



## No country for young people? The youth (un)employment in Portugal

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### 1. Introduction

The financial crisis that hit the global market in the middle of 2008 gave way to the sharpest contraction of the European economies since the Great Depression, a crisis that has resulted in widespread job losses and social hardship.<sup>1</sup> As in some other countries in Europe, the Portuguese economy had and still has a severe problem of growth. Portugal was hit hard by the global crisis and unemployment hit record levels, however, fortunately, the unemployment rate has been declining<sup>2</sup>. If the level of unemployment for young people has always been higher than for the normal working population, youth unemployment converted in a growing problem in the EU in the wake of the economic crisis.

As it is well known, Portugal was subjected to a bailout program from May 2011 to May 2014, which led to the more recent legislative measures in the area of employment legislation and labour market (as in general in the area of economic policies) to assure the compliance with several obligations foreseen in the *Memorandum of Understanding*, signed in May 2011 between Portugal, the European Commission, the International Monetary Fund and the European Central Bank<sup>3</sup>. In Portugal, also, the increase in unemployment was largely driven by low hirings, caused by a storm of austerity measures, economic uncertainty, weakened external demand and downward wage rigidities. Such an extreme economic environment is prompting a substantially weakened labour demand, particularly in terms of new hires<sup>4</sup>.

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<sup>1</sup> As Alain SUPPIOT wrote in 2010 “A legal perspective on the economic crisis of 2008” (*International Labour Review*, Vol. 149, (2010) No. 2, p. 151): “the global financial meltdown in the autumn of 2008 was but a symptom of deeper underlying trouble, ultimately a crisis in law and institutions”.

<sup>2</sup> Being 11,9% in June 2015. See [www.ine.pt](http://www.ine.pt).

<sup>3</sup> This can be seen and followed in <http://www.portugal.gov.pt/pt/os-temas/memorandos/memorandos.aspx>.

<sup>4</sup> For more developments Pedro MARTINS – Sofia Pessoa E COSTA: Reemployment and Substitution Effects from Increased Activation: Evidence from Times of Crisis. *IZA DP No. 8600*, (2014) 5.

Young workers and families with infants have been disproportionately affected by the economic contraction. In times of severe economic situations, labour law has a very important role, not only from a legal point of view, but from a social policy aspect as well. Youth has always had a higher unemployment rate, because they are usually the last to be hired and the first to get fired in times of crisis. Young people, who are in employment, are more likely to be made unemployed than their older counterparts. This is because they are more likely to be on less secure contracts – for example, as temporary agency workers or fixed-term employees – and if statutory redundancy payments are weighted by seniority<sup>5</sup>, enterprises will make redundancies amongst younger workers first, in order to reduce costs.<sup>6</sup>

At the same time, they engage in extensive job searching in their early years and this can involve considerable job mixing as both young employees and employers look for a good combination. Young people will often be competing for job opportunities with better trained and more experienced applicants. In particular, they can suffer from the *experience trap*<sup>7</sup>, where employers tend to hire employees, who already have experience, and as a result labour market entrants find it very difficult to gain work experience, that would make them more attractive for employers<sup>8</sup>.

Young people are traditionally more deeply affected by economic downturns than prime-age workers and youth unemployment has increased almost 8 percent since 2008, reaching 23.3 percent in 2013 in the EU-28 countries. Long spells of unemployment expose individuals to poverty and high youth unemployment is also reflected in very low employment rates for young people. They can also lead to deterioration of skills and disinterest from the labor market and young people are three times more likely to be unemployed than adults and almost 73 million youth worldwide are looking for work.<sup>9</sup> Youth unemployment is particularly concerning as it risks damaging longer-term employment prospects for young people, leading them to face higher risks of exclusion and poverty and a decrease in the fertility rate. Youth unemployment also has growth implications as a generation of educated and productive people are not working at their potential and in Portugal a generation is almost *lost* due to the high emigration rate. In Portugal, a significant number of young workers, frequently highly qualified, chose to emigrate, a factor that represents a waste of the investment in education, raises doubts

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<sup>5</sup> Like in Portugal. For example, article 368, No. 2.

<sup>6</sup> As David BELL – David BLANCHFLOWER: *Youth unemployment in Europe and the United States*. *IZA Journal of European Labor Studies*, April 2011, No. 5673, p. 4, it is important to bear in mind that “Youth unemployment is one of the most pressing economic and social problems confronting those countries whose labor markets have weakened substantially since 2008, following the near-collapse of worldwide financial markets. There is an element of déjà vu around this development: youth unemployment first became a serious problem for industrialized countries during the 1980s. While labour markets were booming in the early part of this century, youth unemployment was still a concern. But the particularly rapid increase in youth unemployment during the current recession has again sharpened attention on this issue”.

<sup>7</sup> The young are not selected because they do not have work experience but they can't have work experience because they are not selected.

<sup>8</sup> As Jenny Julén VOTINIUS defends in “Young employees: securities, risk distribution and fundamental social rights” (*European Labour Law Journal*, Vol. 5, (2014) No. 3–4, pp. 377–378): “perceptions of younger persons as less needy or less deserving than older, more adult, persons are important aspects in the risk factor of youth, and they typically materialize in an understanding that it can be fair to impose lower demands on the employment conditions of young employees”.

<sup>9</sup> According to data from the ILO.

in our competitiveness in the long run and worsens the demographic pyramid of the Portuguese population. Finally, the very high levels of long term unemployment of young people may become a threat to social stability<sup>10</sup>.

That is why youth unemployment is one of the main economic and social problems of this decade. It has grown rapidly since the onset of the Economic Crisis and Recession that started in 2008. In a European context, its growth has been concentrated in Southern Europe.<sup>11</sup> Also, the ageing population in many EU countries, and Portugal is one of the most affected countries, has increased the pressure on social security systems and resulted in efforts to keep older workers in employment, and the financial incentives for early retirement are reduced. This has led to later retirements, and has reduced the number of opportunities for young people seeking to enter the labour market, particularly in a time of recession with low levels of job creation.

Portugal is one of the European countries with the lowest total fertility rate<sup>12</sup> (1.21%)<sup>13</sup>, and that is one of the biggest problems. During the last few years there was even an increase in the number of elderly and a decrease in the number of young people and in the number of people aged between 15 and 64 years, that is the working age population. In 2013, the population aging index was 136 elderly persons for every 100 young under 15 years.

One must not forget the problem related to the constantly increasing proportion of young people, who are not in education, employment or training (NEET rate). The NEET rate, which measures the share of youth aged 15-24 not engaged in education, training or employment, rose from 17.4 percent in 2008 to 21.6 percent in 2013. However, it is noteworthy that the NEET rate has been decreasing, falling almost 9 percentage points in the last ten years, perhaps reflecting the fact that many young persons, facing a tight labor market in which their lack of work experience puts them at a disadvantage, have chosen to stay longer in school and/or training. Young people in a NEET situation are at risk of isolation, lacking autonomy and having, many times, mental and physical health problems<sup>14</sup>.

As the European Commission pointed out<sup>15</sup> young people hold the key to Europe's future dynamism and prosperity. Their talents, energy and creativity will help Europe to grow and become more competitive, modern and productive as we move beyond the economic and financial crisis. Recently the unemployment rate of young people show a significant fall in the EU as a whole and in most Member States but yet remains very high, and worryingly, people aged 15-24, in particular females,

<sup>10</sup> Ramya SUNDARAM at al.: *Portraits of Labour Market Exclusion*. European Commission and the World Bank, 2014. 19.

<sup>11</sup> See David BELL – David BLANCHFLOWER : *Youth unemployment in Greece: measuring the challenge*. *IZA Journal of European Labor Studies*, 2015/1. 1.

<sup>12</sup> Which indicates the average number of children per woman.

<sup>13</sup> According to the data presented in [www.pordata.pt](http://www.pordata.pt).

<sup>14</sup> EUROFOUND: *Eurofound Yearbook 2013: Living and Working in Europe*. Dublin, 2014. p. 51, as well as for a further analysis of the precarious employment of the youngsters, *vd.* EUROFOUND: *Young people and temporary employment in Europe*. Dublin, 2013.

<sup>15</sup> EUROPEAN COMMISSION: *Working Together for Europe's young people*. 2013. 3.

appear to be significantly exposed to labour market dissuasion and in many cases are subjected to intersectorial or multiple discrimination because they are young and women.

On the other hand, the labour market integration of adults aged 25-39 appears to be another crucial question in all Member States and Portugal is no exception. People aged 25-39 have not yet benefitted from the recent modest recovery in Portugal. They have been hit hard by the crisis, and recent data continues to show a contraction in the employment for this age group, although less strong than in previous quarters.<sup>16</sup>

## 2. Youth (un)employment in Portugal

At the moment it seems that Portugal is a country that offers few attractive and, above all, very limited expectations of future for employment for the younger population. In the last decade, the number of young people between 15 and 29 years was reduced by almost half a million. Between 2001 and 2011, in 302 of the 308 Portuguese municipalities the number of young people decreased. On the other hand, young people have a significant weight in emigration: in 2012 the number of young permanent migrants was estimated at about 26,000 (50% of total) and about 27,000 young temporary migrant (39%). There was also an increase in the qualification levels of young people.

Apart from being more affected by non-standard forms of employment, young workers tend to change jobs more often. The proportion of employees looking for a different job and actually changing jobs is higher among young employees and it is mainly those countries, where young employees are more affected by non-standard forms of employment, that have higher proportions of younger employees looking for a job and/or who have changed jobs in the previous year. The incidence of part-time employment and especially temporary contracts among young workers is already relatively high in Portugal, and the prolonged employment crisis has probably forced young people to be less selective about the type of contract they are prepared to accept, signing part time contracts, temporary work contracts and fixed term contracts.

There is a risk that this potentially more unbalanced position in labour markets will negatively affect the strengthening of the labour market attachment of young workers. This considerably delays decisions about becoming parents, a particularly undesirable consequence in Portugal that has an already low fertility rate<sup>17</sup>. In reality the type of contract held by those younger employees, who succeed in entering the labour market is often temporary and non-voluntary based on the idea of flexicurity and the idea that an increase in labour market flexibility will decrease unemployment.

<sup>16</sup> According to the data presented by INE (National Institute of Statistics), in [www.ine.pt](http://www.ine.pt).

<sup>17</sup> The general fertility rate recorded an average 44.3% in the 1990s, declining to 42.0% in the following decade, dropping further in the following years, to stand at 33.9% in 2013. The youth fertility rate continued to follow a downward trend observed since 2000. The rate stood at 21.9% that year, i.e. quite close to the average levels seen in the previous decade, but since then it has exhibited a noticeable downward pattern, reaching 10.6% in 2013. The general fertility rate has been declining since 2000, fluctuating at around 40.0% between 2007 and 2010, and declining to 33.9% in 2013. See [www.ine.pt](http://www.ine.pt).

The *last in, first out* principle frequently comes into play, with young workers often among the first to lose their jobs in times of acute crisis for instance due to non-renewal of their temporary or fixed term contracts<sup>18</sup>. However, there is a lack of scientific evidence on that levelling-down the young employees' rights by promoting more ways of temporary contracts and precariousness will increase their opportunities in the labour market<sup>19</sup>

Thus, it is important that the labour law changes should protect the vulnerable workers and those with greater difficulty in accessing the labor market like young people, as well as those, who have been removed from the job market for a considerable period of time, or who, due to illness, disability or reduced capacity, have more difficulty in finding and maintaining a job, but not by demolishing and decreasing employment security.

It is necessary, at all levels, and not only in Portugal, to develop strategies and policies to match the needs of young people. This involves not only acting on policies that favour transition from school to work, but also on related areas such as access to employment, credit, housing, youth well-being or the ability to participate in social activities, in order to provide the necessary tools to facilitate young people's attainment of autonomy and participation in social life<sup>20</sup>. On the other hand early intervention and activation measures can work preventatively to reduce future youth unemployment rates, as well as impacting on those who are currently unemployed.

### 3. Youth Guarantee

#### 3.1. Introduction

The current high levels of unemployment across many countries following the 2008 financial crisis, raise considerable interest on the relative merits and potential of active labour market policies and activation programs. Active labour market policy is a core element of the Portuguese legal system. The aim has been to transfer the use of passive support to active help for integration of people in the labour market. These programs involve a number of measures, typically led by public employment services, directed towards reducing the length of a joblessness spell, such as counselling, training, workfare, monitoring or sanctions and the Youth Guarantee may be perceived as one of them. And as the IMF recently stated<sup>21</sup>: “a significant effort has already been made to use active labor market policies to improve skills and labor attachment of workers”.

<sup>18</sup> EUROFOUND: *Working Conditions of young entrants in the labour market*. Dublin, 2014.; and EUROSTAT: *Underemployment and potential additional labour force statistics*. April 2015.

<sup>19</sup> See VOTINIUS (2014) op. cit. 387.

<sup>20</sup> Activation policies derive from the flexicurity concept and active labour market policies comprehends many possibilities like helping the transitions onto, on and from the labour market, like training and reintegration measures and the setting up of efficient job search support and work incentives. See Nicola GUNDT : The right to work, EU activation policies and national unemployment benefit schemes. *European Labour Law Journal*, Vol. 5, (2014) No. 3–4., 357–358.

<sup>21</sup> Portugal: Concluding Statement of the 2015 Article IV Mission, March 2015.

The Youth Guarantee<sup>22</sup> is an EU initiative aimed at tackling youth unemployment, a growing problem in the EU. The Youth Guarantee seeks to ensure that all young people under 25 years get a concrete job offer, apprenticeship or traineeship, or continued education within four months of leaving formal education or becoming unemployed. The Youth Guarantee schemes are closely linked to education and skills development, thus, it is acknowledged that vocational education and training systems have to be reformed in order to meet the goals of the initiative. The general guidelines state, that national Youth Guarantee schemes should involve effective cooperation between key stakeholders such as public authorities, employment services, career guidance providers, education and training institutions, employers and trade unions. The Youth Guarantee is both a structural reform to drastically improve school-to-work transitions and a measure to immediately support jobs for young people.

### 3.2. Portugal

In Portugal, during the economic adjustment program signed with the European Central Bank, the European Commission and the International Monetary Fund –, Active Labour Market Policies (ALMPs) were rationalized to make them more effective in supporting job creation, activation and training opportunities. The *Memorandum of Understanding* (MoU) recommended that the Portuguese government should implement policies to support the efforts of unemployed people searching for new jobs, in order to ease the transition of workers across occupations, firms and sectors. It also recommended government employment policies specially directed to more disadvantaged groups like the young and the long-term unemployed.

Over the same period, the Public Employment Services (PES) were also reformed to improve their efficiency. In January 2015, Portugal adopted a new framework law for employment policy, which aims at further rationalising the set of ALMPs and the role of PES, as well as at establishing the principle of systematic evaluation of the different ALMP programmes in the Standing Committee for Social Dialogue<sup>23</sup>.

In response to the worsening youth unemployment in Portugal, the government established the Strategic Plan for Promotion of Employment Initiatives and Youth Support to Small and Medium Business (Impulse Young)<sup>24</sup> to run until the end of 2013, and based on three pillars: traineeships, support recruitment and entrepreneurship based on investment support. The objective of this Plan

<sup>22</sup> The Council adopted the Recommendation of 22 April 2013 on establishing a Youth Guarantee.

<sup>23</sup> There is a long tradition of social dialogue and many subjects are discussed prior in the Social Concertation Standing Committee. The main tasks of this Standing Committee is to foster dialogue and social concertation to enter into agreements and must also give an opinion on the restructuring and socioeconomic development policies, as well as their implementation; provide solutions for the proper functioning of the economy taking into account its effect on the social and the labour fields; regularly appraise the evolution of the country's social and economic situation; appraise the legislation projects concerning social and labour matters, namely labour law, and employment policies, vocational training, social welfare, tax and public administration policies are included among the matters to be discussed, which includes Active Labour Market Policies.

<sup>24</sup> In Portuguese *Impulso Jovem*.

was to act on both sides of the labour market, establishing favorable conditions for the creation of skilled and sustainable jobs by companies and creating entry opportunities in the labor market for young people, offering them certified training or apprenticeships, aimed at a later lasting employment relationship, trying to reverse the installed trend of increasing structural unemployment among young people.

In February 2013, the scope of the program was broadened, enlarging the eligibility criteria as well as expanding it to additional regions. By the end of May 2013, 9 676 young people were covered by the program. A transfer of EUR 10 million from the Madeira ERDF Operational Program to the corresponding ESF Operational Program was made in order to support youth employment measures such as traineeships and hiring incentives. By the end of May, 1 497 additional young people had been covered<sup>25</sup>.

By the end of November 2013, this program covered about 90 000 young people and supported many SMEs, in those four pillars and contributed to the integration of young people into the labor market, benefiting from employment support measures targeted at employers, to create businesses and self-employment, to achieve professionals and providing reinforcement skills of young trainees, to improve the employability levels. This initiative has also entailed a comprehensive reprogramming of EU structural funds. For example, EUR 143 million of EU funding was reallocated to finance measures that included traineeships in key economic sectors, as well as support for the contracting of people aged 18-30 years old via reimbursement of employers' social security contributions.

In 2014 Portugal created a new initiative that unified all the previous initiatives under the name "Youth Guarantee". Portugal presented a Youth Guarantee Implementation Plan on 31 December 2013. The Portuguese Youth Guarantee contains a comprehensive array of initiatives and reforms, both existing and planned. The target group is 15-29 year old young people.<sup>26</sup>

### *3.3. Vocational Training*

Many national measures highlight education as a good way to decrease youth unemployment by creating new learning opportunities for the young who drop school before the end of the compulsory education. By creating new forms of apprenticeships and training contracts, where high education and apprenticeship is given, youth unemployment can actually decrease.

Portugal took measures to improve vocational education and training (VET) to better reflect the needs of the labour market in general linked to the Youth Guarantee scheme and commitments taken

<sup>25</sup> EUROPEAN COMMISSION : *Working together for Europe's young people*. 2013. 20.

<sup>26</sup> In Portugal the YEI (Youth Employment Initiative) specific allocation represents €160,772,169 for the period 2014–2015 (matched by the same amount from the ESF) with the Alentejo, Algarve, Centro (PT), Lisboa, Norte, Região Autónoma da Madeira, Região Autónoma dos Açores regions being eligible. The YEI is part of the Social Inclusion and Employment program adopted in December 2014.

under the European Alliance for Apprenticeships and it also introduced legislative revisions of the VET system. In Portugal, the curricular pattern of vocational education and training was adapted and Portugal created a vocational centres network and new vocational courses at basic (age 14) and secondary (ages 15 to 17) education.

The implementation of the Youth Guarantee started on 1<sup>st</sup> January 2014 and progress is underway. Between March and December 2014, 67 317 people aged under 30 and not in employment, education or training (NEET) took part in measures classed as a *Youth Guarantee quality offer* once they had been registered by the Public Employment Services for a maximum of four months. These included, on the basis of the data from the Vocational Training and Employment Institute, work placements, vocational training and traineeships.

Portugal has been making substantial efforts to put the Youth Guarantee into practice and involve all relevant governmental and non-governmental partners in its implementation. The PES (Youth Guarantee Coordinator Entity) is conducting awareness-raising campaigns to involve partners better able to reach out to young people not in employment, education or training, namely NGOs and social institutions. An IT Youth Guarantee platform has been set up to enable monitoring of the young people benefitting from the program.<sup>27</sup>

However, in spite of these progresses, there are substantial challenges to be addressed, including the PES' capacity as Youth Guarantee coordinator to engage the Youth Guarantee network's various partners, and the need to reach all non-registered NEETs. There is also the lack of effective coordination and engagement of different partners and the absence of an YG one-stop shop, which would facilitate outreach to young people, and their access to the different services.<sup>28</sup> There is also the need to have effective skills anticipation and outreach to non-registered young people, in line with the objectives of a youth guarantee.

In Portugal, the set-up of integrated e-Portals allows young people to register directly on-line and be connected to a national register to facilitate automatic verification of fulfilment of requirements, and transmission of offers. Portugal has created hiring incentives and start-up subsidies as means to promote the activation of young jobseekers and new, also established hiring incentives to stimulate job creation for other groups among the long-term unemployed. Also general hiring incentives have been introduced or reinforced in Portugal.

Start-up incentive schemes have widely developed across Europe to support the unemployed to take up an entrepreneurial activity and promoting youth entrepreneurship and making Europe more entre-

<sup>27</sup> This platform can be seen in <https://www.garantiajovem.pt/>.

<sup>28</sup> All this can be seen in EUROPEAN COMMISSION: *Country Report Portugal 2015 Including an In-Depth Review on the prevention and correction of macroeconomic imbalances*. (February 2015) {COM (2015) 85 final}; and EUROPEAN COMMISSION: *Commission Staff Working Document: Assessment of the 2014 national reform programme and stability programme for Portugal – Accompanying the document Recommendation for a Council Recommendation on Portugal's 2014 national reform programme and delivering a Council opinion on Portugal's 2014 stability programme*. (June 2014) {COM (2014) 423 final}; COUNCIL OF THE EUROPEAN UNION: *Joint Employment Report* (March 2015); and IMF: *Portugal: First Post-Program Monitoring Discussions—Staff Report; Press Release; and Statement by Executive Director* (January 2015).



preneur-friendly has recently become a priority on the EU policy agenda. Of course, self-employment and entrepreneurship are not a magic potion for solving the youth unemployment crisis, as only a minority of young people have the right skills, ideas and personality traits. Nevertheless, “making Europe more business-friendly and helping young people transform their creative ideas into successful business plans by removing the barriers to entrepreneurship has many potential benefits, including direct and indirect job creation and the development of human capital and new skills”,<sup>29</sup>

In Portugal *Investe Jovem* is a new program that offers financial support to young people to become self-employed or create their own microenterprise. There is also the program supporting entrepreneurship and self-employment, the national microcredit program, and the network of perception and business management.<sup>30</sup> *Investe Jovem* can only be used by young people between 18 and 29 years and is regulated by Decree Law No. 151/2014 of 30 July. This is a program that aims to grant financial and technical support to young unemployed, between 18 and 29 years old, who present a viable business idea.

There is also the *Active Youth Employment Program* offering socio-professional integration of young people with low qualifications and furthest from the labour market, within a work project of limited time duration. The *Retomar* program, another measure, consists of a yearly financial support for students who have dropped out of education, providing incentives for them to complete their studies. Regarding the internship pillar, there is the possibility of a paid internship, lasting nine months, in all sectors of activity, to improve the transition of young people into the labor market<sup>31</sup>.

#### 4. Exemptions of payments to Social Security

Another measure to improve the employment of young people is the possibility of exemption from contributions to Social Security for employers who hire young people looking for looking for employment through permanent contracts, either full-time or part-time. These young persons are 1<sup>st</sup> job seekers (between 16- 30 years), who have never had a permanent contract. Despite this is a way to promote the employment of young people, the notion of 1<sup>st</sup> job seekers creates the possibility of having young employees who are considered first job seekers and actually are integrated in the labour market for many years through fixed term and temporary contracts.

<sup>29</sup> EUROFOUND: *Youth entrepreneurship in Europe: Values, attitudes and policies*. 2015. 1.

<sup>30</sup> In Portuguese: apoio ao empreendedorismo e criação do próprio emprego; programa nacional de microcrédito; RPGN – rede de percepção e gestão de negócios. The rules can be seen (in portuguese) in <https://www.garantiajovem.pt/emprego>.

<sup>31</sup> Regulated in Order No. 204-B/2013 of 18 June, as amended by Ordinance No. 375/2013 of 27 December, Ordinance No. 20-A / 2014 of 30 January and the Ordinance No. 149-B / 2014 of 24 July, and Order No. 9841 -A / 2014 of 30 July.

## 5. Conclusions

The level of youth unemployment remains very high in several EU Member States, and there is an increased awareness of the economic and social consequences associated with longterm disengagement from the labour market. According to the ILO, global unemployment rates among youth continue to rise and even increase in some regions over the next five years. For employed youth, informality remains prevalent and transitions to decent and stable jobs are slow and hard. Provide young people with better living conditions by improving their qualifications and their work is essential for a sustainable economy and social development, because they hold the key to the dynamism and prosperity.

It is essential to have young people with better skills and adjusted to the labour market in Portugal. Undoubtedly, the state will have a key role in this process, and only with a robust economic recovery we can have a decrease in youth unemployment, despite the important complementary role of the civil society. It is essential, moreover, that civil society takes on new responsibilities in this area, particularly through partnerships with the business community, and contributing to innovative solutions and greater efficiency, otherwise we can get to be known as no country for young people. Unquestionably, if we are not able to address problems with more ambition, we can hardly get it back to a country that attracts young people to stay.

The Youth Guarantee is an extremely ambitious measure, that includes several policies, that assist young people in the transition between studies and working life. By including issues that are related to education, training, internships and employment, there is an attempt to cover all areas, that present more problems and achieve better relations between supply and demand in the labor market. In fact, the Member States where the training policy and stages are better developed and coordinated are the same that experience a lower youth unemployment rate.

Thus, it is not considered, that the best way for the full integration of young people into the labor market are the flexibility of the labor market, but rather, institutional factors such as the quality of education, learning, training and the existence of an effective education system in transition from school to the labor market. To solve the problem of youth unemployment, education remains the main response. It will also require more transverse and integrated solutions for such a complex challenge as is the employability of young people, considering that limit the action to the phenomenon of unemployment will not be sufficient.

However, the Youth Guarantee, as all the other policies to foster the employment of young people, to truly succeed, needs political will and investment, establishing partnerships and cooperation with employment and vocational training institutes, with undertakings, with the social partners, educational institutions and youth organizations, creating effective employment opportunities. Priority should be given to training and not let young people cope alone with unemployment, under penalty of becoming economically inactive and NEETs. Given the challenge of trying to solve the high youth

unemployment, the solution should be, not the promotion of greater job insecurity on the idea of any job is better than no job, but the adoption of means to favor the emancipation of young people, as well as dignified and decent working conditions, and social partners have here an essential role. In fact, it is only possible to have a genuine economic growth if all employees have an effective opportunity to work.