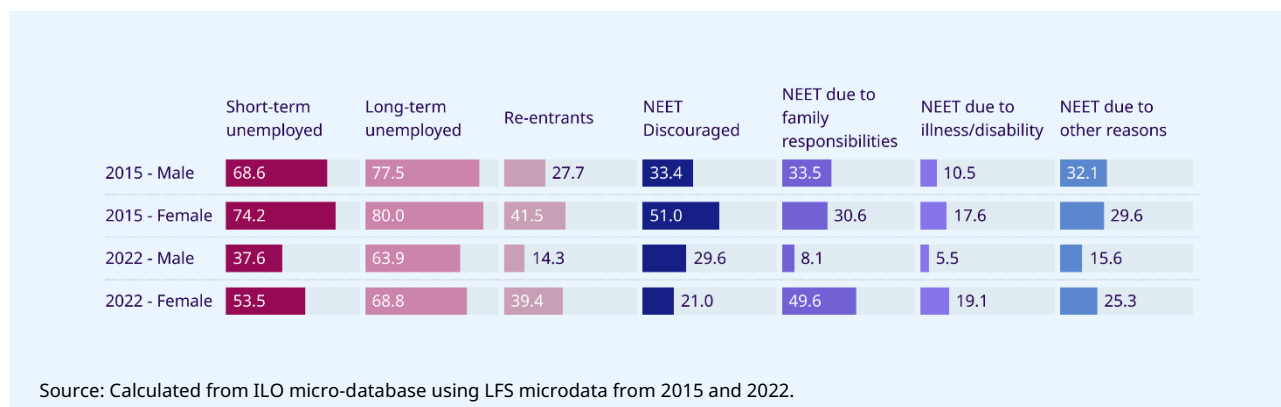


► **Figure 25b: Female NEET registration with Public Employment Services, 2015-2021**



That is, the primary reason for the reduction in PES registration is the substantial fall in unemployment rather than changes in the tendency to register amongst some groups, which have changed but not necessarily downward (figure 26). Overall, the decrease in unemployed NEETs has been more significant than changes in the tendency of different types of NEET to register with the PES, although this has also contributed, most notably amongst the short-term unemployed themselves who are significantly less likely to be registered with the PES in 2022 than in 2015.

► **Figure 26: Rate of PES registration by gender and NEET sub-groups, 2015 & 2022**



Here too, it is worth looking a little more carefully at the associations between registration with the PES and individual and NEET sub-group characteristics (table 4). Separate estimates for 2015 and 2022 are reported to examine changes over time.

There are some broad similarities between the factors positively and negatively associated with registration with the PES across the two time periods, but also some quite significant changes which are informative as to where greater focus is needed. For each characteristic (e.g. NEET sub-group, educational attainment level and so on) the table shows the p.p. difference in the probability associated with the specific characteristic type compared with the base type. For example, in the fourth column regarding young men in 2022, the value 0.21 associated with long-term unemployment implies that the male long-term unemployed have, on average, a probability of being registered with the PES which is 21 p.p. higher than the average probability of a young man who is in short-term unemployment, holding other factors constant. Looking at NEET sub-groups, in both 2015 and 2022, for both sexes, the long-term unemployed are more likely, and all other NEET sub-groups less likely, to be registered with the PES than the short-term unemployed. Most of the other subgroup coefficients have, however increased in value between 2015 and 2022 which reflects the fact that the short-term unemployed are less likely to be registered with the PES in 2022 than they were in 2015, also holding other factors constant. Female discouraged workers and re-entrants, and male NEETs due to family responsibilities, are exceptions to this, and are less likely – or in the latter case more or less equally likely – to be registered with PES relative to short-term unemployed NEETs in 2022 compared to 2015.

Teenagers are less likely than youth aged 20 and above to register with the PES in both years and the likelihood of teenagers registering, compared to their older counterparts, has fallen further over time for young women, but not for young men. The probability that NEETs with low levels of education register with the PES, compared to those with higher levels of attainment, has increased among both young men and young women.

► **Table 4: Probability of registration of NEETs with Public Employment Services by sex, 2015 and 2022 (marginal effects)**

Independent variables	2015		2022	
	Male	Female	Male	Female
<i>NEET subgroup</i>				
Short term unemployed	(base)		(base)	
Long term unemployed	<b>0.07</b>	<b>0.05</b>	<b>0.21</b>	<b>0.07</b>
Re-entrants	<b>-0.42</b>	<b>-0.02</b>	<b>-0.23</b>	<b>-0.15</b>
Discouraged	<b>-0.37</b>	<b>-0.21</b>	<b>-0.16</b>	<b>-0.37</b>
NEET due to family responsibilities	<b>-0.35</b>	<b>-0.43</b>	<b>-0.36</b>	<b>-0.16</b>
NEET due to illness/disability	<b>-0.61</b>	<b>-0.57</b>	<b>-0.37</b>	<b>-0.44</b>
NEET due to other reasons	<b>-0.34</b>	<b>-0.43</b>	<b>-0.24</b>	<b>-0.29</b>
<i>Age group</i>				
15 – 19	(base)		(base)	
20 – 24	<b>0.10</b>	<b>0.10</b>	<b>0.07</b>	<b>0.24</b>
25 – 29	<b>0.18</b>	<b>0.12</b>	<b>0.11</b>	<b>0.36</b>
<i>Education level</i>				
ISCED 0 – 2	(base)		(base)	
ISCED 3 – 4	<b>-0.01</b>	<b>0.03</b>	<b>-0.10</b>	<b>-0.05</b>
ISCED 5 – 8	<b>-0.09</b>	0.01	<b>-0.10</b>	<b>-0.13</b>
<i>Previous experience</i>				
No previous work experience	(base)		(base)	
Previous work experience	<b>0.08</b>	<b>0.09</b>	<b>-0.09</b>	<b>-0.04</b>
<i>Regions</i>				
Norte	(base)		(base)	
Algarve	<b>-0.35</b>	<b>-0.03</b>	<b>-0.06</b>	<b>0.07</b>
Centro	<b>-0.20</b>	<b>0.03</b>	<b>-0.06</b>	<b>0.02</b>
Lisbon	<b>-0.19</b>	<b>-0.09</b>	<b>-0.15</b>	<b>-0.06</b>
Alentejo	<b>-0.07</b>	<b>0.15</b>	<b>-0.02</b>	-0.01
Açores	<b>-0.25</b>	<b>-0.09</b>	<b>0.10</b>	<b>-0.02</b>
Maderia	<b>-0.03</b>	<b>0.14</b>	<b>-0.07</b>	<b>0.10</b>
<i>Place of birth</i>				
Born in Portugal	(base)		(base)	
Born outside Portugal	<b>-0.06</b>	<b>-0.25</b>	<b>0.18</b>	<b>-0.10</b>

Source: Estimations based on the ILO micro-database using LFS microdata from 2015 and 2022.

Also worthy of note, in 2022 young foreign-born men were more likely to register than Portuguese-born young men, which is a notable change from 2015. Among young women, those born outside Portugal are still less likely to be registered with PES compared to those born in Portugal, though this margin has decreased in 2022 relative to 2015. There are also strong differences in the likelihood of registering with the PES in different regions, with much variation by sex. These relative likelihoods have also changed quite significantly over the period. For example, albeit with considerable differences across location and gender in the size of the change, relative to the Northern region, the likelihood of registering with the PES has tended to increase for young NEETS in the Açores, the Algarve and Lisbon regions, and to fall slightly in Madeira.

To better inform the outreach strategy, tables 5a and 5b report the numbers of NEET youth who are not registered with the PES in each region, separately by sex; estimated using micro-data from the 2022 labour force survey. Overall, in 2022 there were just over 85,000 unregistered NEETs in Portugal, consisting of around 47,000 young men and 38,000 young women. There is a large amount of variation in the relative size of the different sub-groups across regions. For example, the long-term unemployed comprise a disproportionate share<sup>13</sup> of unregistered male NEETs in the Açores, Central and Lisbon regions, and of unregistered female NEETs in the Açores, Lisbon and Madeira regions. Similarly, the discouraged comprise a disproportionate share of unregistered male NEETs in the Açores, Alentejo, Central and Madeira regions and of unregistered female NEETs in the Açores, Lisbon and Madeira regions. In both island regions, along with Alentejo and the Algarve young women who are NEET due to family responsibilities comprise a disproportionate share of the unregistered.<sup>14</sup>

### **Key points**

- The numbers and share of NEETs who are registered with the PES has fallen quite dramatically since 2015. This is due both to the reduction in the numbers of young people with NEET status witnessed over the period 2015-2022 and in some degree also to its changing composition; in particular the fall in both the numbers of unemployed and the tendency of the short-term unemployed to register with the PES.
- The composition of the sub-groups of unregistered NEET young people varies considerably across regions and by sex; this, along with the degree of vulnerability attached to different NEET sub-groups can usefully inform the development of appropriate outreach strategies tailored also to local realities.

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<sup>13</sup> Defined here using the benchmark of one percentage point above the national average share.

<sup>14</sup> With the Açores and the Algarve regions standing out from the others. In these areas, young women with family responsibilities comprise almost two out of every five young female NEETs.

► **Table 5a: Numbers of male NEETs not registered with the PES by region and NEET sub-group, 2022**

Region		Short-term unemployed	Long-term unemployed	Re-entrants	NEET Discouraged	NEET due to family responsibilities	NEET due to illness/disability	NEET due to other reasons	Total unregistered NEETs
<i>Norte</i>	Unregistered NEETs	4 686	1 057	713	680	199	3 379	4 878	15 591
	% in region	30.1%	6.8%	4.6%	4.4%	1.3%	21.7%	31.3%	100.0%
<i>Algarve</i>	Unregistered NEETs	535	200	38	87	15	759	987	2 621
	% in region	20.4%	7.6%	1.4%	3.3%	0.6%	29.0%	37.7%	100.0%
<i>Centro</i>	Unregistered NEETs	3 416	964	213	824	0	2 247	1 876	9 540
	% in region	35.8%	10.1%	2.2%	8.6%	0.0%	23.6%	19.7%	100.0%
<i>Lisbon</i>	Unregistered NEETs	5 236	1 589	471	113	82	1 700	3 419	12 611
	% in region	41.5%	12.6%	3.7%	0.9%	0.7%	13.5%	27.1%	100.0%
<i>Alentejo</i>	Unregistered NEETs	1 032	92	65	240	75	221	1 345	3 072
	% in region	33.6%	3.0%	2.1%	7.8%	2.4%	7.2%	43.8%	100.0%
<i>Açores</i>	Unregistered NEETs	222	227	9	214	195	318	700	1 884
	% in region	11.8%	12.0%	0.5%	11.4%	10.4%	16.9%	37.2%	100.0%
<i>Madeira</i>	Unregistered NEETs	505	166	15	144	28	378	547	1 783
	% in region	28.3%	9.3%	0.8%	8.1%	1.6%	21.2%	30.7%	100.0%
<i>Total</i>	Total unregistered NEETs	15 633	4 295	1 524	2 301	595	9 002	13 752	47 103
	% national	33.2%	9.1%	3.2%	4.9%	1.3%	19.1%	29.2%	100.0%

Source: Calculated from ILO micro-database using LFS microdata from 2022.

► **Table 5b: Numbers of female NEETs not registered with the PES by region and NEET sub-group, 2022**

Region		Short-term unemployed	Long-term unemployed	Re-entrants	NEET Discouraged	NEET due to family responsibilities	NEET due to illness/disability	NEET due to other reasons	Total unregistered NEETs
<i>Norte</i>	Unregistered NEETs	3 977	1 039	272	253	1 277	857	3 122	10 798
	% in region	36.8%	9.6%	2.5%	2.3%	11.8%	7.9%	28.9%	100.0%
<i>Algarve</i>	Unregistered NEETs	318	0	78	0	624	118	468	1 606
	% in region	19.8%	0.0%	4.9%	0.0%	38.9%	7.3%	29.1%	100.0%
<i>Centro</i>	Unregistered NEETs	2 044	687	271	82	404	1 922	4 428	9 837
	% in region	20.8%	7.0%	2.8%	0.8%	4.1%	19.5%	45.0%	100.0%
<i>Lisbon</i>	Unregistered NEETs	3 996	1 335	182	679	1 049	351	2 580	10 170
	% in region	39.3%	13.1%	1.8%	6.7%	10.3%	3.5%	25.4%	100.0%
<i>Alentejo</i>	Unregistered NEETs	773	225	50	53	324	459	378	2 261
	% in region	34.2%	10.0%	2.2%	2.3%	14.3%	20.3%	16.7%	100.0%
<i>Açores</i>	Unregistered NEETs	246	231	0	121	763	271	484	2 117
	% in region	11.6%	10.9%	0.0%	5.7%	36.0%	12.8%	22.9%	100.0%
<i>Madeira</i>	Unregistered NEETs	292	187	0	59	303	297	342	1 481
	% in region	19.7%	12.6%	0.0%	4.0%	20.5%	20.1%	23.1%	99.9%
<i>Total</i>	Total unregistered NEETs	11 645	3 703	852	1 247	4 746	4 272	11 804	38 270
	% national	30.4%	9.7%	2.2%	3.3%	12.4%	11.2%	30.8%	100.0%

Source: Calculated from ILO micro-database using LFS microdata from 2022.



## ► 5. Key points and implications

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The decline in the share of young people neither in employment, education or training (NEET) witnessed in the country over the period 2013-15 has continued over the period 2015-2022. The onset of the COVID-19 pandemic caused an increase in NEET rates which rose from 9.2 per cent in 2019 to 11.0 per cent in 2020. However, by 2022 the share of young NEETs had declined again to 8.5 per cent, lower than its pre-pandemic level. Throughout both periods, between 2013-15 and 2015-2022, the decline in the numbers of NEETs is mostly to be attributed to a decline in active, or unemployed, NEETs. The overall number of NEETs outside the labour force, not actively searching for work, remained relatively constant between 2015 and 2021, although there was quite a lot of variation in composition of the sub-groups of these inactive NEETs. As of 2022, the number of NEETs outside the labour force also declined significantly, primarily driven by a decrease in young men who were NEET due to other reasons.

One clear conclusion that emerges is the importance of focussing on young people who are not naturally inclined to register with the PES and therefore to be able to access the available services, including support offered through the Youth Guarantee.

A second key point is that the vulnerability of young NEETs varies considerably according to which NEET sub-group a young person belongs to. The **long-term unemployed** of both sexes and **young NEET women due to family responsibilities** stand out as the two sub-groups whose members are most at risk of poverty or social exclusion. Discouraged NEETs are also more likely to be AROPE than the short-term unemployed.

Third, the probability of NEETs being registered with the PES has fallen considerably between 2015 and 2022. This reduction is the result of a decline in unemployment as a whole and the consequent change in NEET sub-group composition, with a larger share of NEET being accounted for by the inactive. It is also in some degree the result of a change in the tendency of some groups – and above-all the short-term unemployed – to register with the PES. Interpretation of the implications of this result is not straightforward in as much as it may well reflect success of the PES in supporting the entry and re-entry into the education, training or employment of the short-term unemployed. It does serve to emphasise the need to focus attention and further develop outreach to the more **vulnerable and the harder to employ** – such as **the long-term unemployed, the discouraged** and above-all **young women who are NEET due to family responsibilities** – who now comprise a much larger share of young NEETs than they did in 2015 and who face significant additional barriers in accessing the labour market.

Although NEET rates amongst young women increased less during the COVID-19 pandemic than did those of young men, this does not by any means imply that this group requires less attention. A nuanced approach is called for. First, the greater increase in the NEET rates of young men may be largely a more temporary phenomenon, arising as it did as a direct result of the economic shock associated with the pandemic. Second, and more importantly, the profile presented above makes clear that, whilst young female NEETs are on average no more at risk of poverty or social exclusion than are young men, some groups of young women are much more at risk. Specifically, young NEET women due to family responsibilities are at a very high risk of poverty or social exclusion.

Also, young migrants, and especially young female migrants, are clearly in need of particular attention. Though their NEET rates demonstrate encouraging declines in 2022, they still have NEET rates which are significantly above those of Portuguese-born youth. Young, foreign-born NEET women have a much smaller share in the labour market compared to their male and Portuguese-born counterparts, and are concentrated in the more vulnerable NEET due to family responsibilities group. Here the issue of not (as much) one of outreach, but more of removing obstacles to their effective engagement in the labour market.

More generally, the profile makes clear that greater efforts are needed to further develop outreach services. Some groups are more at risk than others and require particular efforts; as noted the long-term unemployed, young NEETs due to family responsibilities, the discouraged as well as young NEETs due to illness or disability. Extending the PES's reach, and encouraging and providing incentives for engagement of highly at-risk groups, is likely to be key.

As shown in the profile, there is much diversity across regions, in NEET rates, the composition of NEET sub-groups and their tendencies to register with the PES. This diversity should be a key factor in informing the development of regionally specific outreach strategies tailored to meet local realities.

## ► Appendix: Additional Tables

► **Table A1: Probability of being NEET by Gender including the interaction between age-group and educational attainment, 2022 (marginal effects)**

Independent variables	2022	
	Male	Female
<i>Age group and education level</i>		
15-19 and ISCED 0-2	(base)	
15-19 and ISCED 3-4	<b>0.05</b>	<b>0.04</b>
15-19 and ISCED 5-8	<i>omitted</i>	<i>omitted</i>
20-24 and ISCED 0 - 2	<b>0.24</b>	<b>0.30</b>
20-24 and ISCED 3 - 4	<b>0.08</b>	<b>0.06</b>
20-24 and ISCED 5 - 8	<b>0.06</b>	<b>0.09</b>
25-29 and ISCED 0-2	<b>0.28</b>	<b>0.42</b>
25-29 and ISCED 3-4	<b>0.12</b>	<b>0.17</b>
25-29 and ISCED 5-8	<b>0.07</b>	<b>0.08</b>
<i>Previous experience</i>		
No previous work experience	(base)	
Previous work experience	<b>-0.08</b>	<b>-0.06</b>
<i>Regions</i>		
Norte	(base)	
Algarve	<b>0.03</b>	<b>0.02</b>
Centro	<b>-0.01</b>	<b>0.03</b>
Lisbon	<b>0.00</b>	<b>0.01</b>
Alentejo	<b>0.00</b>	<b>0.01</b>
Açores	<b>0.04</b>	<b>0.05</b>
Maderia	<b>0.01</b>	<b>0.05</b>
<i>Place of birth</i>		
Born in Portugal	(base)	
Born outside Portugal	<b>0.01</b>	<b>0.01</b>

Source: Estimations based on the ILO micro-database using LFS microdata from the Portuguese Labour force survey of 2022.

Note: One observation omitted (Age 15-19\*ISCED 5-8) because it is an empty cell.



	Short-term unemployment	Long-term unemployment	Re-entrants	Discouraged	NEET due to family responsibilities	NEET due to illness/disability	NEET due to other reasons
Previous work experience	<b>0.25</b>	<b>-0.04</b>	<b>0.02</b>	<b>-0.01</b>	<b>-0.03</b>	<b>-0.16</b>	<b>-0.04</b>
<i>Regions</i>							
Norte	(base)	(base)	(base)	(base)	(base)	(base)	(base)
Algarve	<b>-0.14</b>	<b>-0.02</b>	<b>-0.01</b>	<b>-0.02</b>	<b>0.07</b>	<b>0.05</b>	<b>0.07</b>
Centro	0.00	<b>0.04</b>	<b>-0.01</b>	<b>0.00</b>	<b>-0.07</b>	<b>0.03</b>	<b>0.02</b>
Lisbon	<b>0.03</b>	<b>-0.04</b>	<b>-0.01</b>	<b>0.00</b>	<b>0.00</b>	0.00	<b>0.02</b>
Alentejo	<b>0.03</b>	<b>-0.07</b>	<b>-0.01</b>	<b>0.02</b>	0.00	<b>-0.01</b>	<b>0.04</b>
Açores	<b>-0.14</b>	<b>-0.05</b>	<b>-0.03</b>	<b>0.06</b>	<b>0.05</b>	<b>-0.04</b>	<b>0.14</b>
Maderia	<b>-0.05</b>	0.00	0.00	<b>0.02</b>	0.00	<b>0.01</b>	<b>0.03</b>
<i>Place of birth</i>							
Born in Portugal	(base)	(base)	(base)	(base)	(base)	(base)	(base)
Born outside Portugal	<b>0.08</b>	<b>-0.09</b>	<b>0.01</b>	<b>-0.00</b>	0.00	<b>-0.05</b>	<b>0.05</b>

Source: Estimations based on the ILO micro-database using LFS microdata from 2022.

Note: One observation omitted (Age 15-19\*ISCED 5-8) because it is an empty cell

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