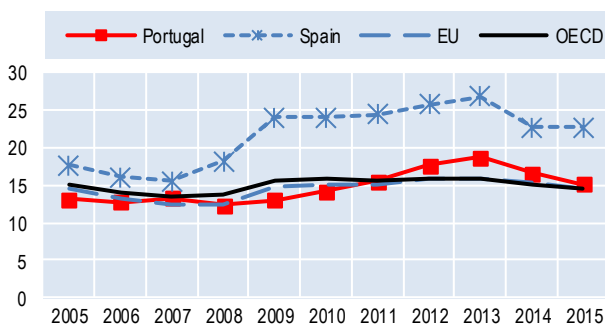


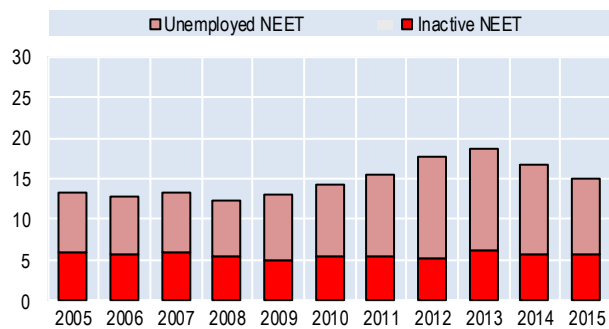
The 2016 edition of *Society at a Glance* examines social well-being and its trends across the OECD. The number of young people not in employment, education or training (NEETs) remains elevated in many countries since the crisis; the report therefore focusses on this group of young people examining the characteristics of those at risk of being NEET along with policies to help meet the challenge. This edition also includes many new youth-specific indicators on family formation, self-sufficiency, income and poverty, health and social cohesion.

The NEET youth rate increased in Portugal during the crisis and has not fully receded yet

Percentage of 15-29-year-olds who are not in employment, education or training (NEET rate), 2005-2015



By activity status, Portugal



THE NEET SITUATION

The proportion of young people who are not in employment, education or training (the NEET) rose in Portugal during the Great Recession. Up until 2007 the NEET rate in Portugal was slightly below the OECD average at around 14%. **Between 2008 and 2013 it rose to 19%.** By 2015 the NEET rate had receded to 15%, however it is still above the levels seen before the crisis [Figure 1.5]. Breaking the NEET groups down into those looking for work (unemployed) and those not looking for work (inactive) shows that this sharp rise was entirely driven by youth unemployment.

Most of the NEET live with their parents in Portugal (70%), this pattern is also observed in other southern European countries (such as Greece and Italy), while it is only the case for 1 in 2 NEETs in the OECD area [Figure 1.17].

Portugal shows a relatively small gap in NEET rates between native and foreign-born youth since young people born abroad are 1.2 times more likely to be NEET than their native born counterparts whereas the ratio is on average 1.5 in the OECD area [Figure 1.16].

Early school leaving remains an important challenge.

In 2014, more than one in three of young Portuguese were early school leavers, the third highest rate in the OECD after Mexico and Turkey. Early school leaving is even higher for young Portuguese males: more than 40% did not complete upper-secondary schooling compared to 30% of young women. On average, around one in six of the 25-34 year-olds do not have an upper-secondary qualification in the OECD. [Figure 1.26].

In most OECD countries, poorly educated young people were hit hardest by the crisis. This is particularly true in Portugal where **most of the employment losses for the 15 to 29 year-olds has been observed among the low educated.** [Figure 1.3]:

Work experience facilitates the transition from school to work. However, **access to internships is low in Portugal,** only 5% of young people in Portugal benefit from this type of experience in comparison to about 27% across the OECD. [Figure 1.29]. Also, a low share of youth – only 4% – combine work and study, compared with 12% in the OECD [Figure 1.4]

The « costs » of the NEET phenomenon is estimated at more than 1% of GDP for Portugal [Figure. 1.8]

OVERVIEW OF OTHER SOCIAL INDICATORS

Low fertility

Fertility in Portugal stands at 1.23 child per woman aged between 15 and 49, the second lowest rate in the OECD area (1.68) after Korea, and well below the replacement level of 2.1 [Figure 3.4]. The share of youth in the total population has been falling significantly since the 1960s (about 8 percentage points) and young people nowadays account for only 16% of the population [Figure 3.15]

The marriage rate in Portugal (3.1 per 1000) is the second lowest in OECD (4.6 per 1000) after Slovenia [Figure 3.12].

High and persistent unemployment

Despite significant improvement since the peak of the crisis (minus 5 percentage points) **unemployment is still high in Portugal at 12%** [Figure 4.4]. **For the labour market entrants it even reaches 50%** [Figure 4.13]. Incidence of long-term unemployment (12 months and over) for older people (55+) is particularly high (3 in 4 older unemployed). This is only less than one in two on average in the OECD. [Figure 4.6]

High maternal employment

The maternal employment rate in Portugal is higher than the OECD average. For mothers with a youngest child aged 0-2, maternal employment is 70% compared to 53% in the OECD [Figure 1.13]. Portugal reports higher participation rates in childcare and pre-school services for 0-2 year olds (see PF3.2.A from the OECD Family Database).

Declining inequality but high youth poverty

Despite an increase in market income inequality between 2007 and 2014, **inequality of disposable income (that households “take home”) declined due to the effect of cash public transfers and direct taxes which mitigates market income inequality.** [Figure 5.2].

Disposable income has fallen most among youth between 2007 and 2013 [Figure 3.3].

However **poverty is much higher for youth and children** (18% compared with 14% in the OECD) than for the adults and elderly, 13% and 10% respectively [Figure 5.6]. With a high proportion of unemployed or inactive, young people in Portugal are more likely to be poor.

Social protection under the pressure of fiscal consolidation

Portuguese public spending on social protection, accounting for 25% of the GDP stands over the OECD average of 21%. with a significant part dedicated to old

age pensions, *ie.* 14% GDP compared to 8% across the OECD. [Figure 5.9].

While net income replacement when out of work in first phase of unemployment is higher than the OECD average [Figure 5.7], **the guaranteed minimum income for low-incomes is well below the poverty line.** Expressed in percentage of median income, this minimum income is slightly below the average safety net in the OECD [Figure 5.8].

High pressure on public budgets has led to fiscal consolidation efforts over the last years. **Portugal reported the 3rd largest decline in education spending since 2010** [Figure 4.11], **together with the second largest decline in the growth rate of health expenditure for 2009-2013** [Figure 6.10].

Low perceived health

Portuguese report a relatively low level of feeling to be in good health, less than 50% people feel healthy compared to about 70% across the OECD [Figure 6.4].

Low life satisfaction and trust in government

Life satisfaction has declined since the crisis, like in other countries badly hit by the recession. When asked to rate their general satisfaction with life on a scale from 0 to 10, Portuguese recorded a 5.1 in 2014/15, which is the lowest among the OECD countries. [Figure 7.1]. The level reported by the elderly is even lower at 4.5.

Trust in government is low and has been declining, only 23% of the people reported to have confidence in national government, which is about half of the level observed in the OECD area *ie.* 42% [Figure 7.5] Interest in politics is also low [Figure 7.9]

High social networks

A high proportion of young people (95%) in Portugal are engaged in online social networks compared to 89% on average in the OECD area [Figure 7.14].

Criminality on the decline

Crimes have declined; the number of persons brought into formal contact with the police and/or criminal justice system has decreased by 20% since 2008.

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